

Council Meeting Agenda

27 October 2026 at 1pm

Apollo Bay Bowls Club - 6 Moore Street, Apollo Bay

Colac Otway SHIRE

COLAC OTWAY SHIRE COUNCIL MEETING

Tuesday 27 October 2026

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COLAC OTWAY SHIRE COUNCIL MEETING

NOTICE is hereby given that the next ***COUNCIL MEETING OF THE COLAC OTWAY SHIRE COUNCIL*** will be held at Apollo Bay Bowls Club on Tuesday 27 October 2026 at 1:00 PM.

AGENDA

1 DECLARATION OF OPENING OF MEETING

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 ACKNOWLEDGEMENT OF COUNTRY

Colac Otway Shire acknowledges the original custodians and law makers of this land, their elders past and present.

RECORDING AND PUBLICATION OF MEETINGS

Please note: All Council meetings will be live streamed and recorded when the meeting is held either at COPACC or online. This includes the public participation sections of the meetings. When meetings are held in other locations, Council will endeavour to make an audio recording of the meeting for community access. Matters identified as confidential items in the Agenda will not be live streamed or recorded regardless of venue or mode.

By participating in open Council meetings, individuals consent to the use and disclosure of the information they share at the meeting (including any personal and/or sensitive information).

As soon as practicable following each open Council meeting, the live stream recording will be accessible on Council's website. Audio recordings are also taken to facilitate the preparation of the minutes of open Council meetings and to ensure their accuracy. Recordings will be retained by Council for a period of four years.

This meeting will be livestreamed to the public via Council's YouTube channel (search Colac Otway Shire Council at www.youtube.com).

3 MEETING ADMINISTRATION

3.1 Present

3.2 Apologies and Leaves of Absence

3.3 Confirmation of Minutes

RECOMMENDATION

That Council confirm the minutes of the Council Meeting held on 13 October 2026.

3.4 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.

4 QUESTION TIME

A maximum of 30 minutes is allowed for question time. A maximum of two questions, per person, per meeting is permitted. You must ask a question. Question time is not a forum for public debate or statements.

Council is unable to facilitate attendance at this meeting by videoconference due to technological constraints. Members of the public wishing to ask a question may do so through the following channels:

1. Questions received in writing prior to the meeting. Written questions must be received by 5pm on Sunday 25 October 2026.
2. Questions from the floor.

5 PETITIONS / JOINT LETTERS

Nil reports.

Item: 6.1

VicSmart Planning Scheme Amendment

OFFICER	Simon Clarke
GENERAL MANAGER	Ian Seuren
DIVISION	Community and Economy
ATTACHMENTS	1. Strategic Assessment Report September 2026 [**6.1.1** - 27 pages]

1. PURPOSE

The purpose of this report is to obtain a Council resolution to request Ministerial authorisation to prepare a planning scheme amendment that would introduce new local VicSmart provisions into the Colac Otway Planning Scheme.

2. EXECUTIVE SUMMARY

Colac Otway Shire, in partnership with the Department of Transport and Planning, has prepared a planning scheme amendment to introduce new local VicSmart application classes for the construction and extension of agricultural buildings within the Environmental Significance Overlay, Schedule 3 (ESO3 – Declared Water Supply Catchments) and Significant Landscape Overlay, Schedule 1 (SLO1 – Valleys, Hills and Plains Landscape Precinct).

The amendment is intended to streamline the assessment of eligible agricultural development by reducing approval timeframes, application costs and administrative burden while maintaining appropriate environmental and landscape assessment requirements.

The proposal has been developed through the Department of Transport and Planning's Regional Planning Hub program and is supported by relevant referral authorities.

This report seeks Council's endorsement to request Ministerial authorisation to prepare the amendment.

3. RECOMMENDATION

That Council:

1. ***Pursuant to section 8A of the Planning and Environment Act 1987, requests the Minister for Planning to authorise the preparation of a Planning Scheme Amendment to the Colac Otway Planning Scheme to introduce new local VicSmart application classes for the construction and extension of buildings used for agriculture within the Environmental Significance Overlay, Schedule 3 (ESO3 – Declared Water Supply Catchments) and Significant Landscape Overlay, Schedule 1 (SLO1 – Valleys, Hills and Plains Landscape Precinct).***
2. ***Pursuant to section 19 of the Planning and Environment Act 1987, and subject to approval by the Minister, places the draft local VicSmart provisions on public exhibition for a minimum period of 6 weeks.***
3. ***Authorises officers to make any necessary minor formatting and administrative corrections to the amendment documents prior to sending to the Minister for Planning for authorisation.***

4. KEY INFORMATION

VicSmart is a streamlined planning permit process designed to expedite simple and straightforward applications. Classes of application identified as VicSmart within planning schemes are subject to specified information requirements, assessment processes and decision guidelines. The process provides for a ten-business-day decision timeframe, exemption from notice and third-party review rights, and significantly lower application fees than the standard permit application process.

In partnership with the Department of Transport and Planning, Council officers have reviewed opportunities to introduce local VicSmart provisions into the Colac Otway Planning Scheme to enable a greater number of suitable applications to be assessed through a streamlined process.

The proposed amendment builds on Amendment C119cola, approved in September 2022, which simplified planning requirements for certain agricultural development by increasing permit exemptions and reducing the need for costly technical assessments for agricultural sheds and farm buildings.

The amendment proposes to introduce new local VicSmart application classes for the construction and extension of buildings used for agriculture within the Environmental Significance Overlay Schedule 3 (ESO3) and Significant Landscape Overlay Schedule 1 (SLO1).

The proposed provisions are intended to apply to standard agricultural buildings and extensions where potential impacts can be appropriately assessed through a streamlined process. The amendment does not remove the requirement for a planning permit. Rather, it introduces tailored information requirements and decision guidelines to enable eligible

applications to be assessed more efficiently, while continuing to consider relevant environmental and landscape matters.

Specifically, the amendment proposes the following changes to the Colac Otway Planning Scheme:

Colac Otway Planning Scheme	Description of change
Particular Provisions	
Clause 59.15 Local VicSmart Applications	Amend the Schedule to Clause 59.15 to include local classes of application within ESO3 and SLO1 for the construction of a new building used for agriculture and the extension of an existing building used for agriculture.
Clause 59.16 Information Requirements and Decision Guidelines for Local VicSmart Applications	Amend Schedule 1 to Clause 59.16 to include information requirements and decision guidelines for local VicSmart applications within ESO3. Introduce a new Schedule 2 to Clause 59.16 to include information requirements and decision guidelines for local VicSmart

Attached to this report is the Strategic Assessment Report prepared in support of the proposed amendment. The report, which includes the proposed local VicSmart provisions, identifies the following key benefits:

- Reduced assessment timeframes for eligible agricultural buildings.
- Greater consistency and certainty through clear assessment requirements and decision guidelines.
- Reduced administrative burden and costs for applicants and Council.
- Continued support for productive and sustainable agricultural operations while maintaining appropriate environmental and landscape assessment requirements.

The proposed amendment has been referred to relevant referral authorities for preliminary review. Those referral authorities support the proposed planning scheme amendment.

5. CONSIDERATIONS

Overarching Governance Principles (s(9)(2) *LGA 2020*)

The overarching governance principles are:

a) Council decisions are to be made and actions taken in accordance with the relevant law.
b) priority is to be given to achieving the best outcomes for the municipal community, including future generations.
c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.
d) the municipal community is to be engaged in strategic planning and strategic decision making.
e) innovation and continuous improvement is to be pursued.
f) collaboration with other Councils and Governments and statutory bodies is to be sought.

g) the transparency of Council decisions, actions and information is to be ensured.

Policies and Relevant Law (s(9)(2)(a) *LGA 2020*)

The proposed amendment implements recommendations arising from previous reviews of the Colac Otway Planning Scheme to expand the application of VicSmart provisions in rural areas and improve the efficiency of the planning permit process.

Environmental and Sustainability Implications (s(9)(2)(c) *LGA 2020*

The amendment maintains environmental and landscape assessment requirements while providing a more streamlined assessment pathway for eligible agricultural development.

Community Engagement (s56 *LGA 2020 and Council's Community Engagement Policy*)

Subject to Ministerial authorisation, the proposed amendment will be publicly exhibited in accordance with the requirements of the *Planning and Environment Act 1987.*

Public Transparency (s58 *LGA 2020)*

This report is being considered at a public Council meeting and supporting documentation has been made available through the Council agenda process. Should the amendment be authorised by the Minister for Planning, it will be publicly exhibited in accordance with the requirements of the *Planning and Environment Act* 1987, providing the community and stakeholders with an opportunity to review and make submissions on the proposal.

