



Quarterly Performance Report 2021-22

Second Quarter

1 October 2021 – 31 December 2021

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Acknowledgement

The Colac Otway Shire Council respectfully acknowledges the Gulidjan and Gadubanud peoples of the Maar Nation as the traditional owners of the Colac Otway Region, the land upon which the activities of the Colac Otway Shire Council is conducted on.

We pay our respects to their ancestors and elders, past, present and emerging. We recognise and respect their unique cultural heritage, beliefs and uphold their continuing relationship to this land.

Council Plan 2021-2025

Council formally adopted the Council Plan 2021-2025 on 27 October 2021 at its Council Meeting. The Council Plan is a document that is developed in partnership with the community to guide Council's strategic direction over the next four years.

The key issues faced by our community, identified through the development of the Community Vision 2050, informs the choice of major projects and activities that Council identifies as its highest priorities.

Community Engagement

Development of the Council Plan 2021-2025 included a comprehensive community engagement process, which conducted alongside development of the Community Vision 2050. The engagement process included:

- Regional roadshows at 12 community locations
- Online community sessions
- Community survey
- Stakeholder interviews
- Youth summit
- Community panel sessions
- Councillor workshops
- Exhibition of draft Community Vision 2050 and Council Plan 2021-2025

The Community Vision 2050 and Council Plan 2021-2025 is available for download from Council's website, or hard copies are available for viewing at Council offices in Colac and Apollo Bay.

Council Plan 2021-2025 Strategic Themes

There are four themes in the Council Plan:

Theme One - Strong and Resilient Economy

We are committed to expanding our diverse industries, vibrant arts community, world-renowned tourism, and professional health services. A healthy, growing economy will provide sustainable industries and jobs, and opportunities for all ages.

Theme Two – Valuing the Natural and Built Environment

We will protect our natural environment and communities, by maintain and providing resilient infrastructure, and being leaders in sustainable living, modelling innovation and best practice.

Theme Three – Healthy and Inclusive Community

We will continue to be a great place to live. We embrace our diverse community, take care of our older community and prepare our children for success. We care for each other, are friendly and welcoming, and enjoy a vibrant and active lifestyle. We are a small population with big hearts.

Theme Four – Strong Leadership and Management

We will be leaders in good governance, transparency and strive for ongoing improvement.

Chief Executive Report

The second quarter of the 2021-22 financial year was another quarter marred by the unexpected nature of the COVID-19 pandemic and once again we found ourselves in lockdowns, with strong work from home orders from the Chief Health Officer, as well as the added reporting burdens of vaccination status and a hint of future rapid antigen testing requirements.

It was also the first time that our staff reported positive cases in 2021, and business continuity was a key focus with good work done in planning for these eventualities, which kept us a robust and efficient workforce – albeit apart from each other during some of it.

Cr Kate Hanson and Cr Graham Costin were re-elected to the roles of Mayor and Deputy Mayor, respectively, providing continuity for Council as it entered the second year of this Council term.

Our Council Plan 2021-2025 was adopted in October 2021 and is the key document outlining our strategic direction and priorities. This also included Council's Municipal Public Health and Wellbeing Plan for the first time, merging the two documents.

A number of important steps were made towards establishing advocacy priorities to go before Council, as well as action plan achievements, with 60 actions 50%-100% complete.

Council has budgeted to deliver an operating surplus of \$3.27M this financial year. While COVID-19 has had a significant negative impact on many parts of Council's operations over the last six months, the full year forecast operating surplus has increased by \$0.85M to \$4.12M, predominantly due to operating and capital grant income carried over.

Due to significant delay in the delivery of the \$20.67M capital works program, forecast year spend on capital works is expected to be similar to 2020-21 and Council will again carry a substantial portion of the program forward to be delivered in the next financial year.

Having reviewed the financial statements, and as part of the section 97 requirement of the *Local Government Act (2020)*, I'm pleased to say that no revised budget is required, despite the uncertain times and the impacts on our underlying operations.

As international borders open up, events return and businesses are able to have some level of confidence that lockdowns may not be part of our COVID-normal into 2022, Council can also resume more business as usual and progress the important planning work undertaken in this quarter.

Anne Howard
Chief Executive
Colac Otway Shire Council



Annual Plan 2021 - 2022

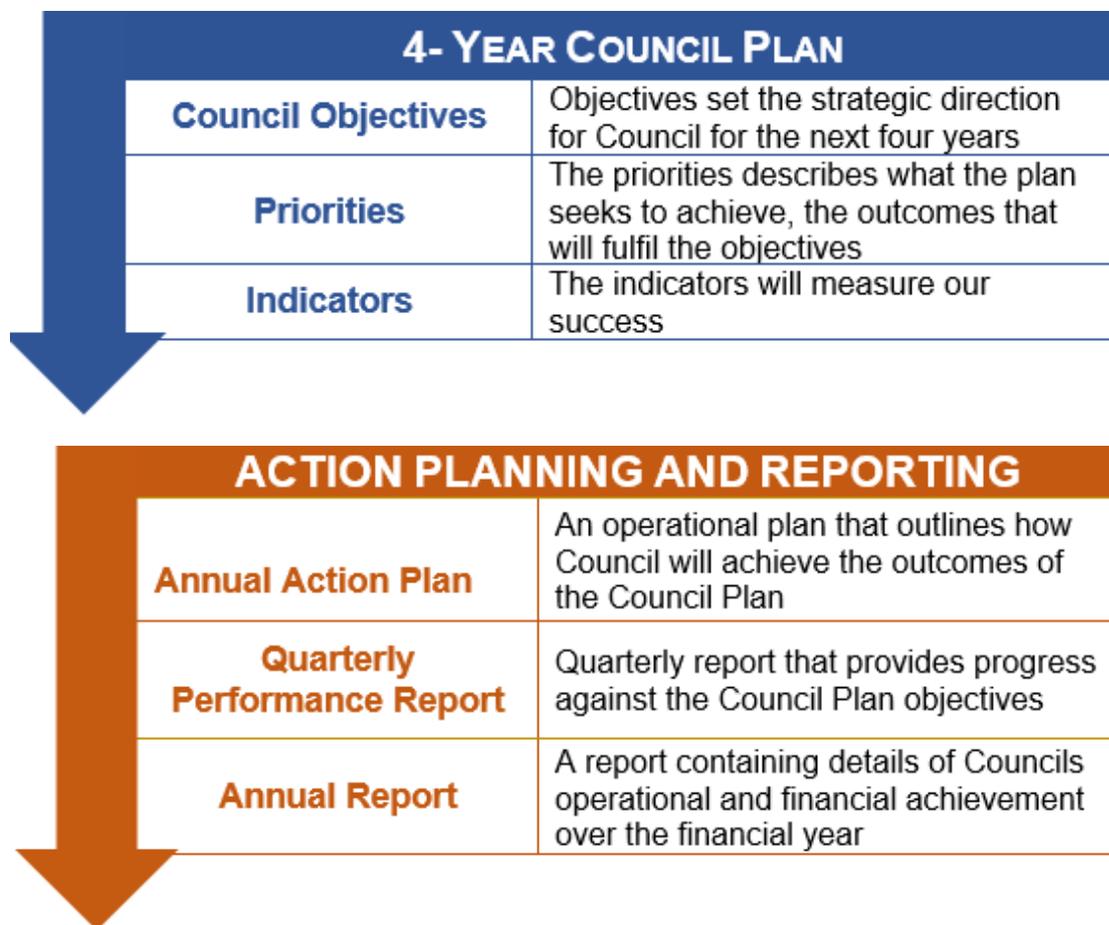
The Annual Plan is an operational plan that outlines how Council will achieve the outcomes of the Council Plan 2021-2025.

As part of the Council Plan 2021-2025, Council commits to generating an annual action plan to demonstrate how we will deliver on our commitments, evaluating our own performance, and publishing results within the annual report each October.

In addition, the development and implementation of the annual plan is informed by ongoing partnerships with agencies, community and other levels of government.

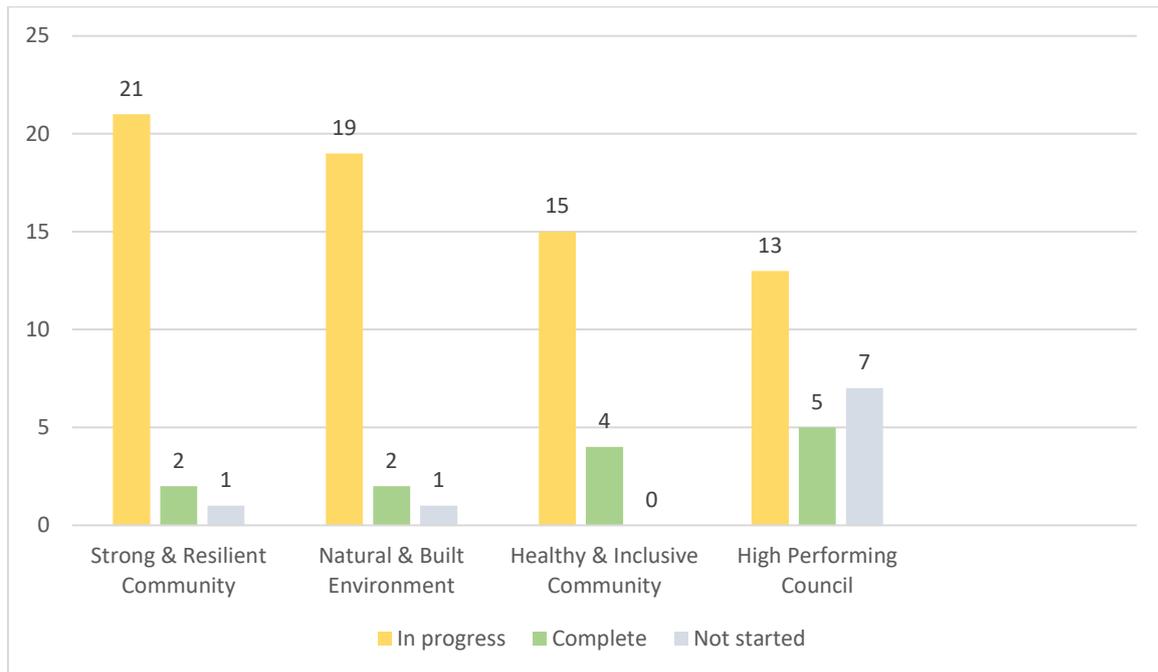
Each quarter, Council will produce a quarterly report showing progress against each of the actions in the annual plan, in addition Council produce an Annual Report, which outlines the work undertaken for the financial period.