Alignment to Plans and Strategies

Alignment to Council Plan 2025-2029:

Theme 1 - PLACE
1.1 - Enliven and beautify our townships and natural environments

Theme 2 - PEOPLE
3.1 - Elevate the efficiency and effectiveness of our Council

Financial Management (s101 *Local Government Act 2020)*

Preparation of the amendment has been supported through the Department of Transport and Planning's Regional Planning Hub program. Ongoing costs associated with progressing the amendment can be accommodated within existing operational budgets.

Service Performance (s106 *Local Government Act 2020)*

The proposed amendment is aimed at improving the efficiency and effectiveness of statutory planning services through a streamlined assessment process for eligible applications.

Risk Assessment

The proposed amendment has been developed in consultation with the Department of Transport and Planning, and relevant referral authorities. The primary risk associated with the proposal is that Ministerial authorisation may not be granted, or that issues may be raised during the formal exhibition process requiring further amendment. These risks are managed through the preparation of a Strategic Assessment Report, pre-amendment consultation with referral authorities and the statutory amendment process prescribed under the *Planning and Environment Act* 1987.

Communication/Implementation

Subject to Council's endorsement, a request for Ministerial authorisation will be submitted to the Minister for Planning. If authorised, the amendment will be publicly exhibited in accordance with the requirements of the *Planning and Environment Act* 1987. Any submissions received during exhibition will be considered as part of the amendment process, with a further report presented to Council prior to any decision regarding the adoption of the amendment.

Human Rights Charter

No impact.

Officer General or Material Interest

No officer declared an interest under the *Local Government Act 2020* in the preparation of this report.

Options

Option 1 – Endorse the recommendation
This option is recommended by officers as it will enable Council to seek Ministerial authorisation to prepare a planning scheme amendment introducing new local VicSmart application classes for eligible agricultural buildings within the Environmental Significance Overlay, Schedule 3 and Significant Landscape Overlay, Schedule 1. The amendment will support a more streamlined and efficient planning permit process while maintaining appropriate environmental and landscape assessment requirements.

Option 2 – Do not endorse the recommendation
This option is not recommended by officers as it would prevent Council from progressing the proposed planning scheme amendment and pursuing the associated benefits of a more streamlined and efficient assessment process for eligible agricultural development. Existing planning permit requirements and assessment pathways would remain unchanged.

Introduction of Local VicSmart provisions into the Colac Otway Planning Scheme

Strategic Assessment Report
September 2025

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Introduction

Colac Otway Shire is a rural municipality located in the Southwest region of Victoria, approximately 150 kilometres from Melbourne. The municipality includes some of the most scenic and environmentally sensitive land in Victoria including the Great Otway National Park and 90 kilometres of coastline served by the Great Ocean Road.

Due to its rural setting, agriculture is a key economic contributor to the municipality with the dairy and beef industries the most significant in terms of land use and economic contribution.

In recognition of the need for a faster and more efficient planning process for minor development proposals in agricultural areas, Colac Otway Shire Council is seeking to introduce local VicSmart provisions that simplify and expedite the approval of straightforward applications for agricultural sheds.

Purpose

The purpose of this report is to present justification for the inclusion of local VicSmart planning provisions in the Colac Otway Planning Scheme.

It supports a priority outlined in the *Colac Otway Shire Annual Plan 2022- 23* for “Building and Planning services to be customer and solution focussed”, and the associated action which is to, “undertake review of local VicSmart provisions to increase the number of permit applications that could be assessed via a streamlined planning process”.

Further, it supports recommendations that have been consistently highlighted in Section 12B *Planning and Environment Act 1987* reviews of the Colac Otway Planning Scheme to investigate expanding VicSmart provisions to apply to rural areas in an effort to improve the effectiveness and efficiency of the planning application process.

The preparation of this report follows the 2022 review of the Erosion Management Overlay (implemented via Amendment C119cola in September 2022) which introduced improvements to the planning process in agricultural areas by increasing the number of exemptions from the requirement of obtaining a planning permit and reducing the need to provide expensive and time-consuming technical reports that would otherwise be required to accompany permit applications for sheds and farm buildings.

The report highlights the benefits of incorporating VicSmart provisions for agricultural sheds in the Significant Landscape Overlay, Schedule 1 and the Environmental Significance Overlay, Schedule 3, emphasising the positive impact this would have on the efficiency and effectiveness of the planning process for the region's agricultural sector, and provides a methodology for doing so.

Background

VicSmart Provisions

Overview

VicSmart is a streamlined planning permit assessment process that is aimed at expediting simple and straightforward applications. Classes of application are identified in respective planning schemes as being VicSmart and have specified requirements for information, assessment processes and decision guidelines. The assessment process provides for a ten-day decision timeframe, exemption from notice and third-party review and attracts a significantly lower application fee in comparison to a regular application stream.

VicSmart was first introduced into the Victoria Planning Provisions and all planning schemes in September 2014 by Amendment VC114, and has since been extended on three occasions. One of these, Amendment VC135 (March 2017), extended the VicSmart provisions to include a range of low impact developments in rural areas (up to $500,000 in agricultural settings and $250,000 in more sensitive rural settings), and small scale types of buildings and works in selected overlays.

While VicSmart has many positive benefits for low impact developments and recent extensions to its application have allowed for more classes of applications to be considered through a streamlined assessment process, it can only be

utilised if a permit is only required under the provisions of the planning scheme that are specified as a VicSmart application, and not if a permit is required under any other provision of the planning scheme.

For this reason, low impact developments in municipalities that have complex planning overlay controls in place, often don't meet the criteria for being considered under the State VicSmart provisions.

This can, however, be addressed by introducing local Vicsmart provisions for particular classes of application that are triggered under local planning controls (for eg. overlays) through a planning scheme amendment.

Benefits of VicSmart Provisions

The inclusion of local VicSmart planning provisions for agricultural sheds in the Colac Otway Planning Scheme offers several advantages, including:

a) Streamlined Process: VicSmart provisions can establish clear criteria and requirements for the construction of agricultural sheds in a sensitive environment. This clarity streamlines the assessment process for both applicants and planning officers and facilitates prompt decision-making. By expediting the approval process, farmers and landowners in these areas can obtain permits for agricultural sheds within a shorter timeframe, enabling them to meet the operational needs of their farming activities more efficiently.

b) Consistency: VicSmart provisions for agricultural sheds can ensure a consistent and standardized approach to the planning process. The predefined requirements and decision guidelines eliminate the need for extensive individual assessments, saving time and resources for both applicants and planning officers. This standardization enhances predictability and certainty in the planning process, allowing farmers to plan their agricultural operations with more confidence.

c) Cost Savings: The simplified and faster processing of VicSmart applications for agricultural sheds can lend itself to cost savings for both applications and the planning authority. By eliminating the need for extensive assessment and public notice for minor developments, resources can be allocated more efficiently. This allows for better allocation of planning staff time and reduces administrative costs associated with the traditional planning process, benefiting farmers and the local economy.

d) Support for Sustainable Agriculture: Agricultural sheds play a crucial role in supporting sustainable agricultural practices. They facilitate the storage and protection of equipment, machinery, and produce, helping to maintain and enhance the farming productivity of the region. By streamlining the approval process for agricultural sheds, VicSmart provisions can encourage sustainable agriculture by minimising delays and administrative burdens, promoting the growth and viability of agricultural operations in the region.

Suitability of VicSmart

While there are no Planning Practice Notes that provide guidance on the appropriate use of local VicSmart schedules, the *Practitioners Guide to Victoria's Planning Schemes, August 2025, Version 8* (the Practitioner's Guide) outlines several considerations when deciding whether to create a local VicSmart class, as follows:

- *The proposed class should be capable of being received, reviewed and determined in 10 business days in almost all cases.*
- *The proposed class should only require a small number of discrete issues to be considered, with little to no policy balancing.*
- *Where an external referral authority is required to give comment under Clause 66, this should be able to be obtained before lodgement without the assistance of the responsible authority.*
- *Where internal comment is required, it should involve no more than one or two basic matters.*
- *The information required for the proposed class should be simple to prepare.*
- *The proposed class should not involve matters that would typically require third party notice.*
- *Whether the proposed class would be more suitable for a permit exemption.*

This provides a helpful starting point in deciding what classes of application may be appropriate in the Colac Otway context.

Colac Otway Planning Context

The Colac Otway Shire receives a significant volume of planning permit applications each year. Over the financial years of 2021 - 2025, Council received a total of 1,621 new planning permit applications and 199 amended permit applications. This volume is in part due to increasing development pressure as well as a complex planning scheme that has a high number of overlay controls.

Permits	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Received total	396	420	395	302	307	1,820

The five most common permit applications received over the review period were for: “Change or extension of use”, “Single dwelling”, “Other building and works (including septic tanks, dams and earthworks)”, “One or more new buildings” and “Extension to dwelling or associated structure” categories. Applications relating to a change or extension of land use or a new dwelling represent the highest permit activity and require complex assessment to consider the potential material impact on surrounding environs.

Application type received	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Change or extension of use	131	127	121	93	73	545
Single dwelling	89	90	109	67	59	414
Other buildings and works (including septic tanks, dams and earthworks)	81	108	96	91	35	411
One or more new buildings	76	81	106	61	70	394
Extension to an existing dwelling or structure (associated with a dwelling)	91	102	53	59	42	347

Council received 394 permit applications for minor development proposals for one or more new buildings on a site for the 2021 – 2025 review period. Examination of Council permit data shows that this category is usually for an agricultural shed in a rural area and is classified as a ‘simple’ assessment type that rarely requires public notification

Despite its straightforward assessment requirements, only 35 of the 143 applications for agricultural sheds in rural areas qualified for assessment under a State VicSmart pathway (PPARs public dashboard). Permit applications for “one or more new buildings” on agricultural land are commonly considered under the Colac Otway Planning Scheme in the following provisions:

Farming Zone

- For buildings and works associated with a Section 2 use (agriculture is generally considered a Section 1 use).
- For buildings and works within the specified setbacks (of the zone or schedule) from a Transport Zone 2 or Public Acquisition Overlay, other road or property boundary, dwelling not in the same ownership or a waterway, wetland or designated flood plain.

These applications can generally be considered under a State VicSmart pathway if there are no other permit triggers that require consideration, the development has an estimated cost of up to $500,000 and it meets any other conditions for VicSmart listed in the zone provision.

Rural Conservation Zone

- For buildings and works associated with a Section 2 use (agriculture is generally considered a Section 2 use).
- For buildings and works within the specified setbacks (of the zone or schedule) from a Transport Zone 2, Transport Zone 3, or Public Acquisition Overlay, other road or property boundary, dwelling not in the same ownership or a waterway, wetland or designated flood plain.

These applications can generally be considered under a State VicSmart pathway if there are no other permit triggers that require consideration, the development has an estimated cost of up to $250,000 and it meets any other conditions for VicSmart listed in the zone provision.

Rural Living Zone

- For buildings and works associated with a Section 2 use (agriculture is generally considered a Section 2 use).
- For buildings and works within the specified setbacks (of the zone or schedule) from a Transport Zone 2 or Public Acquisition Overlay, other road or property boundary, dwelling not in the same ownership or a waterway, wetland or designated flood plain.

These applications can generally be considered under a State VicSmart pathway if there are no other permit triggers that require consideration, the development has an estimated cost of up to $250,000 and it meets any other conditions for VicSmart listed in the zone provision.

Environmental Significance Overlay, Schedules 2, 3 and 4

- For all buildings and works not otherwise exempt.

There are no State VicSmart pathways under these provisions for the construction of an agricultural shed.

Significant Landscape Overlay Schedules 1 and 3
For all buildings and works not otherwise exempt.

There are no State VicSmart pathways under these provisions for the construction of an agricultural shed.

Land Subject to Inundation Overlay

- For buildings and works unless the building is open on all sides and has unenclosed foundations, or the building; meets the floor area, safety hazard mitigation and management criteria of the Flood plain Management Authority, is constructed on stumps/piers and bearers, cladding to the subfloor has openings or is of an open style to allow entry and exit of flood water and earthworks do not alter natural ground level.

There are no State VicSmart pathways under these provisions for the construction of an agricultural shed.

Other Overlays

While the Bushfire Management Overlay and Erosion Management Overlay apply to vast amounts of rural land for which a permit is otherwise required for buildings and works under a control listed above, both have exemptions for the construction of a building associated with an agricultural land use. The Bushfire Management Overlay does not require a permit for buildings and works associated with construction of a building unless the land use term “Agriculture” and the Erosion Management Overlay does not require a permit to construction or extend a building used for agricultural purposes in the Farming Zone.

The Vegetation Protection Overlay also applies to vast amounts of rural land for which a permit is generally required for buildings and works under a control listed above, however, it does not control development and rather only requires a permit for the removal, destruction or lopping of vegetation.

Summary

Considering the zone provisions already allow for minor development proposals in rural areas to be considered through a State VicSmart pathway, this assessment should focus on the potential for local VicSmart provisions to be extended into areas that are affected by the abovementioned overlay controls, where a separate permit would not be required for use under the zone provision and where majority of the considerations under the Practitioner’s Guide can be met.

Given the Land Subject to Inundation Overlay has been put in place to manage potential risk to life and property and requires referral under Clause 66, it is appropriate for this assessment to focus on the potential for local VicSmart provisions in the following instances:

- Significant Landscape Overlay schedules – where the agricultural shed will support the purpose of the underlying zone (ie. where agriculture is generally as of right), there are limited notice and referral requirements and there is moderate to high permit activity.
- Environmental Significance Overlay schedules – where the agricultural shed will support the purpose of the underlying zone (ie. where agricultural is generally as of right), there is moderate to high permit activity, and where there is a memorandum of understanding regarding application referrals/there are limited notice and referral requirements.

This scope takes into account council officer recommendations for potential local VicSmart provisions and will be further refined through review of current planning controls, Clause 66 notice and referral provisions for local schedules, and local planning permit activity data.

Current Planning Controls

Significant Landscape Overlay

The Significant Landscape Overlay (SLO) has been applied across the municipality to landscapes of high character value.

Six distinct character areas have been identified and protected in the scheme via local precinct schedules:

- Schedule 1 and Schedule 6 of the SLO apply to land located in the Farming Zone in the mid to northern areas of the municipality, that have been identified in the Colac Otway Planning Scheme as having medium and high agricultural capability. Schedule 1 applies to the “Valleys Hills and Plains Landscape Precinct” and Schedule 6 applies to the “Rivers of the Barwon” Barwon River (Parwan) Corridor Environs”.
- Schedule 2 applies to residential land (predominantly the Township Zone) in “Coastal Towns: Skenes Creek, Kennett River, Wye River and Separation Creek”.
- Schedule 3 applies to land located in the Rural Conservation Zone in the “Apollo Bay Coastal Valley and Hills Precinct”.
- Schedule 4 applies to land located in the Rural Conservation Zone in the “Johanna Coast to Cape Otway Coastal Valley and Hills Precinct”.
- Schedule 5 applies to land located in the Rural Conservation Zone in the “Apollo Bay Landscape Precinct”.

Although considered a ‘straight forward’ application type and assessment class, a permit to construct an agricultural building, such as a farm shed, in the SLO does not qualify for consideration under the VicSmart application pathway. Instead, it must be lodged as a standard permit application which incurs an application fee ranging from $1,232.30 - $61,914.60 and has a statutory decision deadline of up to 60 days.

A sample of planning permit data provided by council shows that the average time taken to issue a permit under the SLO provisions can be anywhere between 0 and 50 statutory days, depending on whether the application required public notice or referral, and whether further information was required to be provided to support the application.

Environmental Significant Overlay

The Environmental Significance Overlay (ESO) has been applied across the municipality to areas of high environmental value.

Four distinct environmental areas have been identified and protected in the scheme via local precinct schedules:

- Schedule 2 applies to land in proximity to “lakes, wetlands and watercourses”. -Rural Conservation Zone, Farming Zone, Public Conservation and Resource Zone,
- Schedule 3 applies to land in proximity to “declared water supply catchments”.
- Schedule 4 applies to land for “habitat protection”.

- Schedule 6 applies to land within the "Colac water reclamation plant buffer".

The schedules to the ESO generally traverse multiple rural zones, and in some instances traverse residential zones.

Although considered a 'straight forward' application type and assessment class, a permit to construct an agricultural building, such as a farm shed, in the ESO does not qualify for consideration under the VicSmart application pathway. Instead, it must be lodged as a standard permit application which incurs an application fee ranging from $1,232.30 - $61,914.60 and has a statutory decision deadline of up to 60 days.

A sample of planning permit data provided by council shows that the average time taken to issue a permit under the ESO provisions can be anywhere between 0 and 50 statutory days, depending on whether the application required public notice or referral, and whether further information was required to be provided to support the application.

The Department of Energy, Environment and Climate Action released the *Planning permit applications in special water supply catchment areas* guidelines in 2024 to assist local government in the assessment of planning permit applications for activities in special water supply catchment areas. The guidelines do not apply to agricultural farm buildings that do not generate wastewater on land affected by ESO3.