Integrated Planning Framework

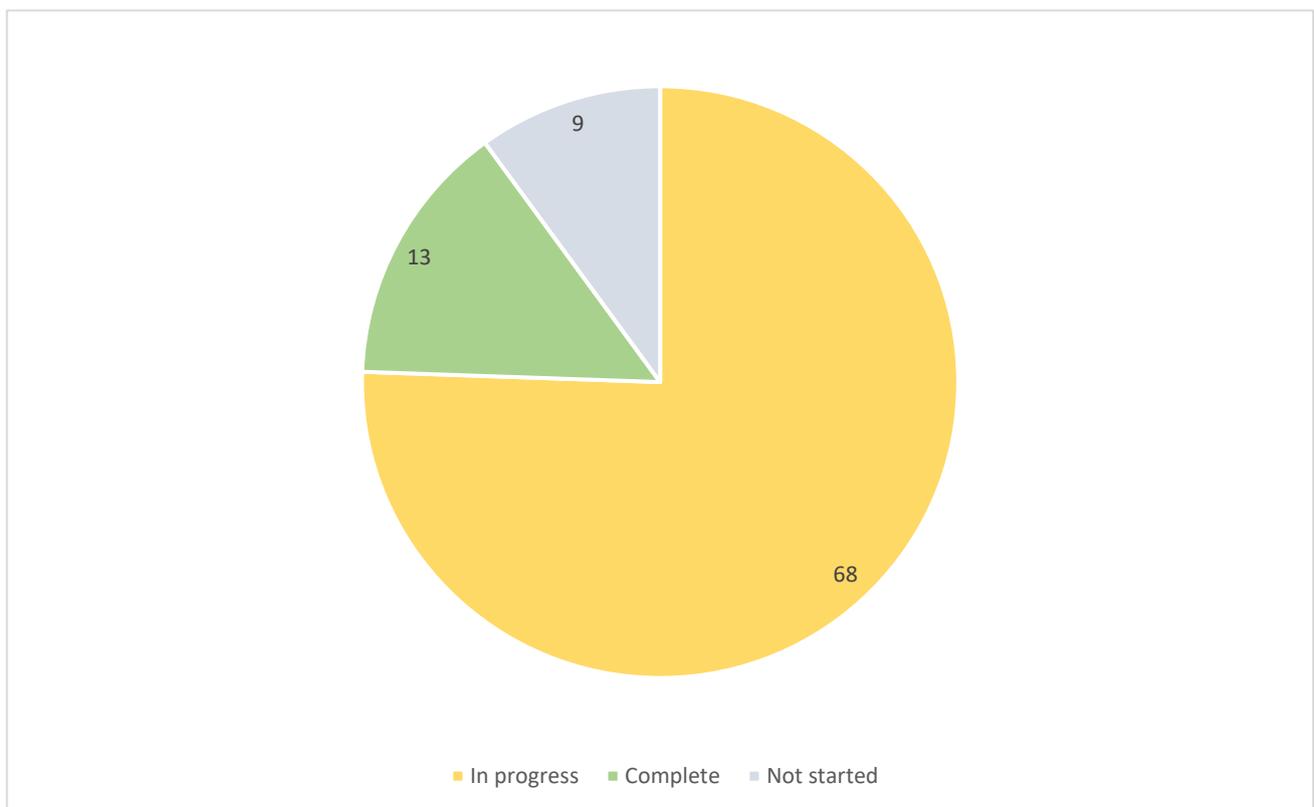


Annual Plan 2021 - 2022

Progress by Theme



Overall Progress by Action



Theme One – Strong and Resilient Economy

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
1.1 Affordable and available housing will support our growing community and economy					
1.1.1	Deliver a strategic growth plan for the shire and settlement strategy for all small towns and rural living areas	<i>Participate in Great Ocean Road Authority Strategic Framework Plan</i>	Officers have attended workshops by the Great Ocean Road Coast and Parks Authority concerning technical work being undertaken as a precursor to the Strategic Framework Plan and have contributed feedback.	50%	In progress
1.1.3	Facilitate the delivery of more diverse housing stock in Colac and Apollo Bay	<i>Progress sale of the Council owned land at Bruce Street Colac for development with social housing</i>	Expression of Interest process initiated for sale of the land, with social housing. Project approach reviewed and amended by Council at the December 2021 meeting. The Notice of Intention to sell was advertised, resulting in a decision to proceed with the sale of the land.	50%	In progress
		<i>Work with the Apollo Bay community to progress actions that achieve key worker housing</i>	Planning and Economic Development staff have liaised with the Apollo Bay Key Worker Housing task force concerning potential housing initiatives, and have provided advice on a number of possible housing sites. Collaborative work was also undertaken with the Great Ocean Road Coast and Parks Authority concerning temporary worker accommodation in the Apollo Bay Recreation Reserve Caravan Park.	50%	In progress
1.1.4	Increase residential land supply in Colac	<i>Commence Deans Creek Outline Development Plan and Development Contributions Plan</i>	Challenges experienced in recruiting a project officer, but early work commenced to develop governance arrangements for the project. Grant applications lodged with the Victorian Planning Authority and Regional Development Victoria to fund the technical work required.	25%	In progress
		<i>Support the sale of land process at Bruce Street for residential housing</i>	Expression of Interest process initiated for sale of the land inclusive of social housing. Project approach reviewed and amended by Council at the December meeting.	50%	In progress

Theme One – Strong and Resilient Economy

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
			Notice of Intention to sell was advertised, resulting in a decision to proceed with sale of the land.		
		<i>Complete Colac West Development Plan and Shared Infrastructure Plan</i>	Draft Development Plan placed on public exhibition in August/September and submissions heard by Council in November. Officers finalising a Shared Infrastructure Plan for discussion with landowners. Finalisation of the Plan will occur early in 2022 following completion of stormwater investigations by key landowners in the precinct. Substantial progress made in progressing a subdivision within the Development Plan area.	50%	In progress
		<i>Process privately led Colac residential housing planning scheme amendments</i>	Officers have facilitated the preparation of amendments to rezone land at Irrewillipe Road in Elliminyt (considered by Council at the December 2021 Council meeting) and west of the Wyuna Estate at Elliminyt (awaiting finalisation of the amendment documentation by the proponent). These should be placed on exhibition early in 2022.	50%	In progress

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
1.1.5	Deliver a Social Housing Strategy	<i>Adopt Social Housing Strategy</i>	Council adopted the Colac Otway Social Housing Plan at its August Council meeting. Officers have since worked with the G21 Project Control Group, Homes Victoria and other stakeholders to process actions in the Plan.	100%	Completed

Theme One – Strong and Resilient Economy

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
		<i>Work with G21 regional partners to finalise a regional plan</i>	Council has worked closely with the G21 region partners to progress a regional plan. A Big Capacity Build funding proposal has been developed to enable an expansion of the project to encompass other housing issues, including key worker housing, to be conducted over 5 years. Strong relationships have been developed with Homes Victoria concerning potential social housing developments under the Big Housing Build program.	50%	In progress
		<i>Work with Homes Victoria and housing providers to deliver social housing projects under the State's Big Housing Build program</i>	Officers have provided details of suitable State Government owned sites to Homes Victoria for potential development under the Big Housing Build program, and met several times to discuss these opportunities. Officers have also discussed opportunities on privately owned land with Homes Victoria, and responded to a Request for Proposal by Homes Victoria for purchase of Council owned land at Apollo Bay for development of affordable housing.	50%	In progress
		<i>Support the delivery of social housing through development of the Council land at Bruce Street, Colac</i>	Expression of Interest process initiated for sale of the land inclusive of social housing. Project approach reviewed and amended by Council at the December meeting, however still includes a social housing component. Notice of Intention to sell process was advertised and resulted in a decision to proceed with sale of the land.	50%	In progress
1.1.6	Increase access to affordable accommodation for essential workers	<i>Work with the Apollo Bay community to progress actions that achieve key worker housing</i>	Planning and Economic Development staff have liaised with the Apollo Bay Key Worker Housing task force concerning potential housing initiatives, and have provided advice on a number of possible housing sites.	50%	In progress

Theme One – Strong and Resilient Economy

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
			Collaborative work with the Great Ocean Road Coast and Parks Authority concerning temporary worker accommodation in the Apollo Bay Recreation Reserve Caravan Park.		
		<i>Participate in a regional Key and Essential Housing Worker project</i>	Council has participated in the Project Control Group for the regional Key and Essential Worker Housing project, and has been involved in the engagement of a consultant and project manager. The project has commenced and engagement between Council and the consultant is occurring.	50%	In progress
		<i>Investigate site options for future provision of key worker housing in Apollo Bay</i>	Officers have worked with the Apollo Bay Housing Taskforce to provide advice on the suitability of various sites.	50%	In progress
		<i>Advocate to State and Federal Government for support towards key worker accommodation</i>	Council has used G21 and the Barwon Southwest Regional Partnership forums to advocate for funding and Government support to address the key worker housing shortage, with representations being made to State and Federal politicians and Government agencies, such as RDV. A submission has been made to Homes Victoria seeking support to establish key worker accommodation under the Big Housing Build program, and an expression of interest lodged for purchase of the Apollo Bay Kindergarten site in Apollo Bay from Council for new accommodation.	50%	In progress
		<i>Review Council's local law exemption process to consider increased facilitation of short term accommodation on</i>	Officers have developed a complementary local law permit process for consideration of key worker permits to camp on private land for the summer period. This was considered at the November 2021 Council meeting and the process put in place for the 2021-22 summer holiday period.	100%	Completed

Theme One – Strong and Resilient Economy

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
		<i>residential lots for essential workers</i>			

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
1.2 Attract, retain and grow business in our Shire					
1.2.2	Attract and retain a diverse range of businesses and industries, particularly those with green credentials	<i>Deliver small business Digital Transformation program</i>	A consultant has been appointed to deliver the first stage of the Digital Infrastructure Capacity and Gap Analysis project.	22%	In progress
1.2.3	Deliver City Deals project in Colac Otway Shire's coastal towns	<i>Complete year one milestones in projects plans</i>	<p>There are three City Deal projects, being:</p> <ol style="list-style-type: none"> 1. Kennett River Tourism Infrastructure Improvements 2. Apollo Bay to Skenes Creek Coastal Trail 3. Apollo Bay Harbour Redevelopment. <p>The projects to date are achieving agreed deliverables within forecast budget.</p> <p>All projects are finalising detail design phase and working toward completing required permits and approvals.</p> <p>Construction cost estimates are indicating a budget short fall for Kennett River and Skenes Creek Trail projects.</p>	50%	In progress

Theme One – Strong and Resilient Economy

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
			<p>Construction cost estimates for the harbour precinct fall within budget.</p> <p>Further progress on the Fishermen's Co-Operative development is dependent on securing an agreement for a new lease.</p> <p>Completion dates for all three projects remain unchanged.</p>		

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
1.3 Key infrastructure investment supports our economy and liveability					
1.3.1	<p>Attract investment to implement key master plans and projects that will drive economic growth including but not limited to Lake Colac Foreshore Masterplan, Public Toilet Strategy, CBD and Entrances Plan, Apollo Bay, Marengo and Skenes Creek CIP, Murray Street upgrades, township masterplans, Colac Civic Health and Rail Precinct, Memorial Square Masterplan</p>	<p><i>Finalise a list of Council priority projects for funding advocacy</i></p>	<p>Project is scheduled for quarter 3/4 of the 2021-22 financial year.</p>	0%	Not started

Theme One – Strong and Resilient Economy

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
	Tourism Traffic and Parking Strategy				
1.3.2	Deliver improvements to Colac and Apollo Bay CBD's to support their role as a hub for commerce, tourism and the community	<i>Finalise the Colac Civic Precinct Master Plan</i>	Stakeholder engagement undertaken relating to opportunities and constraints for the precinct, and draft master plan documentation being prepared. Project is scheduled to be completed late in 2022.	50%	In progress
		<i>Complete the Apollo Bay Community Infrastructure Plan</i>	Significant progress has been made in resolving outstanding stakeholder concerns, with preparation of a draft Plan that is due to be considered by Council for public exhibition early in 2022.	50%	In progress
1.3.3	Advocate to relevant authorities for new and upgraded infrastructure to support business growth e.g. roads, utilities, NBN	<i>Complete a Digital Infrastructure Gap Analysis study</i>	A consultant has been appointed to deliver the first stage of the Digital Infrastructure Capacity and Gap Analysis project.	50%	In progress
1.3.4	Advocate for implementation of the Forrest Waterwaste scheme	<i>Advocate to Barwon Water and State government to fund Forrest Wastewater Upgrade</i>	Officers have continued to advocate for Barwon Water funding of the wastewater solution for Forrest to be included in its 2023-28 pricing submission to the Essential Services Commissioner.	50%	In progress

Theme One – Strong and Resilient Economy

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
1.4 Colac Otway Shire is a destination to visit					
1.4.4	Facilitate development of sustainable visitor infrastructure and accommodation	<i>Assist GORA with information necessary to conduct the preliminary assessment required to start the Ecotourism certification process</i>	Council's Economic Development and Tourism, and Environment teams attended workshops with Eco Tourism Australia to provide information on current environmental projects, policies and objectives. This information will be used for the initial assessment.	50%	In progress

Theme Two - VALUING THE NATURAL AND BUILT ENVIRONMENT

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
2.1 We mitigate impacts to people and property arising from climate change					
2.1.2	Green our streets and public places	<i>Deliver Council's Street Tree planting program to identified candidate streets</i>	<p>Candidate streets chosen for street tree planting include:</p> <ul style="list-style-type: none"> • Manifold Street • Pollack Street • Corangamite Street • Gellibrand Street <p>Works will be undertaken in Autumn 2022, including tree removal and appropriate complementary species to be sourced.</p>	35%	In progress
2.1.3	Minimise the effects of climate change and extreme weather events on our community	<i>Review and update (as required) emergency plans for emergency events and ensure Council is prepared to undertake its functions (e.g. Council's Pandemic Plans)</i>	Continue to monitor, review and update emergency plans to ensure Council is prepared to undertake its functions. Updated Strategic Fire Management Plan - Otway District in collaboration with Corangamite and Surf Coast Shires. Colac Otway Shire Pandemic Plan is currently being reviewed and updated.	50%	In progress
		<i>Provide support and input to community sustainability projects such as the Apollo bay Neighbourhood Battery Feasibility Study, the Geelong+ Community Solar Program and the BSW Community Power Hub and Small Business Energy Saver Program</i>	Continue to support and provide input to community sustainability projects, such as the Apollo Bay Neighbourhood Battery Feasibility Study, the Geelong+ Community Solar Program and the BSW Community Power Hub and Small Business Energy Saver Program - Advisory/Working Group meetings attended.	50%	In progress

Theme Two - VALUING THE NATURAL AND BUILT ENVIRONMENT

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
		<i>Complete scheduled capital works projects that address impacts from climate change and extreme weather events</i>	<p>The following projects are programmed for delivery in 21/22 and, once completed, will assist in addressing the impacts of climate change, specifically coastal erosion, flood, fire and landslips:</p> <p>Bass Crescent Outfall upgrade - scheduled for completion by end of December 2021</p> <p>Landslips - a number of landslip rectification works were scheduled for 2020/21, however recent high rainfall events over October have led to more slips occurring through the Apollo Bay hinterland and some are higher risk than those currently scheduled.</p> <p>Works are currently underway on Morris Access as planned and will be completed early in the new year, however emergency funding is currently being sought to undertake emergency and capital works to address new slips as soon as possible.</p> <p>It is anticipated that emergency works will be completed within 3 months and permanent recovery works will be implemented over the coming 18 - 24 months, subject to funding.</p>	46%	In progress

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
2.2 We operate sustainably with a reduced carbon footprint					
	Improve Council's sustainability practices through the reduction of	<i>Establish and verify Council's net-zero emissions/carbon neutral status by participating</i>	Council's 2020-2021 emissions inventory has been completed and published in Council's Annual Report 2020-21. The emissions inventory verification work is underway and in its last stages. The emissions inventory verification and the purchase	80%	In progress