Clause 66 Referral and Notice Provisions

Referral Provisions

Clause 66.04 Schedule 1 of the planning scheme requires applications under ESO2, ESO3, ESO4 and ESO6 to be referred to the relevant water corporation / catchment management authority as either a determining or recommending referral authority as follows:

Clause	Kind of application	Referral authority	Referral type
Clause 5 of Schedule 2 to Clause 42.01 (ESO2)	All applications	Department of Energy, Environment and Climate Action	Determining
Clause 5 of Schedule 3 to Clause 42.01 (ESO3)	All applications within the Gellibrand or Gellibrand South Catchment	Wannon Region Water Corporation	Determining
	All other applications	Barwon Region Water Corporation	Determining
Clause 5 of Schedule 4 to Clause 42.01 (ESO4)	All applications	Corangamite Catchment Management Authority	Recommending
Clause 5 of Schedule 6 to Clause 42.01 (ESO6)	All applications	Barwon Region Water Corporation	Determining

With regard to referral requirements, the following is further specified in the relevant overlay provisions:

ESO 2 states - *An application must be referred in accordance with Section 55 of the Act to the referral authority specified in Clause 66.04 or a schedule to that clause unless in the opinion of the responsible authority, the proposal satisfies requirements or conditions previously agreed to in writing between the responsible authority and the referral authority (emphasis added).*

ESO 3 states – *An application must be referred in accordance with Section 55 of the Act to the referral authority specified in Clause 66.04 or a schedule to that clause unless in the opinion of the responsible authority, the proposal satisfies requirements or conditions previously agreed to in writing between the responsible authority and the referral authority (emphasis added).*

ESO 4 states – *An application must be referred in accordance with Section 55 of the Act to the referral authority specified in Clause 66.04 or a schedule to that clause unless in the opinion of the responsible authority, the proposal satisfies*

requirements or conditions previously agreed to in writing between the responsible authority and the referral authority (emphasis added).

ESO 6 states - *An application must be referred in accordance with Section 55 of the Act to the referral authority specified in Clause 66.04 or a schedule to that clause.* Note: the exemption from referring applications that is emphasised above has not been included in this schedule.

Agreement Regarding Referral of Planning Permit Applications

In 2015, the Responsible Authority and the three water authorities for the municipality (being Gippsland and Southern Rural Water Corporation, Wannon Water Corporation and Barwon Region Water Corporation) formed a Memorandum of Understanding (MoU) to assist in fast-tracking the planning permit process for small developments, such as outbuildings and sheds. The MoU recognises an agreed position on a specific list of applications that do not need to be referred under Clause 66.04 of the planning scheme, provided standard conditions are applied to any permits issued.

Of relevance to this assessment, the MoU removes the need to refer planning applications for buildings associated with an agricultural use in the ESO3 to the water corporations under the following circumstances:

i. *The building is set back greater than 100 metres from a waterway; and*
ii. *The building is less than 200 square metres in area; and*
iii. *The building is set back greater than 300 metres from the full supply line of all water storage facilities under the water corporation's management or control; and*
iv. *Facilities that generate waste water are not proposed in the building; and*
v. *The building complies with setback distances in the Code of Practice – Onsite Wastewater Management EPA publication 891.3 (February 2013, or as amended).*

The following conditions must, however, be included on a planning permit, if one is to be issued:

i. *The permitted building must not be used for any habitable purpose and must not be used for any commercial or industrial purpose, except in accordance with the provisions of the Colac Otway Planning Scheme; and*
ii. *Any existing effluent treatment and disposal areas (if applicable) must be kept free from stock, buildings, driveways and service trenching; and*
iii. *Stormwater must not be released directly into any waterway and must be directed away from any existing or approved effluent fields; and*
iv. *Sediment control measures outlined in the EPA's publication No 275, Sediment Pollution Control (or as amended), must be employed during construction and maintained until the disturbed area has been revegetated.*

Notice Provisions

Clause 66.06 Schedule 1 of the planning scheme requires notice of applications under ESO3, ESO4, SLO3, SLO4 and SLO5 to be given as follows:

Clause	Kind of application	Person or body to be notified
Clause 5 of Schedule 3 to Clause 42.01 (ESO3)	All applications	Secretary to Department of Energy, Environment and Climate Action
Clause 5 of Schedule 4 to Clause 42.01 (ESO4)	All applications	Secretary to the Department of Energy, Environment and Climate Action
Clause 4 of Schedule 3 to Clause 42.03 (SLO3)	All applications	Secretary to the Department of Energy, Environment and Climate Action Western Coastal Board

Clause 4 of Schedule 4 to Clause 42.03 (SLO4)	All applications	Secretary to the Department of Energy, Environment and Climate Action Western Coastal Board
Clause 4 of Schedule 5 to Clause 42.03 (SLO5)	All applications	Secretary to the Department of Energy, Environment and Climate Action Western Coastal Board

With regard to notice requirements, the following is further specified in the relevant overlay provisions:

ESO3 states - *Council may seek the comments on any application in accordance with Section 52(1)(c) of the Act from the authority specified in Clause 66.06 or a schedule to that clause (emphasis added).*

ESO4 states - *Council may seek the comments on any application in accordance with Section 52(1)(c) of the Act from the authority specified in Clause 66.06 or a schedule to that clause (emphasis added).*

SLO3 states - *Council may seek the comments on any application in accordance with Section 52(1)(c) of the Act from the authority specified in Clause 66.06 or a schedule to that clause (emphasis added).*

SLO4 states - *Council may seek the comments on any application in accordance with Section 52(1)(c) of the Act from the authority specified in Clause 66.06 or a schedule to that clause (emphasis added).*

SLO5 states - *Council may seek the comments on any application in accordance with Section 52(1)(c) of the Act from the authority specified in Clause 66.06 or a schedule to that clause (emphasis added).*

Planning Permit Activity

Of the 1,820 planning applications received by Council within the review period, 394 applications were associated with one or more new buildings, and of these, 141 were associated with an agricultural land use. Only 35 of these were eligible for assessment under the State VicSmart pathway.

PPARS data indicates that permit applications for one or more new buildings on agricultural land and assessed under State Vicsmart provisions were processed within an average of 22 days. By contrast, permits applications for one or more new buildings on agricultural land assessed under the standard pathway had processing times averaging 82 days. (PPARs public dashboard).

Council supplied data for the 2021 – 2025 period indicates that Schedule 3 to the Environmental Significance Overlay and Schedule 1 to the Significant Landscape Overlay registered the highest permit activity for buildings and works associated with an agricultural building.

Assessment Scope

As mentioned earlier in this report, the scope of this assessment will focus on Significant Landscape Overlay schedules where agriculture is generally as of right in the underlying zone, there are limited notice and referral requirements and there is moderate to high permit activity and Environmental Significance Overlay schedules where agricultural is generally as of right in the underlying zone, there is moderate to high permit activity, and where there is a memorandum of understanding regarding application referrals/there is limited notice and referral requirements.

Sample Planning Permit Analysis

A review has been undertaken of a sample of 16 decisions, whereby a planning permit was required for buildings and works under Schedule 1 of the Significant Landscape Overlay and/or Schedule 3 of the Environmental Significance Overlay. This was to confirm that the majority of considerations for a VicSmart provision under the Practitioner's Guide could be met. See Appendix for 1 for details of this review.

Based on the review of sample decisions, the level of assessment and notification given for agricultural shed proposals in the SLO and ESO is generally commensurate with the VicSmart process for the following reasons:

- All planning permit applications reviewed resulted in a decision by the responsible authority to grant a planning permit.
- The majority of applications were for land that had an underlying Farming Zone, where a permit was not required for land use. Instead, if a permit was required for development under the zone, it was due to proximity to a specified setback in the zone or schedule to the zone (being road, dwelling not in the same ownership, or a waterway, wetland or designated floodplain). There would be an opportunity for these to be considered under the parameters of VicSmart in the Farming Zone.
- None of the applications were fully exempt from public notification requirements, however, the responsible authority only required public notice for one (1) of the applications.
- Siting and design were key considerations in the assessment made by the responsible authority for all applications and it was noted that the sheds were mostly constructed of muted tones and non-reflective materials.
- Building height ranged from anywhere between 3.6 metres to 7 metres.
- Floor areas ranged from 63 square metres to 960 square metres.
- There was only one noted concern regarding building height, and it was determined that it was appropriate due to the requirement for it to store large farm machinery.
- While a number of applications exceeded a 10-day decision timeframe, it is evident that when further information was requested and provided, a decision could be turned around in a relatively quick period of time (ie. between 0-1 statutory days).
- Understandably where applications were more complex (ie. the proposal was for multiple agricultural sheds, or where use was a consideration under a zone provision), statutory days were higher.
- Eight (8) applications required referral under the notice and referral requirements of Clause 66.04 as the proposed shed footprints did not meet the MoU floor area requirements and exceeded 200 square metres.
- While Clause 66.06 notice to the Secretary to the Department of Energy, Environment and Climate Action was required for all applications considered under the ESO3, none of the applications in the sample pack received any objections.

Proposed Local VicSmart Provisions

It is proposed that the local VicSmart provision be utilised at Table 2 of the Schedule to Clause 59.15, and that two new Schedules be introduced at Clause 59.16 to outline information requirements and decision guidelines for local VicSmart applications in the manner outlined below.

Table 2 of the Schedule to Clause 59.15 – Significant Landscape Overlay

Name of overlay or class of overlay	Class of application	Permit requirement provision	Information requirements and decision guidelines

Clause 42.03 Significant Landscape Overlay, Schedule 1	Construct a new building used for agriculture, where all of the following are met: • the floor area of the building does not exceed 200 square metres. • the building is single storey and has a height not exceeding 7 metres above natural ground level. • the building is constructed in muted, non-reflective tones.	Clause 42.03-2 (SLO)	Proposed new schedule to Clause 59.16
Clause 42.03 Significant Landscape Overlay, Schedule 1	Extend an existing building used for agriculture, where all of the following are met: • the gross floor area of the building (including the extended floor area) will not exceed 200 square metres. • the building is single storey and the overall height will not exceed 7 metres above natural ground level. • the building is constructed in muted, non-reflective tones.	Clause 42.03-2 (SLO)	Proposed new schedule to Clause 59.16

Proposed Schedule to Clause 59.16 for Applications under the Significant Landscape Overlay

A new schedule to Clause 56.19 is proposed to include application requirements and decision guidelines that have been drawn from Clause 42.03 and Clause 59.05.

Proposed Information requirements

An application must be accompanied by the following information as appropriate:

- A copy of title for the subject land and a copy of any registered restrictive covenant.
- Plans, drawn to scale and fully dimensioned, showing:
  - The location, shape and size of the site.
  - A floor plan of the proposed building.
  - The location, height and design of the proposed buildings and works including details of materials, finishes and colour.
  - Natural ground level in the location of the proposed building.
  - The location of any existing buildings, including fences and trees.
  - Details of any proposed works involving excavation, filling, retaining walls and finished floor levels.
- A written description of the proposal including:
  - How the proposal responds to the landscape character objectives specified in Schedule 1 to the Significant Landscape Overlay.
  - How the proposal has been designed to avoid contrasting shape, colour, size and mass.
  - How the proposal has been sited and screened to become an integral part of the visual landscape rather than dominating it.
  - How the proposal has been sited to avoid ridgelines, the slopes of scoria cones and the inside of craters.

- A photograph of any existing buildings and the area affected by the proposal.
- A photograph of the area affected by the proposal as viewed from adjacent road corridors, public viewing locations and/or public reserves as relevant.

Proposed Decision Guidelines

In assessing an application the responsible authority must consider as appropriate:

- The statement of the nature and key elements of the landscape and the landscape character objective contained in Schedule 1 to the Significant Landscape Overlay and whether the buildings and works will adversely affect those key elements or the objectives.
- The objectives and strategies outlined at Clause 12.05-2S and Clause 12.05-2L.
- The impact of buildings and works on significant views and the landscape values of the area.
- The extent to which the buildings and works are designed and sited to enhance or promote the landscape character objectives of the area.
- The impact of the buildings and works on the drainage of the site and the stability of the site.
- The extent to which the buildings and works will be screened from adjacent road corridors, public viewing locations and/or public reserves as relevant.

Table 2 of the Schedule to Clause 59.15 – Environmental Significance Overlay

Name of overlay or class of overlay	Class of application	Permit requirement provision	Information requirements and decision guidelines
Clause 42.01 Environmental Significance Overlay, Schedule 3	Construct a new building used for agriculture, where all of the following are met: • The building is set back greater than 100 metres from a waterway. • The floor area of the building does not exceed 200 square metres. • The building is set back greater than 300 metres from the full supply line of all water storage facilities under the water corporation's management or control. • Facilities that generate waste water are not proposed in the building. • The building complies with setback distances in the Code of Practice – Onsite Wastewater Management EPA publication 891.4 (July 2016, or as amended).	Clause 42.01-2 (ESO)	Proposed new schedule to Clause 59.16

Clause 42.01 Environmental Significance Overlay, Schedule 3	Extend an existing building used for agriculture, where all of the following are met: • The building is set back greater than 100 metres from a waterway. • The gross floor area of the building (including the extended floor area) will not exceed 200 square metres. • The building is set back greater than 300 metres from the full supply line of all water storage facilities under the water corporation's management or control. • Facilities that generate waste water are not proposed in the building. • The building complies with setback distances in the Code of Practice – Onsite Wastewater Management EPA publication 891.4 (July 2016, or as amended).	Clause 42.01-2 (ESO)	Proposed new schedule to Clause 59.16

Proposed Schedule to Clause 59.16 for Applications under the Environmental Significance Overlay

A new schedule to Clause 56.19 is proposed to include application requirements and decision guidelines that have been drawn from Clause 42.01 and Clause 59.05.

Proposed Information requirements

An application must be accompanied by the following information as appropriate:

- A copy of title for the subject land and a copy of any registered restrictive covenant.
- Plans, drawn to scale and fully dimensioned, showing:
  - The location, shape and size of the site.
  - A floor plan of the proposed building.
  - The location, height and design of the proposed buildings and works including details of materials, finishes and colour.
  - Natural ground level in the location of the proposed building.
  - The location of any existing buildings, including fences and trees.
- A written statement confirming that no facilities that generate waste water are proposed.
- A written description of the proposal including:
  - How the proposal responds to the environmental objectives specified in Schedule 3 to the Environmental Significance Overlay.
- A photograph of any existing buildings and the area affected by the proposal.

Proposed Decision Guidelines

In assessing an application the responsible authority must consider as appropriate:

- The statement of environmental significance and the environmental objectives contained in Schedule 3 to the Environmental Significance Overlay and whether the buildings and works will adversely affect that significance or the objectives.
- The objectives and strategies outlined at Clause 14.02-1S and Clause 14.02-2S.
- The impact of the buildings and works on the drainage of the site and the stability of the site.

Review of administrative and financial implications

The inclusion of local VicSmart Provisions will be a proper use of the Victorian Planning Provisions. It will allow for a streamlined application and assessment process, with faster decision making, lower application fees, clearer expectations for applicants and more efficient use of council resources.

While there will be a reduction in fees associated with the lodgement of VicSmart applications, this will likely be offset by the estimated officer time saved on the assessment and processing of the application.

Views of relevant Referral Agencies

- Wannon Region Water Corporation (No comments)
- Barwon Region Water Corporation (Supportive)
- Gippsland and Southern Rural Water Corporation (No comments)
- DEECA (environment) (Supportive)

Conclusion

The inclusion of VicSmart planning provisions in the Colac Otway Planning Scheme is justified based on the benefits it offers in terms of a streamlined and efficient planning process it offers to the agricultural sector. The expedited decision-making, cost savings, and support for sustainable agricultural development contribute to the overall improvement of the planning system in the region. The incorporation of VicSmart provisions in the Colac Otway Planning Scheme will enhance the responsiveness and effectiveness of the local planning authority and will facilitate the growth and productivity of the agricultural sector in the Colac Otway region, ultimately benefiting both applicants and the community.

Appendices

Appendix 1 Review of planning permit applications:

The following 16 tables include a summary of key information relating to a sample of applications for agricultural sheds in the Environmental Significance Overlay, Schedule 3 and Significant Landscape Overlay, Schedule 1 of the Colac Otway Planning Scheme.

Application No.	PP93/2022-1
Application details:	Buildings and Works Comprising Construction of Agricultural Building
Address:	85 Old Lardners Track GELLIBRAND
Statutory Days:	36
Zone:	Farming Zone (FZ)
Overlays:	Environmental Significance Overlay, Schedule 3 (ESO3) Bushfire Management Overlay (BMO) Erosion Management Overlay (EMO)
Relevant Permit Trigger:	ESO3 - A permit is required to construct a building or construct or carry out works.
Building size (sqm):	140sqm
Building height (m):	3.6m
Public notice:	Not provided – the Responsible Authority is satisfied that the grant of a permit would not cause material detriment to any person.
Further information required:	Yes
Referral:	The proposed building met the criteria set out in the “Agreement regarding referral of planning permit applications, 2015”. Standard conditions of the agreement were included on the planning permit.
Decision:	Issued
Other comments:	Nil

Application No.	PP79/2021-1
Application details:	Building and Works Comprising Construction of Agricultural Building
Address:	180 Baileys Road IRREWILLIPE EAST
Statutory Days:	1
Zone:	Farming Zone (FZ)
Overlays:	Significant Landscape Overlay, Schedule 1 (SLO) Bushfire Management Overlay (BMO) Vegetation Protection Overlay, Schedule 1 (VPO1)

Relevant Permit Trigger:	SLO1 - A permit is required to construct a building or construct or carry out works.
Building size (sqm):	960sqm
Building height (m):	6.81m
Public notice:	Not provided – the Responsible Authority is satisfied that the grant of a permit would not cause material detriment to any person.
Further information required:	Yes
Referral:	None required.
Decision:	Issued
Other comments:	Concern raised regarding site of building, however, it was considered acceptable as it would not be visible from the road or neighbouring property due to the setbacks and vegetation.