Theme Two - VALUING THE NATURAL AND BUILT ENVIRONMENT

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
2.2.1	Council's carbon emissions and/or need to pay for carbon offsets	<i>in a not-for-profit, revegetation based offsetting program</i>	of the required not-for-profit revegetation based offsets should be completed by the end of February 2022 to formalise Council's Carbon Neutral status for the 2020-2021 financial year.		
		<i>Conduct feasibility study into the opportunity to install electric heat pumps at Bluewater Leisure Centre to replace the existing Gas Heat Pumps</i>	Feasibility Study completed, currently being reviewed by Council officers. Councillors will be briefed on the outcomes of the study in early 2022.	80%	In progress
2.2.2	Council supports the community to reduce carbon emissions	<i>Explore membership of a regional greenhouse alliance</i>	Formal invitation to join the now established and incorporated BSWCA as a paid member has been received by the CEO on Council's behalf and Council officers on 30/11/2021. The decision to join the Alliance as a paid formal member requires formal endorsement of Council. The decision/option to become a paid member of the BSWCA will be presented to Council for its consideration at the March 2022 Council meeting.	80%	In progress
		<i>Support community initiated environmental projects through the Colac Otway Shire Grant Program</i>	Council's grants program has assisted the following community initiated and business environmental projects in 2021-22: <ul style="list-style-type: none"> • Upgrades to energy and water efficient appliances, lighting and insulation. • Community education workshops in sustainable living. • Home energy efficiency assessments, video and workshops to share strategies. • Organic composting system. • Feasibility study into a neighbourhood battery. 	100%	Completed

Theme Two - VALUING THE NATURAL AND BUILT ENVIRONMENT

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
			<ul style="list-style-type: none"> Community riverbank rehabilitation and weed control projects. <p>Upgrade to the Community Nursery Support Centre which trains community members in plant and environmental initiatives.</p>		
2.2.3	Educating and assisting our community to act on climate change by reducing waste, emissions and water usage	<i>Conduct detailed and targeted educational activities including bin audits, to educate the community in the correct sorting of household waste at the source</i>	<p>Council's behaviour change campaign was undertaken with the delivery of the fourth glass-only collection bin in November 2021.</p> <p>Key messages as part of the behaviour change campaign included:</p> <ul style="list-style-type: none"> Separation of the glass from the co-mingled recycling increasing food waste in the green (FOGO) Organics bins reducing waste to landfill <p>Bin audits were completed in November 2021. Findings from these will also form part of the behaviour change campaign in 2022.</p> <p>Council's waste team introduced the GoodSort App to the community in November 2021. Residents can search waste materials to find out what bin it should go in.</p>	60%	In progress

Theme Two - VALUING THE NATURAL AND BUILT ENVIRONMENT

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
2.3 Protect and enhance the natural environment					
2.3.1	Environment Strategy reviewed	<i>Review the existing Environment Strategy and commence community and stakeholder consultation for the new Environment Strategy 2022-2030</i>	<p>The final Environment Strategy Review Report is due to be presented to Council on 2 February 2022 for noting.</p> <p>Community and stakeholder consultation planning for the new Environment Strategy 2022-2030 has commenced</p>	50%	In progress
2.3.2	Protect native vegetation, ecosystems, flora and fauna	<i>Deliver and support community and corporate environmental events (e.g. National Tree Day, World Environment Day, Clean Up Australia Day)</i>	<p>The Environment team continues to deliver and support community and corporate environmental events - the 2022 COPACC Education Season was launched on 1 December 2021 and includes Council's World Environment Day 2022 show, as well as an outreach show for our small towns.</p> <p>Other community environmental programs delivered include education programs in partnership with the Colac Specialist School and Colac Secondary College Alpine School Program.</p>	65%	In progress (Ongoing)
2.3.3	Undertake pest plant and animal management control programs and community education to target and reduce invasive species in natural systems	<i>Coordinate and deliver annual pest plant and animal control programs across environmental reserves, road reserves and other council managed land</i>	<p>Council's annual pest plant and animal control programs across environmental reserves, road reserves and other council managed land continues to be delivered.</p> <p>Planning for the autumn program, including any follow-up works from the spring/early summer portion of the program, is currently underway.</p>	60%	In progress (Ongoing)

Theme Two - VALUING THE NATURAL AND BUILT ENVIRONMENT

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
2.4 We will satisfy our community's reasonable expectations to reduce waste going to landfill, increase resource recovery and minimise waste charges					
2.4.1	Increase community satisfaction by community education, phone apps, reducing waste to landfill, pursuing joint waste contracts and other innovative approaches in partnership with our community and business sectors	<i>Continue to implement year one actions from the Colac Otway Resource Recovery and Waste Management Strategy, including roll out of the COS Shire "Good Sort" app for residents</i>	<p>To increase community satisfaction with the waste management system the following is being undertaken:</p> <ul style="list-style-type: none"> • Community education to support the rollout of the purple glass-only bin and changes to the recycling streams. • Using communication and social media channels to promote ways of reducing waste, reusing and recycling. • Council's GoodSort App (waste App) has received some positive feedback so far. <p>The goal is that through targeted communication Council increases community confidence of the kerbside recycling services.</p>	50%	In progress
		<i>Continue to identify opportunities to collaborate with regional partners, including Barwon Water and Barwon South West Waste Resource & Recovery Group</i>	<p>Colac Otway Shire Council's waste department is one of nine Council waste departments that work collaboratively as part of the Barwon South West Waste Resource Recovery Group to identify joint opportunities and look into regional partnerships.</p> <p>Currently Council is looking into the following projects.</p> <ul style="list-style-type: none"> • G21 Council's joint recycling facility in the Geelong area, (MRF) • A joint recycling facility collaboration with the Ballarat City Council (MRF) • Barwon Water organics facility (RON) 	30%	In progress
2.4.2	Reduce the % of food and organic (FOGO) waste in the landfill	<i>Review Events Policy and include provisions for waste wise events</i>	This project is due to commence in February 2022.	0%	Not started

Theme Two - VALUING THE NATURAL AND BUILT ENVIRONMENT

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
	waste stream (red bin) by awareness raising and innovative approaches	<i>Conduct detailed and targeted educational activities including bin audits, to educate the community in the correct sorting of household waste at the source</i>	<p>As part of Council's waste and recycling behaviour change campaign Council introduced kitchen caddy liners to encourage food waste in the green (FOGO) Organics bins and reducing food waste to landfill.</p> <p>Council's bin audit program was completed in November 2021. Findings from these will also form part of the behaviour change campaign.</p> <p>Council's GoodSort App (waste App) is an innovative way for our community to improve their waste & recycling awareness.</p>	50%	In progress
2.4.3	Reduce the % of contamination of the recycling waste stream (yellow bin) by awareness raising and innovative approaches	<i>Conduct detailed and targeted educational activities including bin audits, to educate the community in the correct sorting of household waste at the source</i>	<p>Council's behaviour change campaign included the separation of the glass from the co-mingled recycling; this is one way to reducing contamination in the co-mingled recycle streams.</p> <p>Council's bin audit program was completed in November 2021. Findings from these will also form part of the behaviour change campaign.</p> <p>Council's GoodSort App (waste App) is an innovative way for our community to improve their waste & recycling awareness.</p>	60%	In progress
2.4.4	Divert glass from landfill by rollout of glass recycling bins (purple bin) and public awareness raising and innovative approaches	<i>Introduce a fourth glass collection bin for the kerbside collection of glass, which will reduce the contamination of the current comingle stream</i>	<p>Reducing contamination in the yellow recycling bins started in October, when Council started to rollout the fourth purple glass bin to all residents who receive a kerbside waste collection.</p> <p>The rollout took about five weeks to deliver the 10,500 bins to residents. The first purple glass bin collections were in November 2021 where we collected 18.20 tonnes of glass.</p>	100%	Completed

Theme Two - VALUING THE NATURAL AND BUILT ENVIRONMENT

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
2.4.5	Trial a hard waste collection service	<i>Research and present options for a hard waste service leading to trials</i>	Council's Waste department is currently researching options for a hard waste collection and will provide options to Council in March 2022.	20%	In progress

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
2.5 Provide and maintain an attractive and safe built environment					
2.5.1	Maintain road and drainage assets to ensure they are safe and reliable	<i>Ensure that identified road defects are rectified in accordance with settings in the Road Management Plan</i>	Colac Otway Shire's Services and Operations department ensures that day-to-day operations maintenance to Roads and Drainage is in accordance with the Colac Otway Shire Road Management Plan (2021).	50%	In progress (Ongoing)
2.5.2	Deliver a relevant Capital Works Program	<i>Provide efficient and effective Capital works delivery in line with agreed targets</i>	Delays to projects have occurred due to COVID and other factors. We expect delivery of Capital Works this year to be in the order of 60% of the program. On top of that we expect that a large percentage of the remaining will be committed or under contract.	15%	In progress
2.5.3	Council meets annual infrastructure renewal gap	<i>Complete Council's Asset Plan</i>	Asset management plans (AMPs) have been prepared for all major asset classes: open space and recreation, paths, buildings, bridges, roads and drainage. A draft 'Asset Plan' that brings these documents together is currently being prepared in line with the requirements of the <i>Local Government Act 2020</i> .	75%	In progress

Theme Three – HEALTHY AND INCLUSIVE COMMUNITY

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
3.1 All people have the opportunity to achieve and thrive in our shire					
3.1.1	Advocate for access to and provision of education, employment and lifelong learning opportunities	<i>Deliver Small Business Digital Transformation project</i>	A consultant has been appointed to deliver the first stage of the Digital Infrastructure Capacity and Gap Analysis project.	22%	In progress
		<i>Deliver the Colac Otway Careers/Jobs Fair</i>	The Careers Fair was scheduled for October 2021, but was postponed due to COVID restrictions. The new date of the event will be early 2022.	25%	In progress
3.1.2	Create environments where children can be happy, healthy, supported, educated and safe	<i>Continue to work towards securing long-term childcare solutions for Apollo Bay and Colac</i>	Concept designs have been completed and quantity surveyor costs received. Next step is feasibility study work to determine the projected financial performance of a childcare addition.	20%	In progress
		<i>Complete Early Years Infrastructure Plan to guide facility maintenance and investment decisions across the shire</i>	A first draft has been developed. This has involved engagement with current kindergarten operators (Council appointed and community-based), Department of Education and Training staff, Maternal and Child Health and relevant schools with kindergartens onsite.	15%	In progress
		<i>Work with service providers, P-12 College and community to transition the Apollo Bay Preschool into new Apollo Bay Early Years Hub</i>	Sub-licence with One Tree Community Services signed and executed. State Government service approval secured. Kindergarten services commenced in the new facility at the start of Term 1.	100%	Complete
3.1.3	Provide services to enable lifelong health and wellbeing from the early to senior years	<i>Partner with other community organisations within Colac Otway Shire and boarding Aged Care and Disability services to enhance relationships with the community in building high</i>	Work continues with key agencies including Colac Area Health and Great Ocean Road to continue to provide high quality services to our community.	50%	In progress

Theme Three – HEALTHY AND INCLUSIVE COMMUNITY

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
		<i>quality and accessible service delivery to the home and community</i>			

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
3.2 People are active and socially connected through engaging quality spaces and places					
3.2.1	Provide safe, inclusive, accessible and integrated transport networks that support active transport	<i>Construction of a shared pedestrian and cycling path along the Great Ocean Road north of Cawood Street, Apollo Bay</i>	Project is in the design phase. Due to the path needing to cross Milford Creek, further design and permissions are required to determine the best solution for the path to cross at this location.	25%	In progress
		<i>Upgrade the shared path along the Barongarook Creek, Colac</i>	Designs have been finalised. Construction works to commence onsite during the first quarter of 2022.	25%	In progress
3.2.2	Plan for and supply quality public open space to meet community needs	<i>Complete upgrades to Memorial Square Playspace and Cororooke Open Space</i>	Memorial Square Playspace is complete and open to the public. An official opening will be held in the first quarter of 2022 depending on funding representatives/Minister availability. Cororooke Open Space civil designs have been completed. The Request for Quote for the construction of the path/site development and drainage works, and playspace components (design and construct tender) have been released for pricing. Works expected to commence onsite during the first quarter of 2022.	50%	In progress

Theme Three – HEALTHY AND INCLUSIVE COMMUNITY

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
		<i>Secure land on the former Colac High School site for future public open space</i>	The portion of land that was to be gifted to Council has been settled, and the State Government is currently finalising the sale of the land being purchased by Council. Council will require approximately 4.5 hectares. High level spatial concepts have been explored to determine what sports can fit and interact within the space. Once the land is settled and Colac Specialist School's design has been finalised, Council will embark on a masterplan for the site.	75%	In progress
3.2.3	Provide fit for purpose accessible and well-utilised recreation, arts and community facilities and services	<i>Complete masterplans with four city reserves (Eastern Reserve, Western Reserve, Lake Oval and Central Reserve) to provide direction for facility upgrades and improvements</i>	Consultants, Insight Leisure Planning, were engaged in June 2021 to complete master plans for the 4 sites, as well as develop a consolidated action plan for works across the 5 Colac City Reserves. Site inspections and analysis were undertaken in July. The consultants completed initial engagement via email and phone with key stakeholders during August/September. Preliminary ideas for each of the reserves were presented to the key user groups and stakeholders in November for discussion and consideration. The feedback from these sessions will be reviewed with draft master plans for each of the sites proposed to be presented to the reserve user groups and key stakeholders during the first quarter of 2022, prior to being released for community exhibition.	25%	In progress
		<i>Implement oval lighting upgrades at five sporting reserves, being Alvie, Birregurra, Gellibrand, Irrewillipe and Warrowie recreation reserves</i>	Funding was obtained through the State Government to upgrade the oval sports lighting at the 5 sites. Site electrical capacity testing and designs have been completed for the sites. Contract awarded for the Birregurra Recreation Reserve Oval Lighting Upgrade Project at the December 2021 Council Meeting. The contract for the 4 remaining sites received Council approval in February 2022. Works will commence onsite in the first quarter of 2022.	25%	In progress