Application No.	PP7/2019-1
Application details:	Buildings and Works Comprising Construction of Agricultural Building
Address:	200 Sand Pit Road CHAPPLE VALE
Statutory Days:	17
Zone:	Farming Zone (FZ)
Overlays:	Environmental Significance Overlay, Schedule 3 (ESO3) Bushfire Management Overlay (BMO) Erosion Management Overlay (EMO) Land Subject to Inundation Overlay, Schedule 1 (LSIO1)
Relevant Permit Trigger:	ESO3 - A permit is required to construct a building or construct or carry out works. LSIO - A permit is required to construct a building or construct or carry out works. FZ – A permit is required construct a building within 100 metres of a designated floodplain EMO - (now exempt)
Building size (sqm):	224sqm
Building height (m):	6.62m
Public notice:	Not provided – the Responsible Authority is satisfied that the grant of a permit would not cause material detriment to any person.
Further information required:	No
Referral:	The proposed building did not met the criteria set out in the “Agreement regarding referral of planning permit applications, 2015”. The application

	was referred, consent provided and conditions applied to the permit issued.
Decision:	Issued
Other comments:	Nil

Application No.	PP4/2021-1
Application details:	Building and Works Comprising Construction of Agricultural Building and Four Water Tanks
Address:	180 Pipeline Road GERANGAMETE
Statutory Days:	1
Zone:	Farming Zone (FZ)
Overlays:	Environmental Significance Overlay, Schedule 3 (ESO3) Significant Landscape Overlay, Schedule 1 (SLO1) Bushfire Management Overlay (BMO) Erosion Management Overlay (EMO)
Relevant Permit Trigger:	ESO3 - A permit is required to construct a building or construct or carry out works. SLO1 - A permit is required to construct a building or construct or carry out works. EMO - (now exempt)
Building size (sqm):	547.2sqm
Building height (m):	7m
Public notice:	Not provided – the Responsible Authority is satisfied that the grant of a permit would not cause material detriment to any person.
Further information required:	No
Referral:	The proposed building did not meet the criteria set out in the “Agreement regarding referral of planning permit applications, 2015”. The application was referred and consent provided.
Decision:	Issued
Other comments:	Concern raised regarding height of building; however, it was noted that this was due to the requirement of the shed to provide access for farm machinery and therefore considered acceptable. It was also deemed appropriate as it would be screened by existing vegetation on site.

Application No.	PP34/2022-1
Application details:	Buildings and Works Comprising Construction of Agricultural Building

Address:	40 Clancys Access GELLIBRAND
Statutory Days:	15
Zone:	Farming Zone (FZ)
Overlays:	Environmental Significance Overlay, Schedule 3 (ESO3) Bushfire Management Overlay (BMO) Erosion Management Overlay (EMO) Vegetation Protection Overlay, Schedule 1 (VPO1) Land Subject to Inundation Overlay, Schedule 1 (LSIO)
Relevant Permit Trigger:	ESO3 - A permit is required to construct a building or construct or carry out works. FZ - A permit is required construct a building within 100 metres of a designated floodplain
Building size (sqm):	63sqm
Building height (m):	5.32m
Public notice:	Not provided – the Responsible Authority is satisfied that the grant of a permit would not cause material detriment to any person.
Further information required:	Yes
Referral:	The proposed building did not meet the criteria set out in the “Agreement regarding referral of planning permit applications, 2015”. The application was referred, consent provided and conditions applied to the permit issued.
Decision:	Issued
Other comments:	Nil

Application No.	PP302/2020-1
Application details:	Buildings and Works Comprising Construction of Agricultural Building
Address:	215 Old Yeo Road YEO
Statutory Days:	31
Zone:	Farming Zone (FZ)
Overlays:	Significant Landscape Overlay, Schedule 1 (SLO1) Erosion Management Overlay (EMO)
Relevant Permit Trigger:	SLO1 - A permit is required to construct a building or construct or carry out works.
Building size (sqm):	376sqm

Building height (m):	6.77m
Public notice:	Not provided – the Responsible Authority is satisfied that the grant of a permit would not cause material detriment to any person.
Further information required:	No
Referral:	Not required
Decision:	Issued
Other comments:	Concern raised regarding location of building with respect to boundary, however, neighbour had no objection.

Application No.	PP274/2021-1
Application details:	Buildings and Works Comprising Construction of Agricultural Building
Address:	75 Gellibrand East Road GELLIBRAND
Statutory Days:	27
Zone:	Farming Zone (FZ)
Overlays:	Environmental Significance Overlay, Schedule 3 (ESO3) Bushfire Management Overlay (BMO) Land Subject to Inundation Overlay, Schedule 1 (LSIO)
Relevant Permit Trigger:	ESO3 - A permit is required to construct a building or construct or carry out works. FZ - A permit is required construct a building within 100 metres of a waterway, wetland or designated flood plain.
Building size (sqm):	342sqm
Building height (m):	6.15m
Public notice:	Not provided – the Responsible Authority is satisfied that the grant of a permit would not cause material detriment to any person.
Further information required:	Yes
Referral:	The proposed building did not met the criteria set out in the “Agreement regarding referral of planning permit applications, 2015”. The application was referred, however, no response was received within the statutory timeframe.
Decision:	Issued
Other comments:	Nil

Application No.	PP253/2020-1

Application details:	Buildings and Works Comprising Construction of Agricultural Building
Address:	1000 Forrest Apollo Bay Road BARRAMUNGA
Statutory Days:	17
Zone:	Farming Zone (FZ)
Overlays:	Environmental Significance Overlay, Schedule 3 (ESO3) Bushfire Management Overlay (BMO) Erosion Management Overlay (EMO)
Relevant Permit Trigger:	ESO3 - A permit is required to construct a building or construct or carry out works.
Building size (sqm):	72sqm
Building height (m):	4.456m
Public notice:	Not provided – the Responsible Authority is satisfied that the grant of a permit would not cause material detriment to any person.
Further information required:	Yes
Referral:	The proposed building met the criteria set out in the “Agreement regarding referral of planning permit applications, 2015”. Standard conditions of the agreement were included on the planning permit.
Decision:	Issued
Other comments:	Nil

Application No.	PP212/2019-1
Application details:	Buildings and Works Comprising Construction of Agricultural Building
Address:	700 Great Ocean Road APOLLO BAY
Statutory Days:	21
Zone:	Rural Conservation Zone (RCZ)
Overlays:	Significant Landscape Overlay, Schedule 3 (SLO3) Bushfire Management Overlay (BMO) Erosion Management Overlay (EMO)
Relevant Permit Trigger:	SLO3 - A permit is required to construct a building or construct or carry out works. EMO - (now exempt) RCZ - A permit is required for buildings and works associated with a Section 2 use and to construct a building within 100 metres of a dwelling not in the same ownership and within 100 metres of a Road Zone, Category 1

Building size (sqm):	120sqm
Building height (m):	4.9m
Public notice:	Not provided – the Responsible Authority is satisfied that the grant of a permit would not cause material detriment to any person.
Further information required:	No
Referral:	Not required
Decision:	Issued
Other comments:	Nil

Application No.	PP191/2020-1
Application details:	Buildings and Works Comprising Construction of Agricultural Building
Address:	75 Old Friends Road YEO
Statutory Days:	0
Zone:	Farming Zone (FZ)
Overlays:	Significant Landscape Overlay, Schedule 1 (SLO1) Environmental Significance Overlay, Schedule 2 (ESO2) Environmental Significance Overlay, Schedule 3 (ESO3) Bushfire Management Overlay (BMO) Erosion Management Overlay (EMO) Vegetation Protection Overlay, Schedule 1 (VPO1)
Relevant Permit Trigger:	ESO3 - A permit is required to construct a building or construct or carry out works. SLO1 - A permit is required to construct a building or construct or carry out works.
Building size (sqm):	291.9sqm
Building height (m):	4.99m
Public notice:	Not provided – the Responsible Authority is satisfied that the grant of a permit would not cause material detriment to any person.
Further information required:	Yes
Referral:	The proposed building did not meet the criteria set out in the “Agreement regarding referral of planning permit applications, 2015”. The application was referred, consent provided and conditions applied to the permit issued.
Decision:	Issued

Other comments:	Nil

Application No.	PP187/2021-1
Application details:	Buildings and Works Comprising Construction of Agricultural Building
Address:	1780 Corangamite Lake Road DREEITE
Statutory Days:	31
Zone:	Farming Zone (FZ)
Overlays:	Significant Landscape Overlay, Schedule 1 (SLO1)
Relevant Permit Trigger:	SLO1 - A permit is required to construct a building or construct or carry out works.
Building size (sqm):	162sqm
Building height (m):	4.5m
Public notice:	Not provided – the Responsible Authority is satisfied that the grant of a permit would not cause material detriment to any person.
Further information required:	No
Referral:	Not required
Decision:	Issued
Other comments:	Nil