Theme Three – HEALTHY AND INCLUSIVE COMMUNITY

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
3.2.6	Promote and demonstrate gender equity	<i>Develop and implement the Gender Equity Plan</i>	The Gender Equality Action Plan is in final draft form and is continuing to progress through the consultation phase prior to endorsement by 31 March 2022.	80%	In progress
3.3 We are a safe, equitable and inclusive community					
3.3.1	Support stakeholders such as Colac Area Health, Great Ocean Road Health, Barwon Health, Hesse Rural Health, Headspace and other community groups to improve mental health and wellbeing in our community	<i>Support Colac Area Health's advocacy for a Headspace facility in Colac</i>	Council was a partner to a successful consortium application to government for a Headspace facility in Colac. Council is now a member of the consortia committee put in place to oversee the establishment of the facility.	100%	Completed
3.3.2	Support relevant stakeholders to improve healthy eating and living in our community	<i>Conduct an EOI for a private operator to open a café facility in Bluewater that provides health eating options</i>	An Expression of Interest document for the lease of café services at Bluewater has been developed and will be released in the first quarter of 2022.	25%	In progress
3.3.3	Diversity is embraced	<i>Conduct community consultation to understand community views and perceptions on the future of Councils Australia Day Events</i>	Community consultation completed with community feedback presented to the October Council 2021 meeting.	100%	Completed

Theme Three – HEALTHY AND INCLUSIVE COMMUNITY

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
3.3.4	Deliver a Reconciliation Action Plan in consultation with Eastern Maar Aboriginal Cooperative	<i>Complete Reflect Action Plan in partnership with local Aboriginal community, ensuring it includes a specific section for the early years</i>	<p>Council has lodged its intent to develop a Reconciliation Action Plan (RAP) with Reconciliation Australia.</p> <p>A cross-functional committee of Council will be established to ensure the RAP is supported and implemented across the organisation.</p>	25%	In progress
3.3.5	Provide community safety services that enhance the liveability of our shire	<i>Commence a campaign to highlight the positive aspects of Council's compliance activities</i>	Discussions have begun and plans are underway for this campaign to start in the next quarter.	10%	In progress
3.3.6	Support health, enforcement and other services to support initiatives to reduce all forms of violence	<i>Raise awareness about gender equity by displaying flags in Murray Street as part of the 16 Days of Activism Against Gender-Based Violence, and partner with other agencies to support events during this period</i>	<p>Council purchased flags to display in Murray Street as part of the 16 Days of Activism Against Gender-Based Violence. The flags went on display during November and December, and were accompanied by awareness raising and publicity to promote discussion about gender equity in the community.</p> <p>Council has also partnered with Colac Area Health to support a community walk and event.</p>	100%	Completed

Theme Four – HIGH PERFORMING COUNCIL

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
4.1 We commit to a program of best practice and continuous improvement					
4.1.1	Identify and embrace best practice and modernise systems to realise efficiencies	<i>Upgrade to a modern cloud based phone system for access to enhanced features, improving reliability, security, scalability and accessibility from anywhere, including during an emergency, whilst delivering a seamless customer experience</i>	Upgrade to modern cloud system project has commenced. Phone hardware has been delivered to the ICT Unit. These units will need to be configured and setup as the project progresses to replace existing hardware. Phone number porting process has begun. Awaiting on ETA for port request completion.	10%	In progress
		<i>Investigate and scope further cyber security and data protection measures to provide continued protection and compliance for council systems</i>	Implemented 24/7 monitoring, incident, Detect and Response Service. Working with Municipal Association of Victoria (MAV) vendor proofpoint to implement Domain Based Message Authentication Reporting and Conformance (DMARC) to strengthen email security. Commenced work with a vendor to collect hard-to-get telemetry from disparate data sources to uncover hidden data security risks for data protection and compliance.	95%	In progress (Ongoing)
		<i>Upgrade conference rooms to modern meeting technology</i>	Project has commenced searching for vendors to quote on scope of works.	5%	In progress

Theme Four – HIGH PERFORMING COUNCIL

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
4.1.2	Digital transformation to improve customer experience and interactions with community	<i>Develop online process to submit new animal registrations (Cats and Dogs) through Councils website</i>	The online animal registration facility project has been completed. It was made available to the public in August 2021. This facilitates efficient management of the registration of new animals and the re-registration of existing animals. Instead of all new registrations being required to be made at the Council office, or sent to the Council office for processing by Council staff, the customer can now enter their own registration details.	100%	Completed
		<i>Develop online process to submit 'Request forms' through Council's website</i>	The online 'Submit a Request Form' has been developed and is now available on Council's website. The form was published online in October 2020 but was integrated with Merit CRM in July 2021. Any future improvements to this process will be completed under Business As Usual functions.	100%	Completed
		<i>Develop online process for Public Event Permit applications</i>	To commence following review of the Events Policy.	0%	Not started
		<i>Deliver an online self-assessment tool for small business to establish their permit requirements through the Better Approval process</i>	An online small business permit self-assessment tool went live on Council's website in September 2021.	100%	Completed

Theme Four – HIGH PERFORMING COUNCIL

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
4.1.3	Building and Planning services are customer and solution focussed	<i>Introduce customer survey for planning and building related services</i>	A draft customer survey has been prepared and will be introduced in early 2022.	50%	In progress
		<i>Prepare report on expanding the scope of applications suitable for VicSmart approval</i>	Project due to commence early in 2022.	0%	Not started
4.1.4	Undertake a rolling program of service reviews	<i>Conduct a service review of Colac Regional Saleyards</i>	The 2021-22 budget has \$20K allocated for a service review of Colac Regional Saleyards to be undertaken in quarter three or four.	0%	Not started
		<i>Conduct a service review of Services and Operations</i>	The 2021-22 budget has \$100K allocated for a Services and Operations service review to be undertaken in quarter three or four.	0%	Not started

Theme Four – HIGH PERFORMING COUNCIL

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
4.2 We are a financially robust organisation					
4.2.1	Plan for sustainable portfolio of assets to deliver the services the community needs within our financial constraints	<i>Capital Funds Allocation and Prioritisation Policies adopted.</i>	A Draft Capital Funds Allocation Policy was placed on public exhibition over September and October 2021. Council is preparing revisions to the draft for presentation and adoption in March 2022.	80%	In progress
4.2.2	Adopt a policy and approach to guide the disposal of assets no longer required	<i>Capital Funds Allocation and Prioritisation Policy adopted</i>	As above.	80%	In progress
4.2.4	Council businesses maximise community utilisation and minimise council subsidy ratios	<i>Conduct a service review of Colac Regional Saleyards</i>	The 2021-22 budget has \$20K allocated for a service review of Colac Regional Saleyards to be undertaken in quarter three or four.	0%	Not started
4.2.5	Financial and risk management practices are responsible and sustainable	<i>Review Revenue and Rating Policy</i>	Draft Rating Strategy to be presented to Council on 23 Feb 2022 for approval. Once approved, the draft will be put on public exhibition.	90%	In progress
		<i>Review Council's Investment Policy</i>	Review of Council's Investment Policy will commence in quarter four.	0%	Not started

Theme Four – HIGH PERFORMING COUNCIL

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
4.3 We provide exceptional customer service					
4.3.1	Council service delivery is efficient, accessible, solution-focused and responsive to the needs of the community	<i>Development of online forms and payment options to deliver accessible customer services for all customers</i>	<p>Customers are now able to use our online payment facilities to pay their Rates, Debtor Invoices (Home Care, Planning Permits etc.), Infringements, New Animal Registrations and Registration Renewals. This work was completed in August 2021.</p> <p>The 'Submit A Request' form allows customers to report on over 30 Council services. Submissions from this form directly integrate with our Merit CRM program. This work was completed in July 2021.</p> <p>Continuous review and/or development of all Council forms (internal and external) is now a regular business function.</p>	100%	Completed
		<i>Development and implementation of Customer Service Charter</i>	Draft Customer Service Charter completed August 2021. Manager People and Culture to present to EMT for endorsement. Next step- Service Level Agreements to be developed for internal customer service delivery and circulated to SLT for consultation.	60%	In progress
		<i>Undertake engagement with our coastal communities to better understand factors that contribute to perceptions of Council's performance</i>	Key stakeholders have been identified to undertake consultation on understanding the factors that contribute to perceptions of Council's performance. Consultation will take place with these groups in 2022.	25%	In progress

Theme Four – HIGH PERFORMING COUNCIL

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
4.4 We support and invest in our people					
4.4.1	We respect and invest in our employees and continue to strengthen our workplace culture	<i>Commence the development of the organisation's purpose with engagement at the team level</i>	CEO plans to introduce the development of <i>Our Purpose</i> at a staff forum in April	0%	Not started
4.4.2	We commit to safe work practices and take a positive approach to our work	<i>Review Council's safety programs against best practice using the National Audit Tool</i>	Gap analysis underway. This will be finalised by the OH&S and Risk Officer position when filled.	60%	In progress
		<i>Implement the actions of the Prevention of Sexual Harassment Plan</i>	Majority of the actions outlined in the prevention of sexual harassment plan have been completed and final actions will be completed by 30 June 2022.	90%	In progress
4.4.3	Develop a skilled and diverse workforce by investing in training and development.	<i>Investment in leadership programs across the organisation to create internal pathways for career progression, development and succession planning</i>	The Senior Leadership Team participated in a Leadership Program in the second half of 2021. The program was designed to identify and support individual professional development.	50%	In progress
		<i>Develop a Workforce Plan</i>	The Workforce Plan was finalised approved by the Chief Executive Officer and implemented in December 2021.	100%	Complete

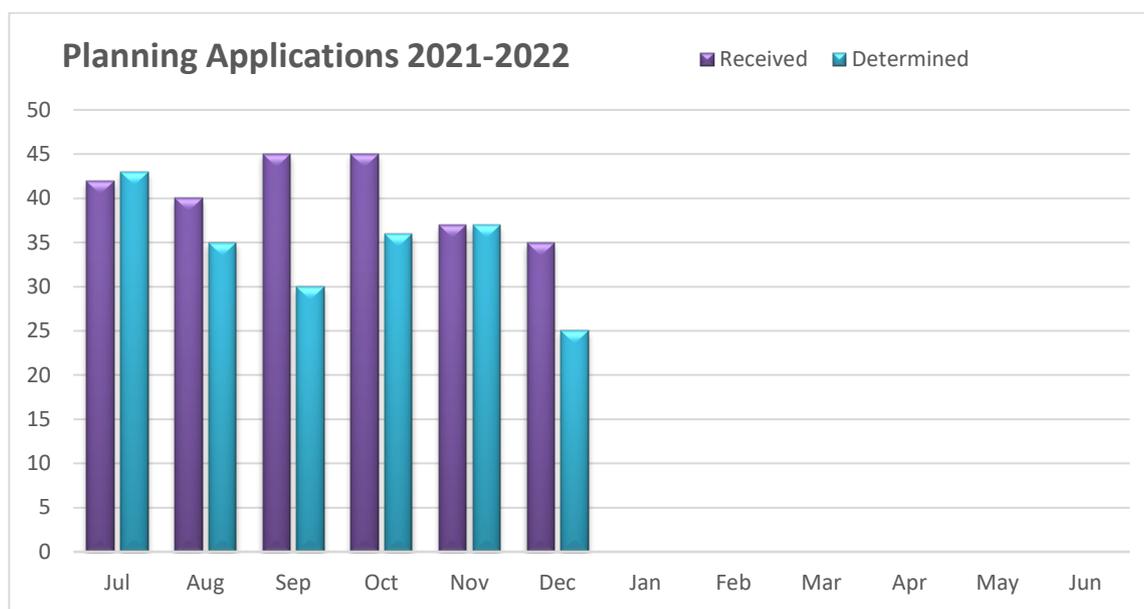
Theme Four – HIGH PERFORMING COUNCIL

Action #	Four-year Priorities	Year One Annual Actions	Progress Comment	% Complete	Status
4.4.4	Council provides clear, accessible communication and opportunities for the community to participate in decisions that affect them in line with the Community Engagement Framework	<i>Deliver training to Council staff to improve Council's community engagement practices in line with the Community Engagement Policy and Framework</i>	Training has been booked and will occur in early 2022, COVID allowing.	75%	In progress

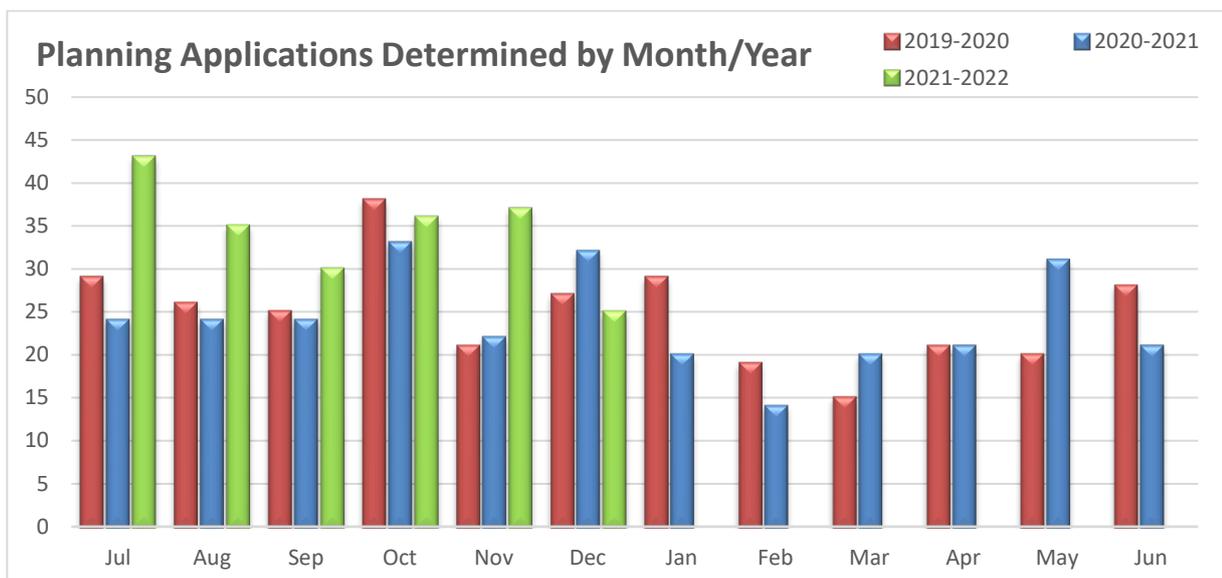
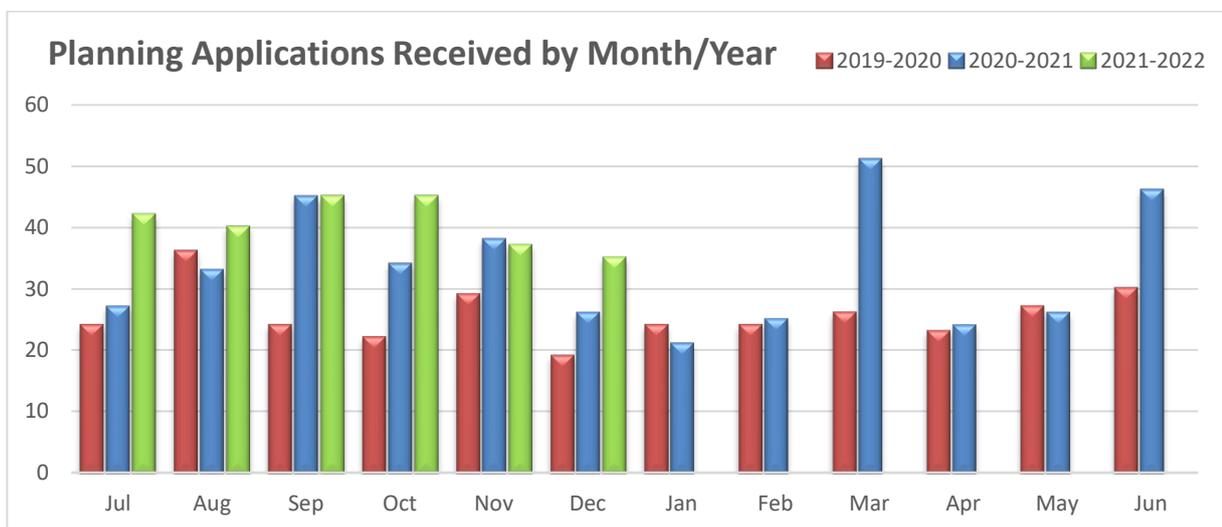
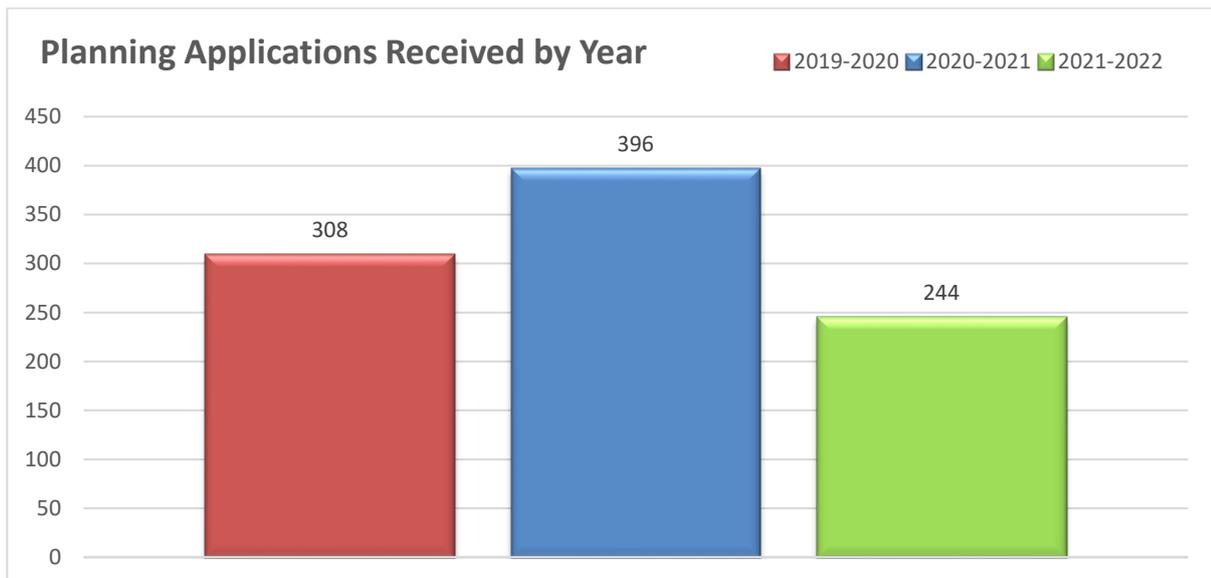
Planning Performance Report

The following is a brief summary of the performance and level of activity in Planning:

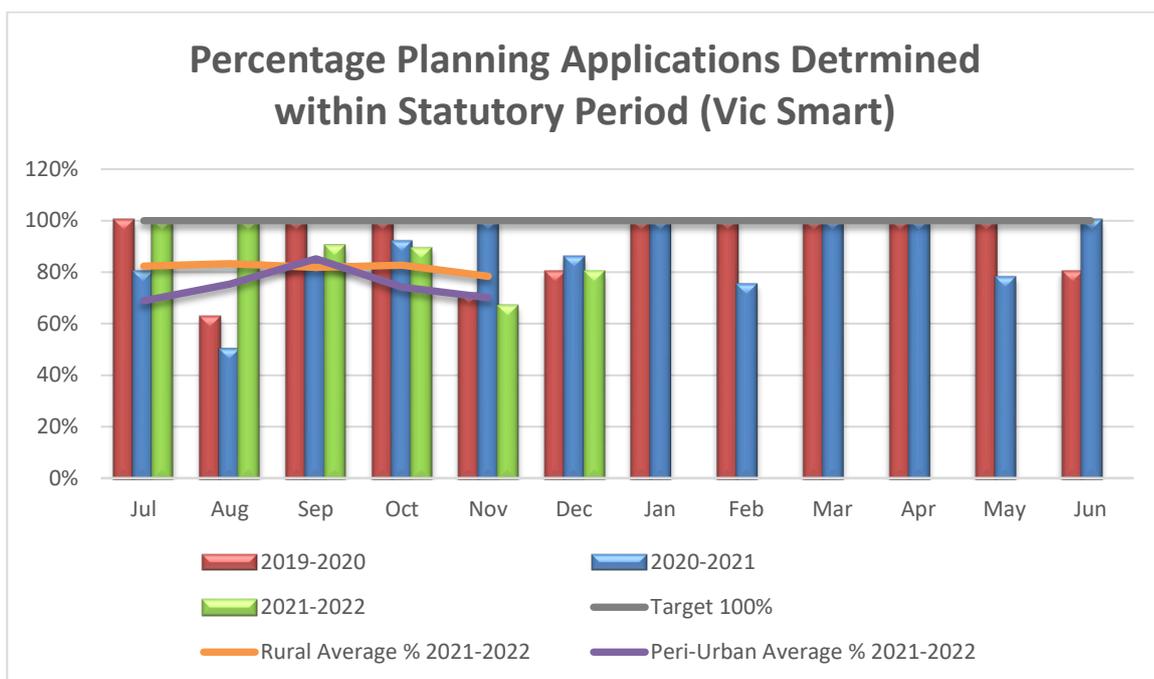
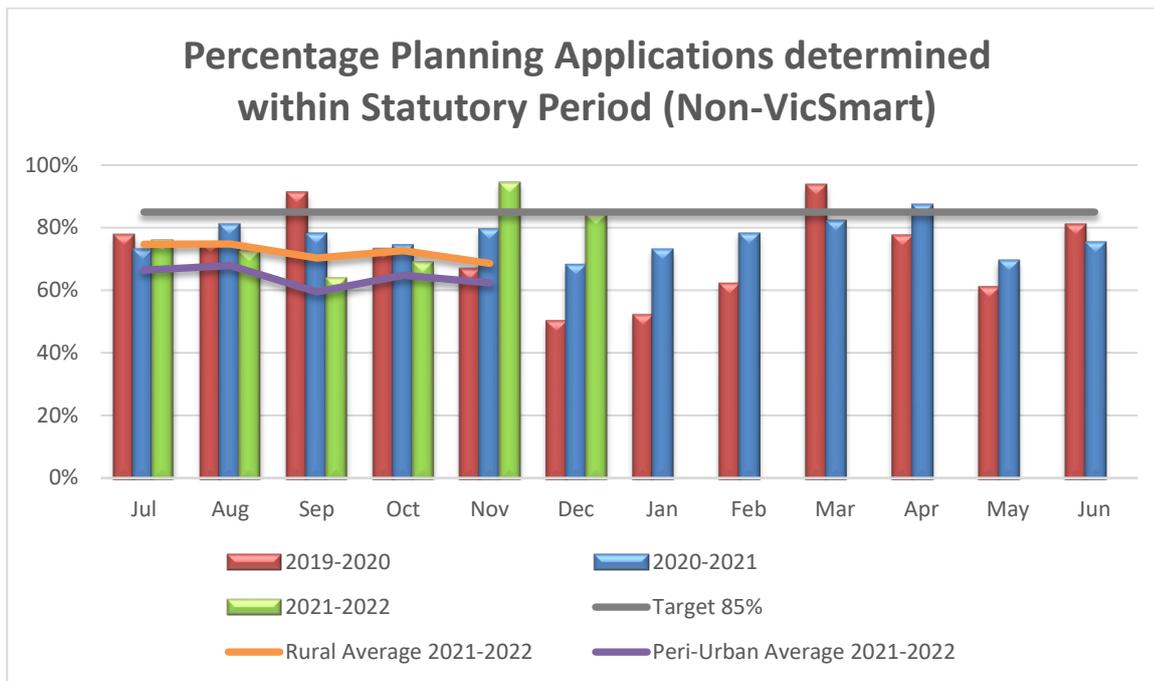
- The number of applications received in the December quarter (117) was significantly higher than the same quarter in 2020 (98), continuing a consistent trend of increased applications being received over the past eighteen months.
- On current trends, the numbers being received in 2021-22 are 23% higher than 2020-21, and 58% higher than 2019-20. This is a very significant increase in economic activity in the Shire, and of workload for the Council's planning team.
- Contract planners have been engaged consistently since early-mid 2021 to ensure staff can address this increased activity, particularly as staff have been unavailable due to leave and personal circumstances over Christmas/New Year. This is reflected in the number of decisions in the December quarter (98) which exceeded the 87 decisions for the same quarter in 2020, and follows on from the 108 decisions in the September quarter.
- It is noted that the percentage of applications determined within the 60 statutory days was 82%, close to the 85% aspirational benchmark, which is a significant improvement from the 71% achieved in the September quarter.
- The median days to process an application for the quarter remained close to the 40 day aspirational benchmark, and well below rural and per-urban councils more generally.
- The number of VicSmart applications determined in the statutory 10 business days was 79%, down from 97% in the previous quarter, although this relates to a more limited number of applications.