Application No.	PP178/2021-1
Application details:	Building and Works Comprising Construction of Two Agricultural Buildings
Address:	1120 Irrewillipe Road BARONGAROOK WEST
Statutory Days:	50
Zone:	Farming Zone (FZ)
Overlays:	Significant Landscape Overlay, Schedule 1 (SLO1) Bushfire Management Overlay (BMO) Erosion Management Overlay (EMO) Vegetation Protection Overlay, Schedule 1 (VPO1)
Relevant Permit Trigger:	SLO1 - A permit is required to construct a building or construct or carry out works. FZ - A permit is required construct a building within 100 metres of a dwelling not in the same ownership
Building size (sqm):	121sqm

Building height (m):	3.74m
Public notice:	Yes
Further information required:	Yes
Referral:	Not required
Decision:	Issued
Other comments:	Nil

Application No.	PP106/2020-1
Application details:	Use and Development of an Agricultural Building
Address:	370 and 380 Shorts Road BARONGAROOK
Statutory Days:	50
Zone:	Rural Living Zone (RLZ)
Overlays:	Environmental Significance Overlay, Schedule 2 (ESO2) Environmental Significance Overlay, Schedule 3 (ESO3) Significant Landscape Overlay, Schedule 1 (SLO1) Vegetation Protection Overlay, Schedule 1 (VPO1)
Relevant Permit Trigger:	RLZ - a planning permit is required to use and develop an agricultural building on the land, and for building and works within 100m of a waterway and 10m of a boundary. ESO3 - A permit is required to construct a building or construct or carry out works. SLO1 - A permit is required to construct a building or construct or carry out works.
Building size (sqm):	108sqm
Building height (m):	3.87m
Public notice:	Yes
Further information required:	Yes
Referral:	The proposed building did not meet the criteria set out in the “Agreement regarding referral of planning permit applications, 2015”. The application was referred, consent provided and conditions applied to the permit issued.
Decision:	Issued
Other comments:	Nil

Application No.	PP259 / 2024-1
Application details:	Construction of an Agriculture Shed
Address:	30 Yeo-Yeodene Road YEO
Statutory Days:	TBC
Zone:	Farming Zone (FZ)
Overlays:	Environmental Significance Overlay, Schedule 3 (ESO3) Significant Landscape Overlay, Schedule 1 (SLO1) Vegetation Protection Overlay, Schedule 1 (VPO1)
Relevant Permit Trigger:	Environmental Significance Overlay, Schedule 3 (ESO3) Significant Landscape Overlay, Schedule 1 (SLO1)
Building size (sqm):	300 sqm
Building height (m):	5.46m
Public notice:	Not provided – the Responsible Authority is satisfied that the grant of a permit would not cause material detriment to any person.
Further information required:	No
Referral:	The proposed building did not meet the criteria set out in the “Agreement regarding referral of planning permit applications, 2015”. The application was referred, consent provided and conditions applied to the permit issued.
Decision:	Issued
Other comments:	Shed to be constructed of non-reflective materials in a muted tone - COLOURBOND in ‘Pale Eucalypt’ colour.

Application No.	PP197/2024-1
Application details:	Construction of Agricultural Building
Address:	1500 Lavers Hill-Cobden Road CHAPPLE VALE
Statutory Days:	
Zone:	Farming Zone (FZ) Adjacent Transport Zone 2 (TRZ2)
Overlays:	Environmental Significance Overlay, Schedule 3 (ESO3) Erosion Management Overlay, Schedule 1 (EMO1) Land Subject to Inundation Overlay, Schedule 1 Bushfire Management Overlay (BMO)

Relevant Permit Trigger:	Environmental Significance Overlay, Schedule 3 (ESO3)
Building size (sqm):	288sqm
Building height (m):	5.166m
Public notice:	Not provided – the Responsible Authority is satisfied that the grant of a permit would not cause material detriment to any person.
Further information required:	No
Referral:	The proposed building did not meet the criteria set out in the "Agreement regarding referral of planning permit applications, 2015". The application was referred, consent provided and conditions applied to the permit issued.
Decision:	Issued
Other comments:	Shed to be constructed of non-reflective materials in a muted tone - COLOURBOND in 'Pale Eucalypt' colour.

Application No.	PP144 / 2023-1
Application details:	Construction of an Agricultural Shed
Address:	240 De La Rue's Road, YEODENE
Statutory Days:	
Zone:	Farming Zone (FZ)
Overlays:	Erosion Management Overlay – Schedule 1 (EMO1) Significant Landscape Overlay - Schedule 1 (SLO1)
Relevant Permit Trigger:	Farming Zone (FZ) Significant Landscape Overlay - Schedule 1 (SLO1)
Building size (sqm):	180sqm
Building height (m):	4.57m
Public notice:	Not provided – the Responsible Authority is satisfied that the grant of a permit would not cause material detriment to any person.
Further information required:	No
Referral:	Not required
Decision:	Issued
Other comments:	

Colac Otway SHIRE

Item: 6.2

PP132/2026-1 - 250 Irrewillipe Road ELLIMINYT - Construction of a Dwelling (FZ)

ADDRESS AND PROPERTY DETAILS	250 Irrewillipe Road ELLIMINYT C/A: 23 SEC: J V/F: 1787/231	**APPLICATION NUMBER**	PP132/2026-1
PROPOSAL	Use and Development of Land for a Dwelling and Construction of an Agricultural Building		

PERMIT TRIGGERS

Planning scheme clause	Matter for which a permit has been applied:
35.07-1	Use of land for a dwelling in the Farming Zone
35.07-4	Building and works in the Farming Zone associated with a dwelling use in Section 2 of Clause 35.07-1
	Building and works comprising construction of a dwelling and agricultural building within 100 metres of a waterway, wetlands or designated floodplain
44.04-2	Building and works comprising construction of an agricultural building within the Land Subject to Inundation Overlay

TRIGGER FOR DETERMINATION BY COMMITTEE	Use and development of land for a dwelling in the Farming Zone		
ZONE	Farming Zone	**OVERLAYS**	Land Subject to Inundation Overlay, Schedule 1 (LSIO1) - 47.81%

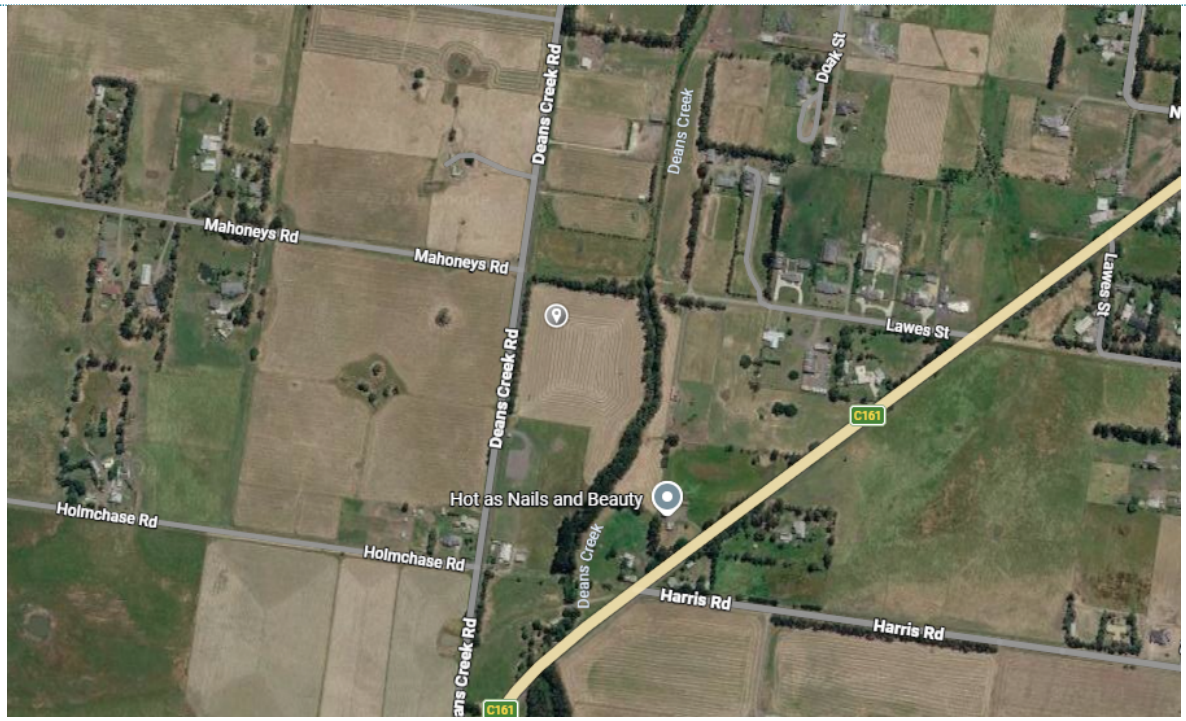
Item: 6.2

PP132/2026-1 - 250 Irrewillipe Road ELLIMINYT - Construction of a Dwelling (FZ)