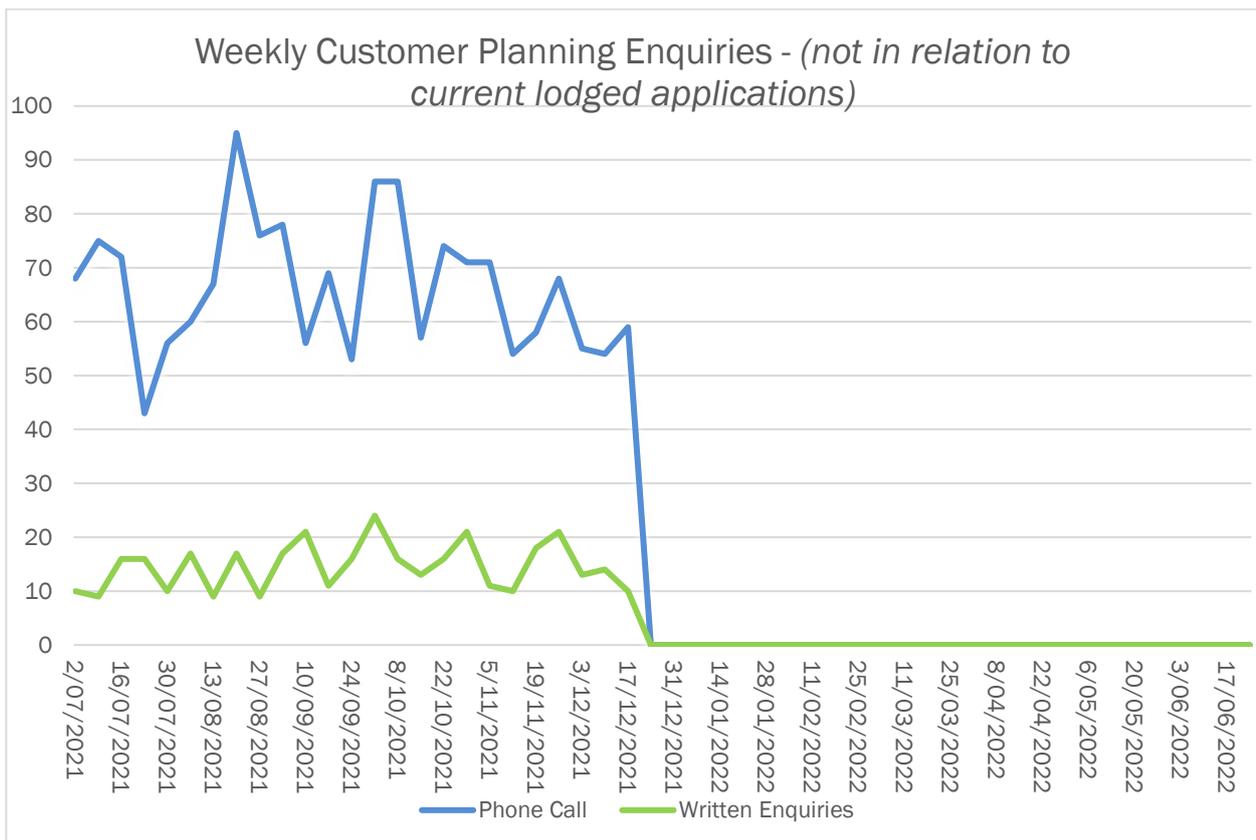
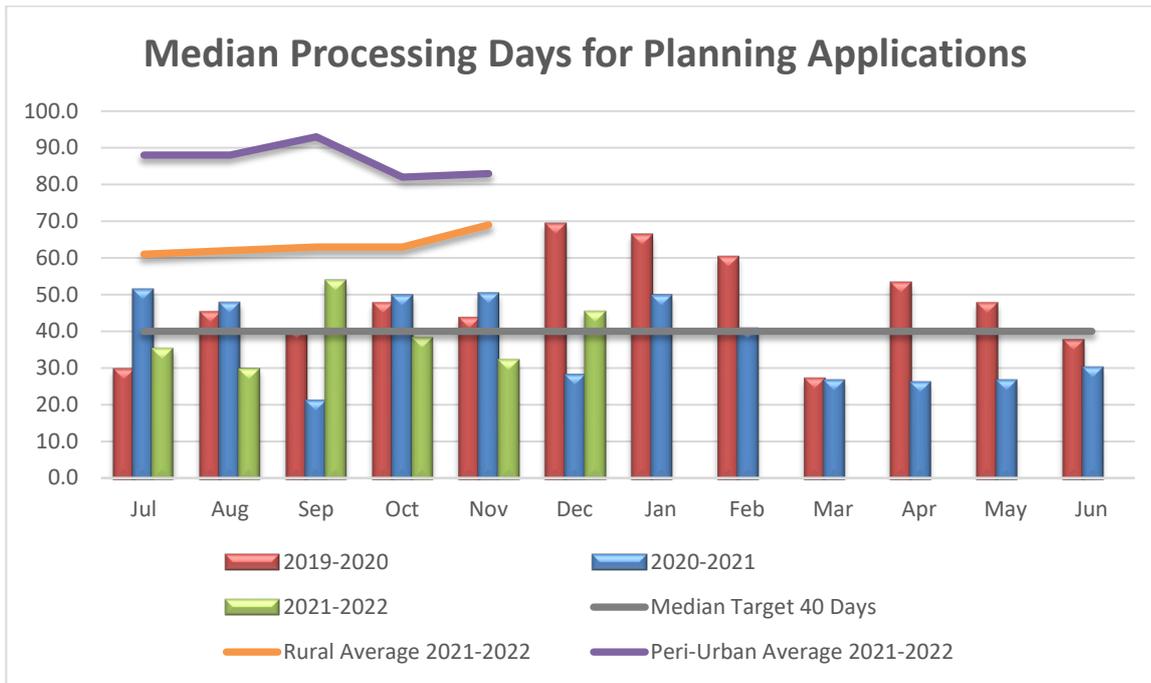
Planning Performance Report



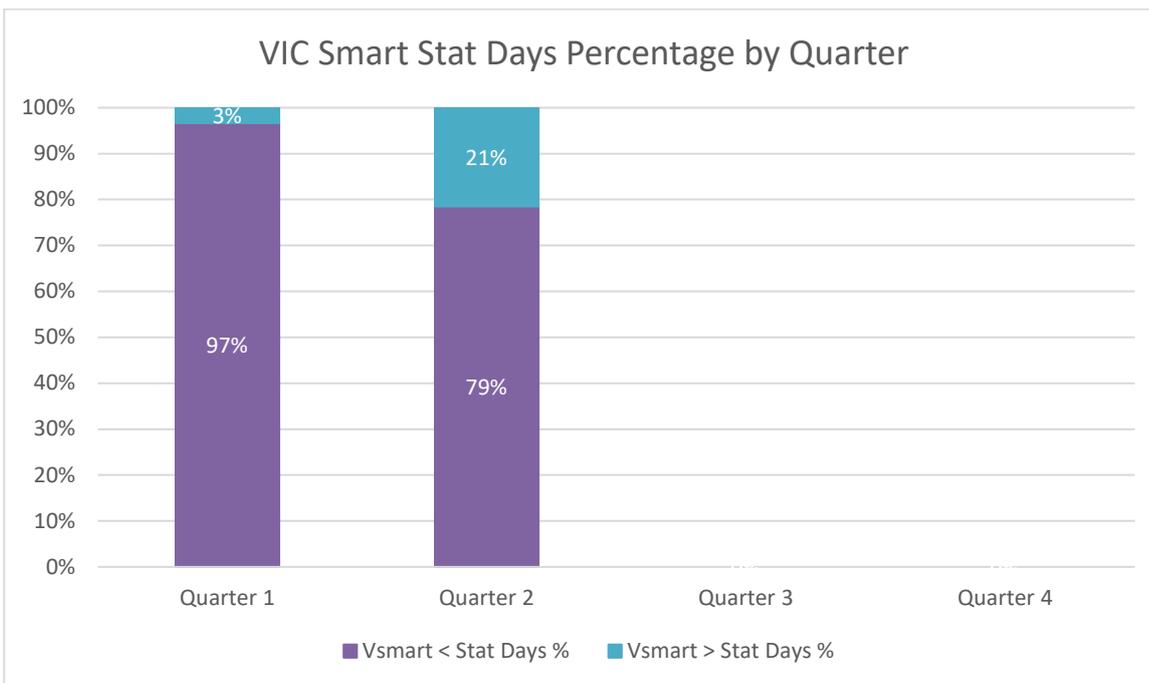
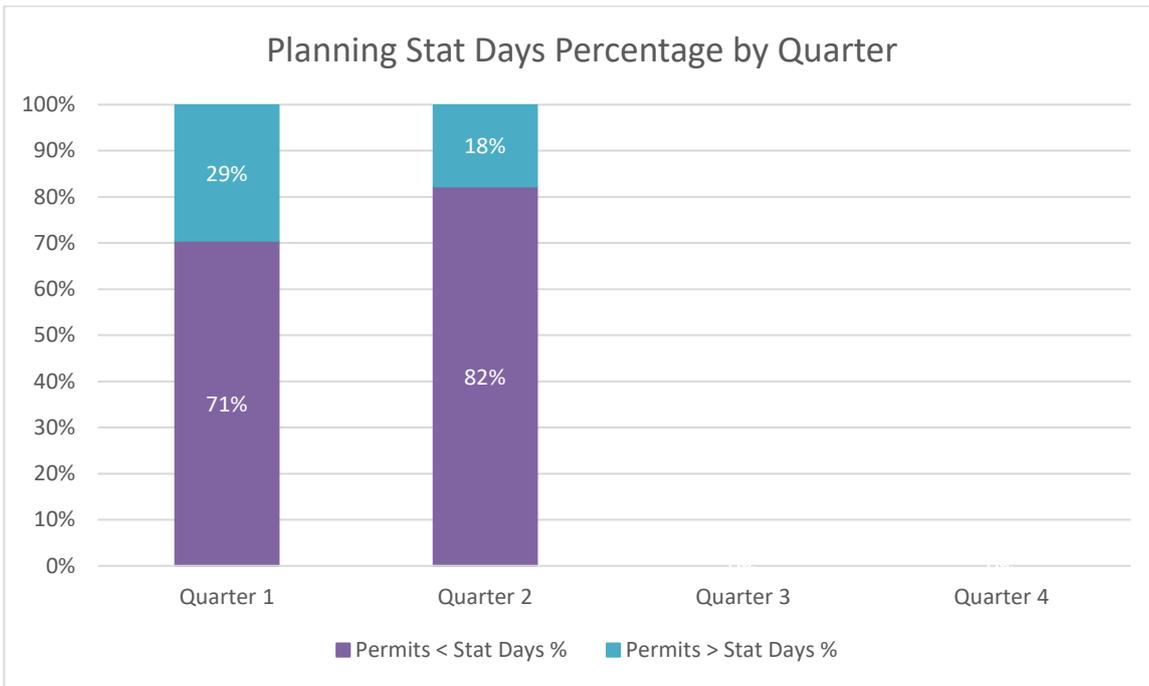
Planning Performance Report



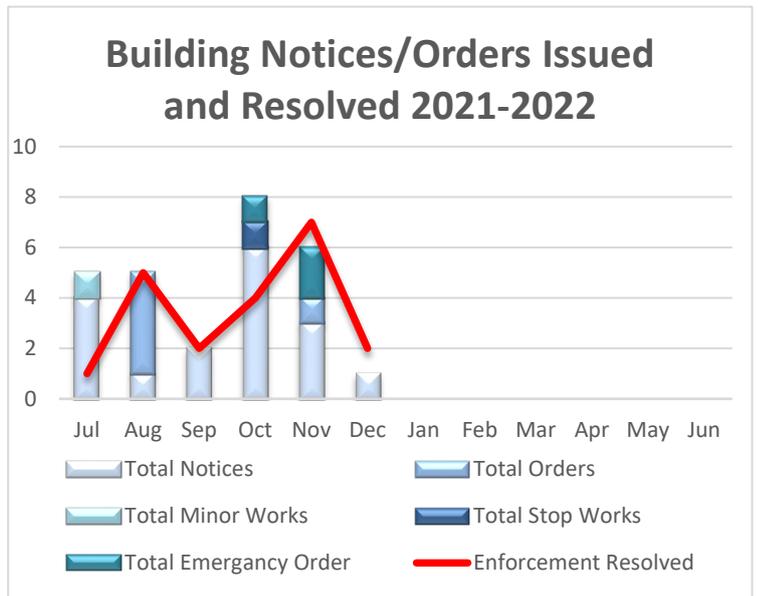
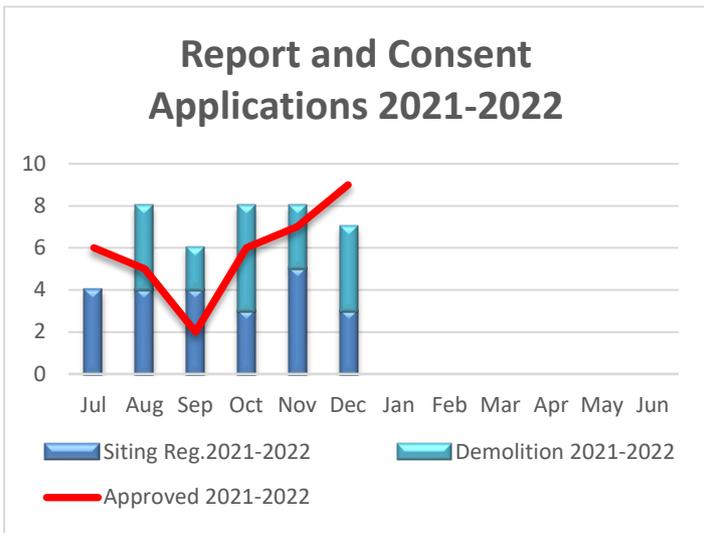
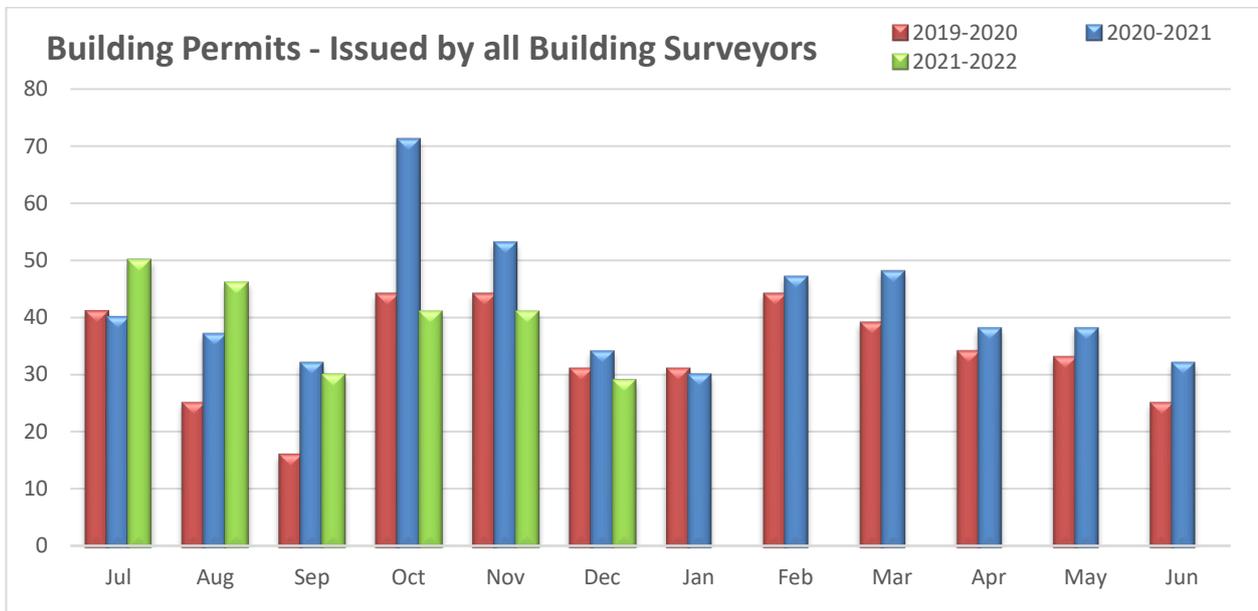
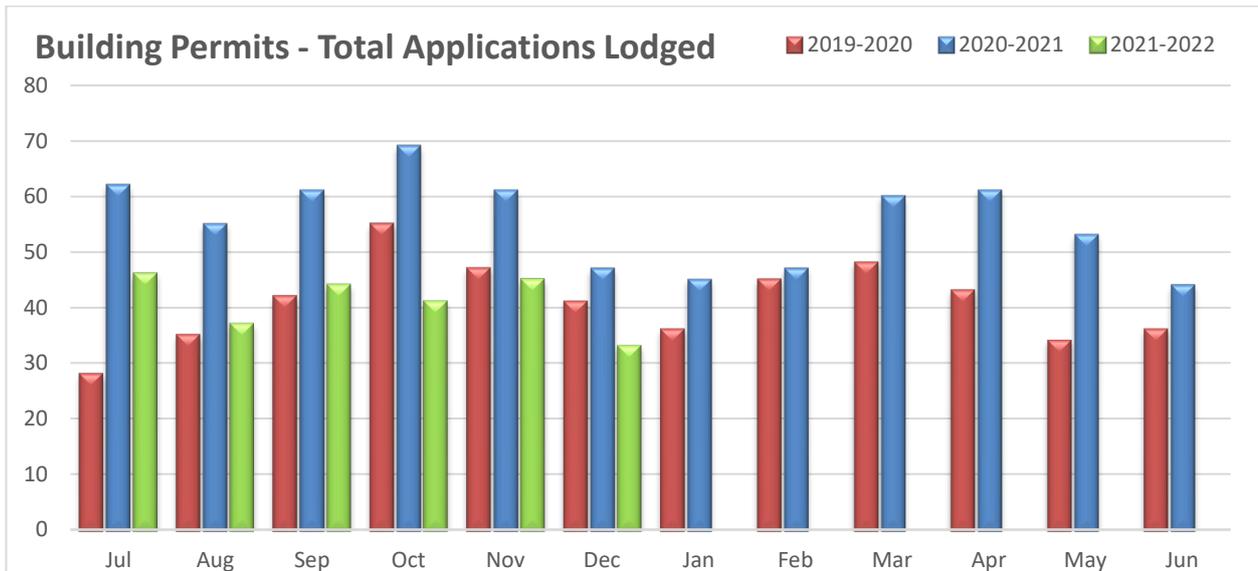
Planning Performance Report



Planning Performance Report



Building Performance Report



Quarterly Budget Report for 6 Months Ending 31 December 2021

Executive Summary

The financial performance for the quarter ending December 2021 is favourable compared to the adopted budget 2021/22, however, there is significant delay in the delivery of the \$20.37m capital works program, which includes carry over capital works of \$4.34m. Capital works forecast full year spend is expected to be similar to 2020/21.

As discussed below there are some other variances to budget expected in the financial forecast, however these are not expected to materially alter Council's overall financial position.

After taking the 2020/21 actual financial results into consideration (including the carry forward balances relating to incomplete works for projects funded in 2020/21), the following summary can be provided in relation to the 2021/22 forecast financial results.

Forecast compared to the adopted budget:

- The adopted budget reported an operating surplus of \$3.27m.
- The full year forecast operating surplus at December 2021 has increased by \$0.85m to \$4.12m, predominantly due to operating and capital grant income carried over from 2020/21 (funding received for incomplete projects in 2020/21, or funding received in advance of project delivery) and expected completion of carry over recurrent and operating projects in 2021/22.
- Closing cash balance is currently forecast to increase by \$3.06m to \$16.31m.
- 31 December 2021 cash balance is \$17.65m and is expected to reduce by approximately \$1.34m at 30 June 2022 as carry over works are completed.
- The full year forecast assumes that all carry over operating projects of \$1.21m are complete by 30 June 2022.
- There is significant delay in the delivery of the \$20.67m capital works program. COVID-19 impacts do not fully account for the delay and investigation is needed.

Further detail of these results are provided in this report.

OPERATING RESULT

Colac Otway Shire Council

Comprehensive Income Statement

For the period ended 31 December 2021

	Year-To-Date				Full Year			
	Actual \$'000	Budget \$'000	Variance \$'000	Variance %	Budget \$'000	Forecast \$'000	Variance \$'000	Variance %
Revenue								
Rates and charges	32,405	32,583	(178)	(1%)	32,773	32,773	-	0%
Statutory fees and fines	401	438	(37)	(8%)	826	826	-	0%
User fees	3,092	3,206	(114)	(4%)	6,548	6,548	-	0%
Other income	135	357	(222)	(62%)	367	540	173	47%
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	73	512	(440)	(86%)	25	525	500	1963%
Share of net profits/(loss) of associates and joint ventures	-	15	(15)	0%	30	30	-	0%
Total own-sourced revenue	36,106	37,112	(1,006)	(3%)	40,569	41,242	673	2%
Grants - operating	6,139	8,312	(2,173)	(26%)	10,690	13,137	2,447	23%
Grants - capital	8,094	6,206	1,888	30%	4,691	10,963	6,272	134%
Contributions - monetary	97	207	(110)	(53%)	420	420	-	0%
Total grants and contributions	14,330	14,725	(395)	(3%)	15,801	24,520	8,719	55%
Total revenue	50,436	51,837	(1,401)	-3%	56,370	65,762	9,392	17%
Expenses								
Employee costs	11,492	11,203	(289)	(3%)	21,683	21,868	(184)	(1%)
Materials and services	11,714	16,395	4,680	29%	20,730	28,917	(8,187)	(39%)
Depreciation and amortisation	5,543	4,550	(993)	(22%)	9,100	9,100	-	0%
Bad and doubtful debts	-	10	10	100%	20	20	-	0%
Borrowing costs	21	196	175	89%	39	39	-	0%
Finance costs - leases	-	69	69	0%	139	139	-	0%
Other expenses	760	994	234	24%	1,389	1,559	(170)	(12%)
Total expenses	29,531	33,417	3,887	12%	53,101	61,642	(8,541)	(16%)
Surplus for the year	20,905	18,419	2,486	13%	3,269	4,120	852	26%
Other comprehensive income								
Items that will not be reclassified to surplus or deficit in future periods								
Net asset revaluation increment/(decrement)	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-	-	-
Total comprehensive result	20,905	18,419	2,486	13%	3,269	4,120	852	26%

Council's net operating surplus for the quarter ended 31 December 2021 is \$20.91m. The higher year-to-date operating surplus reported mainly reflects:

- timing of grant revenue and operating project expenses carried over from 2020/21, and
- increased depreciation from a scheduled revaluation of bridge infrastructure in 2020/21.

The two-way radio lease contract was terminated by formal agreement with the lessor in November 2021 and transfer of the two-way radio hardware and equipment title to Council was completed. At the time of preparation of this report, further adjustments were required to fully account for the termination of the lease and reforecast of the impact on Council's financial position. This information will be included in the March 2021 Quarterly Budget Report.

The Council's adopted operating budget for the full year is a net surplus of \$3.27m.

The full year forecast reflects carry over allocations for grant funding, including unspent funds received in a prior year for approved projects not completed at 30 June 2021. These funds were set aside in Council's working capital at 30 June 2021 and are forecast to be spent in 2021/22.

Actual results for the 6 months to 31 December 2021 indicates at this stage that Council will achieve the surplus in the 2021/22 adopted budget. Further information is provided below:

Income

Rates and charges

Rates and charges forecast no change to the adopted budget.

Grants

Operating and capital grants is forecast to increase above budget by \$8.72m primarily due to:

- \$4.40m: City Deals project new funding
- \$1.60m: Local Roads Community Infrastructure programme Round 2 funding
- \$1.49m: operating and capital grant revenue carried over from 2020/21, which was funded in 2020/21 or received in advance of the 2021/22 budget
- \$0.41m Forrest mountain trail bike revitalisation project additional funding
- \$0.40m Strategic road improvement – Swan Marsh Stoneyford Road additional funding
- \$0.30m: Port of Apollo Bay grant revenue carried over from 2020/21
- (\$0.12m) unsuccessful grant application to Department of Justice & Community Safety for the Old Beechy Rail Trail (Colac Railway Station section) safety improvements

Net gain on disposal of property, infrastructure, plant and equipment

The favourable variance of \$0.50m relates to the anticipated sale of surplus land during the current financial year. Note that this is an estimate at this point in time.

Other income

Other Income received in 2021/22 is forecasted to increase by \$173k due to the following:

- \$120k: Colac Civic Precinct Plan (carry over from 2020/21)
- \$53k: Eastern Reserve baseball batting cage insurance income (carry over from 2020/21)

Expenses

Employee costs

Employee costs for 2021/22 have been forecasted to increase by \$185k due to the following:

- \$139k: carry forward balances for work to be completed in 2021/22
- \$45k: additional salaries for the City Deal project

Material and Services

Materials and services for 2021/22 is forecast to increase by \$8.19m. The forecast movement includes:

- \$4.60m: City Deals (additional funding)
- \$2.70m carry forwards to complete delivery of operating projects
- \$0.93m: Forrest mountain bike revitalisation (\$0.75m funded by RDV carry over from 2020/21 and \$0.18m additional funding by DELWP)
- \$0.30m: Port of Apollo Bay works (carry over from 2020/21)

Other expenses

Other expense for 2021/22 is forecast to increase by \$170k, mainly due to:

- \$105k: COVID -19 support package (carry forward from 2020/21)
- \$30k: Community grants (carry forward from 2020/21)
- \$20k: Family Children Services contribution (carry forward from 2020/21)
- \$15k: Roadside weeds and pests (carry forward from 2020/21)

BALANCE SHEET

Colac Otway Shire Council

Balance Sheet

As at 31 December 2021

	Dec 2021	Full Year		
	Actual \$'000	Budget \$'000	Forecast \$'000	Variance \$'000
Assets				
Current assets				
Cash and cash equivalents	17,651	13,253	16,312	3,059
Trade and other receivables	26,136	2,748	4,084	1,336
Inventories	174	175	140	(35)
Non-current assets held for sale	-	715	-	(715)
Other assets	-	366	533	167
Total current assets	43,960	17,257	21,069	3,811
Non-current assets				
Right of use assets	147	638	55	(583)
Property, infrastructure, plant and equipment	370,371	361,850	377,484	15,634
Investments in associates, joint arrangements and subsidiaries	0	501	306	(195)
Total non-current assets	370,518	362,989	377,845	14,856
Total assets	414,479	380,246	398,914	18,667
Liabilities				
Current liabilities				
Trade and other payables	6,190	5,685	6,606	(921)
Trust funds and deposits	597	661	678	(17)
Interest-bearing liabilities	72	596	596	-
Lease liabilities	110	100	110	(10)
Provisions	4,923	4,357	4,975	(618)
Total current liabilities	11,891	11,399	12,965	(1,566)
Non-current liabilities				
Interest-bearing liabilities	596	-	-	-
Lease liabilities	663	553	553	-
Provisions	5,783	9,005	5,792	3,213
Total non-current liabilities	7,042	9,558	6,345	3,213
Total liabilities	18,933	20,957	19,310	1,647
Net assets	395,545	359,289	379,605	20,316
Equity				
Accumulated Surplus	148,061	138,116	134,914	3,202
Reserves	247,485	221,173	244,690	23,517
Total Equity	395,545	359,289	379,605	20,316

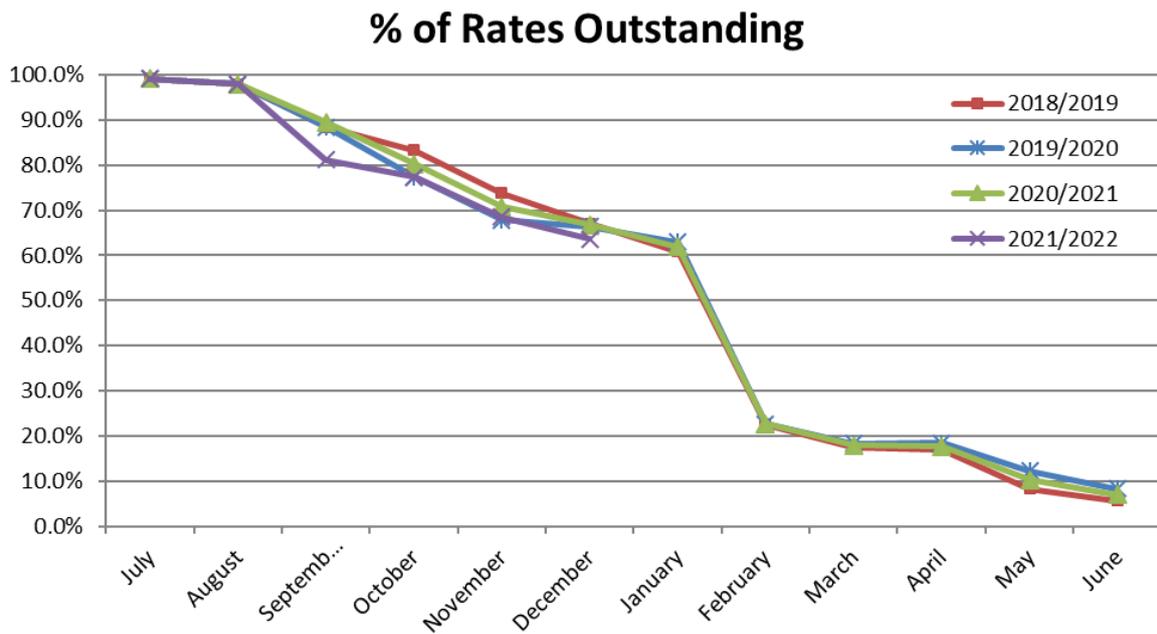
Rate Debtors

As at 31 December 2021, \$32.41 million was raised in rates and charges including batches of supplementary valuations generated by changes to Council's property base. At 31 December 2021 64% of rates and charges raised have been collected, which was an improved collection rate compared with the same period of the 2020/21 financial year of 33%.

The due date for ratepayers opting to pay in full is 15 February 2022. The due dates for ratepayers opting to pay via instalments are 30 September 2021, 30 November 2021, 28 February 2022 and 31 May 2022. Any ratepayer who has not opted for instalment payments is required to make the full payment before 15 February 2022.

The following graph 1 shows that current collection trends are slightly below the reported collection trends for the previous three years:

Graph 1: Outstanding rates



CASH FLOW STATEMENT

Colac Otway Shire Council
Statement of Cash Flows
For the period ended 31 December 2021

	Dec 2021	Full Year		
	Actual \$'000	Budget \$'000	Forecast \$'000	Variance \$'000
Cash flows from operating activities				
Rates and charges	12,616	32,661	32,661	(0)
Statutory fees and fines	396	825	825	(0)
User fees	3,183	6,548	6,548	(0)
Grants - operating	4,986	10,671	13,214	2,543
Grants - capital	4,291	4,691	10,963	6,272
Contributions - monetary	97	420	420	-
Trust funds and deposits received/(paid)	(130)	(63)	(63)	-
Other receipts	135	368	570	202
Payments for Employees	(11,259)	(21,683)	(21,820)	(137)
Payments for materials and services (Incl GST)	(11,013)	(20,778)	(26,062)	(5,284)
Other payments	(1,345)	(1,389)	(1,559)	(170)
Net cash provided by/(used in) operating activities	1,956	12,271	15,696	3,425
Cash flows from investing activities				
Payments for property, infrastructure, plant and equipment	(5,543)	(13,692)	(21,200)	(7,508)
Proceeds from sale of property, infrastructure, plant and equipment	73	500	525	25
Net cash provided by/(used in) investing activities	(5,471)	(13,192)	(20,675)	(7,483)
Cash flows from financing activities				
Finance costs	(21)	(39)	(39)	-
Repayment of borrowings	(70)	(142)	(628)	(486)
Interest paid - lease liability	-	(29)	-	29
Repayment of lease liabilities	(702)	(110)	-	110
Net cash provided by/(used in) financing activities	(793)	(320)	(667)	(347)
Net increase (decrease) in cash and cash equivalents	(4,307)	(1,242)	(5,646)	(4,404)
Cash and cash equivalents at the beginning of the period	21,958	14,495	21,958	7,464
Cash and cash equivalents at the end of the period	17,651	13,253	16,312	3,060

CAPITAL WORKS

Colac Otway Shire Council

Statement of Capital Expenditure as at 31 December 2021

Capital Expenditure	Dec YTD		Full Year			
	Actual YTD Dec \$'000	Budget YTD Dec \$'000	Adopted Budget \$'000	Programme Allocation \$'000	Forecast Spend \$'000	Forecast Carry over \$'000
8881 - Property						
Building Programme	69	91	702	1,510	231	1,279
Land	45	-	-	-	45	-
Local Roads Community Infrastructure Programme	106	63	-	63	106	-
8881 - Property Total	220	154	702	1,572	382	1,279
8882 - Plant, Furniture and Equipment						
ICT Hardware Programme	7	8	80	80	7	73
ICT Software Programme	-	23	-	23	-	23
Light Fleet Programme	217	470	760	760	217	543
Local Roads Community Infrastructure Programme	-	14	-	14	-	14
Major Plant Programme	431	1,232	1,340	1,445	431	1,014
Open Space Programme	-	124	135	135	105	30
Road Safety Programme	54	71	80	80	96	(16)
8882 - Plant, Furniture and Equipment Total	709	1,941	2,395	2,538	856	1,682
8883 - Infrastructure						
Active Reserves Programme	3	-	-	-	-	-
Bridges Programme	46	94	1,440	1,890	1,100	790
Crack Sealing Programme	103	48	108	108	103	5
Footpath Programme	35	197	232	284	284	-
Furniture Programme	1	-	8	8	1	7
Kerb and Channel Programme	11	20	80	80	80	-
Local Roads Community Infrastructure Programme	346	2,263	-	2,263	1,640	623
Open Space Assets	50	110	50	136	70	66
Open Space Programme	179	85	2,832	2,693	770	1,923
Playground Programme	655	645	-	679	655	24
Reseal Programme	9	10	1,200	1,200	1,200	-
Resheet Programme	370	687	1,400	1,277	1,277	-
Road Improvement Programme	99	7	-	785	900	(115)
Road Reconstruction Programme	57	363	2,495	3,611	2,600	1,011
Road Safety Programme	4	100	130	130	4	126
Road Slip Programme	26	412	270	631	426	205
Stormwater Programme	105	314	350	482	150	332
8883 - Infrastructure Total	2,100	5,353	10,595	16,256	11,261	4,995
Total	3,028	7,448	13,692	20,366	12,498	7,955

Table 2 provides a reconciliation between the adopted budget and current full year forecast budget of \$20.37m.

Table 2 also compares the full year forecast budget to the full year forecast spend in 2022/23 and anticipated carry over amount to 2022/23. These forecasts demonstrate that there is significant delay in the delivery of the \$20.37m capital works program, which includes carry over capital works of \$4.34m. Forecast full year spend is expected to be similar to 2020/21. COVID-19 impacts do not fully account for the delay and investigation is needed.

Table 2: Adopted capital budget to the forecast budget

	Full Year Forecast Budget \$'000
Capital Works Budget	13,692
Capital projects carried forward from 2020/21	4,341
Local Roads and Community Infrastructure programme	2,340
Cororooke Open Space masterplan implementation (Council resolution)	250
Forrest Caravan Park waste water upgrade	226
Strategic Road Improvement - Swan March Stoneyford Road, Pirron Yallock	225
Bluewater heat pump replacement (Council resolution to reallocate \$70k from street lighting)	70
Building renewal programme	61
Building renewal programme - Winifred Nance Kindergarten veranda	35
Community sport lighting upgrades	5
Changes to lighting infrastructure project funding (Local Sports Infrastructure Stimulus program)	(584)
Old Beechy Rail Trail (Colac Railway Station section) safety improvements (unsuccessful funding application)	(120)
Sealed road reconstruction renewal programme	(92)
Building upgrade programme	(84)
Capital Works Forecast Budget at 31 December 2021	20,366

Borrowings

The borrowings held by Council at 31 December 2021 is given below:

Borrowings	Current \$'000	Non-current \$'000	Total Borrowings \$'000	Meeting Schedule
9208 - Loan 12 - Colac Livestock Selling Centre roof (\$1.178m)(CBA)	41	596	637	Y
9209 - Loan 13 - Street light solar photovoltaic panels - system installation (\$416k)	31	-	31	Y
Total borrowings	72	596	668	

As at 31 December 2021 principal repayments of \$70k have been made in 2021/22.

The following key ratios provide Council's performance on the borrowings at 31 December 2021:

Measure	Calculation	Explanation	30-Jun-21	31-Dec-21	Current Risk Rating
Indebtedness as a percentage of own-sourced revenue	Non-current liabilities divided by own-sourced revenue	<p>Non-current liabilities are liabilities due for settlement after 12 months. The higher the percentage, the less the entity is able to cover non-current liabilities from the revenues the entity generates itself. 21% of own-sourced revenue is required to settle the non-current liabilities as at 31 December 2021.</p> <p>Own-sourced revenue is used, rather than total revenue, because it does not include grants or contributions.</p>	16.1%	19.5%	Low
Borrowings as a percentage of rate revenue	Interest bearing loans divided by rate revenue	Measurement of the proportion of borrowings against rate revenue raised. The higher the percentage the higher the proportion of available annual rate revenue is being used to back borrowings. 2% of rate revenue is required to settle the borrowings as at 31 December 2021.	2.3%	2.1%	Low

STATEMENT OF CASH FLOWS

Colac Otway Shire Council Statement of Cash Flows For the period ended 31 December 2021

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Cash flows from operating activities				
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● Unfavourable position

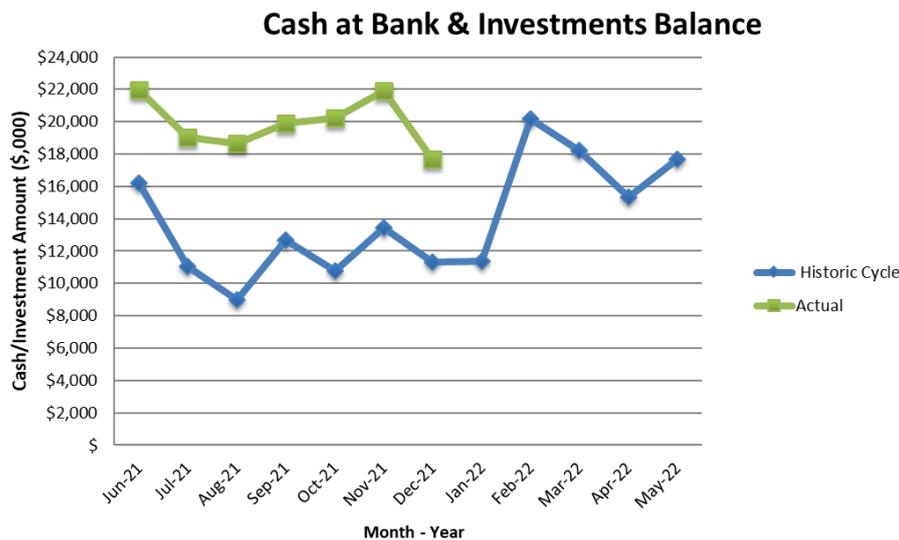
Cash balance

The current actual cash balance is \$16.31m as at 31 December 2021, which is forecast to be approximately \$3.06m higher due to anticipated spending on the capital program less grants and contributions carried over from 2020/21. This forecast projects that all budgeted capital works and major projects, including carry overs, will be complete by 30 June 2021. The net decrease in the cash forecast during the year is \$5.65m.

Graph 2 below shows how the Council's cash balance is expected to perform at 31 December 2021. The graph portrays:

- Historical Cycle – which is an estimation derived from 2020/21 actual cash balances that are expected to be achieved at the end of each month.
- The Actual – this is the actual balance at the end of each month from July to December.

Graph 2: Cash balance performance



Every opportunity is taken to invest surplus cash to maximise investment returns in accordance with Council’s investment policy. Investment income received for the first six months to 31 December 2021 was \$8k. Investment income is subject to availability of cash flow and also impacted by a sustained period of low interest rates.

As at 31 December 2021, term deposits were earning an average of 0.31%. This is 0.21% above the cash rate of 0.10%, and below the investment policy’s performance benchmark, which is the Reserve Bank Cash rate plus 0.35% for the second quarter. Our investments were within the investment and risk rating limits set-out in the investment policy.

Local Authorities Superannuation Fund - Defined Benefits

Local government councils have a potential financial exposure to the Local Authorities Superannuation Fund – the Defined Benefits Plan. Under the Australian Prudential Regulation Standards (SPS160) the Defined Benefits funds must meet strict funding requirements. This funding requirement is measured by the Vested Benefits Index (VBI), which shows as a percentage of the ratio of investments held by the fund compared to the estimated benefits payable by the fund at the same time. The latest available Vested Benefits Index for the Vision Super Defined Benefits fund is listed in the table below:

Date	Vested Benefits Index
June 2019	107.10%
September 2019	107.30%
December 2019	107.70%
March 2020	102.10%
June 2020	104.60%
September 2020	104.50%
December 2020	109.60%
March 2021	111.50%
June 2021	109.70%
September 2021	109.90%

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

A VBI must generally be kept above the nominated shortfall threshold of 97% when a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year.

At 30 September 2021, the updated VBI for the sub-plan improved slightly to 109.9%, which presents an increase compared to 30 June 2020. The VBI is primarily impacted by:

- The level of investment returns which impacts the asset pool supporting the defined benefit liabilities of the sub-plan; and
- The level of active member salary increases advised to Vision Super and pension increases in line with the CPI, which impacts the defined benefit liabilities of the sub-plan.

At the time of writing this report there was no information available regarding the final VBI estimations as at 31 December 2021.