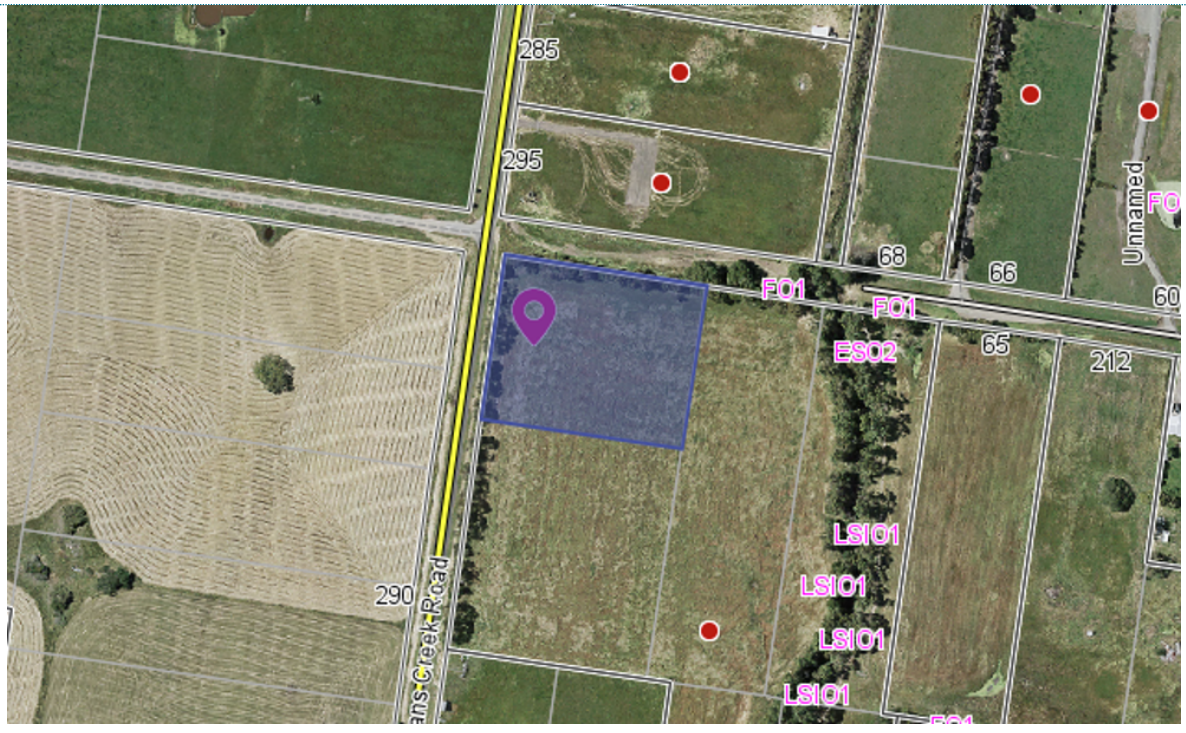
COVENANTS	CAVEAT AX803743D 08/03/2024 - Implied, Resulting or Constructive Trust. Does not affect consideration of this planning application. Crown Grant primarily relating to construction of drain and mining rights.
CULTURAL HERITAGE	The land is within an area of cultural heritage sensitivity. However, under reg. 9 of the *Aboriginal Heritage Regulations* 2018, the construction of 1 or 2 dwellings on a lot is an exempt activity.
OFFICER	Archna Rani
GENERAL MANAGER	Ian Seuren
DIVISION	Community and Economy
ATTACHMENTS	1. Application Plans [**6.2.1** - 7 pages]

1. LOCATION PLAN / AERIAL PHOTO

LOCATION PLAN



AERIAL PHOTO



2. RECOMMENDATION

That the Planning Committee resolves to Grant a Permit for the use and development of land for a dwelling and construction of an agricultural building at 250 Irrewillipe Road, Elliminyt (C/A: 23 SEC: J V/F: 1787/231), subject to the following conditions:

Endorsed Plans

1. ***The use and development as shown on the endorsed plans must not be altered without the written consent of the Responsible Authority.***

Dwelling Infrastructure

2. ***The dwelling hereby permitted must be connected to reticulated sewerage, if available. If reticulated sewerage is not available all wastewater from the dwelling must be treated and retained within the lot in accordance with the requirements of the Environment Protection Regulations under the Environment Protection Act 2017 for an on-site wastewater management system.***

3. ***The dwelling must be connected to a reticulated potable water supply or have an alternative potable water supply with adequate storage for domestic use as well as for fire-fighting purposes.***

4. ***The dwelling must be connected to a reticulated electricity supply or have an alternative energy source.***

Access

5. ***Prior to the commencement of development, unless otherwise agreed in writing by the Responsible Authority, concrete vehicular access from the roadway to the property boundary must be constructed to the satisfaction of the Responsible Authority.***

6. ***Prior to the commencement of the use hereby permitted, the driveway must be constructed to an all-weather standard and with a minimum width of 3m, to the satisfaction of the Responsible Authority.***

Stormwater

7. ***All stormwater runoff from the development, including overflow from water storage, must be taken to a legal point of discharge to the satisfaction of the Responsible Authority.***

8. ***During construction works, the site must be developed and managed to ensure there is no stormwater pollution through the contamination of runoff by chemicals, sediments, wastes or pollutants in accordance with 'Best Practice Environmental Management Guidelines for Stormwater Management and Construction Techniques for Sediment Pollution Control' (EPA) at any time during construction, to the satisfaction of the Responsible Authority.***

Wastewater

9. ***A domestic wastewater management system must be constructed concurrently with the dwelling hereby permitted, so that all wastewater is at all times contained within the curtilage of the site. The design and installation of any wastewater disposal system for any building on the land must comply with the EPA Guidelines for Onsite Wastewater Management (May 2024, or as amended) and the EPA Effluent Dispersal and Recycling Systems Guidance (May 2024, or***

as amended), to the satisfaction of the Responsible Authority. The onsite wastewater management system must be installed outside of the LSIO overlay.

No Gas Connection

10. Any new dwelling allowed by this permit must not be connected to a reticulated gas service (within the meaning of clause 53.03 of the relevant planning scheme). This condition continues to have force and effect after the development authorised by this permit has been completed.

CCMA conditions

11. The finished floor level of the dwelling be constructed no lower than 134.50 metres Australian Height Datum (AHD), being 300 millimetres above the 1% AEP flood level.

12. The finished floor level of the garage must be constructed no lower than 134.35 metres Australian Height Datum (AHD), being 150 millimetres above the 1% AEP flood level.

13. The finished floor level of the agricultural shed by constructed no lower than 134.30 metres Australian Height Datum (AHD), being 300 millimetres above the 1% AEP flood level.

14. Any fill placed on the property must not extend beyond the building envelope.

Expiry

15. This permit will expire if one of the following circumstances applies:

a) The development has not commenced within three (3) years of the date of this permit.

b) The development is not completed and the use has not commenced within five (5) years of the date of this permit.

In accordance with section 69 of the Planning and Environment Act 1987, an application may be made to the Responsible Authority to extend the periods referred to in this condition.

Note:

1. This permit does not authorise the commencement of any building works. Prior to the commencement of development, it will also be necessary to obtain a building permit for the proposed dwelling and shed.

2. A works within road reserve permit is required prior to any works being undertaken on Council managed road reserves within the Colac Otway Shire.

3. Prior to preparing drainage plans, a legal point of discharge (LPoD) must be obtained in accordance with Building Regulation 133. A copy of the LPoD, which incurs a fee in accordance with the Building Regulations, must be submitted with the engineering plans.

4. A separate application to install an onsite wastewater management system must be submitted to and approved by Council's Health Protection Unit prior to the commencement of works. The Health Protection Unit reserves the right to request that the Land Capability Assessment (LCA) be amended or updated by

a suitably qualified person and submitted for approval at the wastewater permit application stage. The LCA must be accompanied by a detailed system design if required by the Health Protection Unit.

3. PROPOSAL

This application seeks a planning permit for the use and development of land for a dwelling and the construction of an agricultural building.

The proposed dwelling would contain three bedrooms (one ensuite), an open plan kitchen/family/meals area, a shared toilet and bathroom, a laundry and a garage.

The floor area of the proposed dwelling would be 163.21sqm (17.5m x 7m) and it would have a maximum height of 4.63m. The exterior walls are proposed to be constructed of brick, and the roof proposed to be Colorbond (both 'Monument', a dark charcoal grey colour).

The proposed agricultural building would measure 122.5sqm, with a maximum building height of 3.38m. The shed roof and walls are proposed to be constructed of Colorbond and would also be finished in 'Monument'.

The proposed dwelling and shed would have the following setbacks:

Setbacks	**Dwelling**	**Agriculture Shed**
Street (Deans Creek Road)	32.33m	Approx. 91.33m
North Boundary	68.86m	Approx. 41.11m
South Boundary	5m	25m
Rear Boundary	51.51m	5m

The proposal includes the construction of a formal access to the property from the southwest corner of the site.

4. SUBJECT LAND & SURROUNDINGS

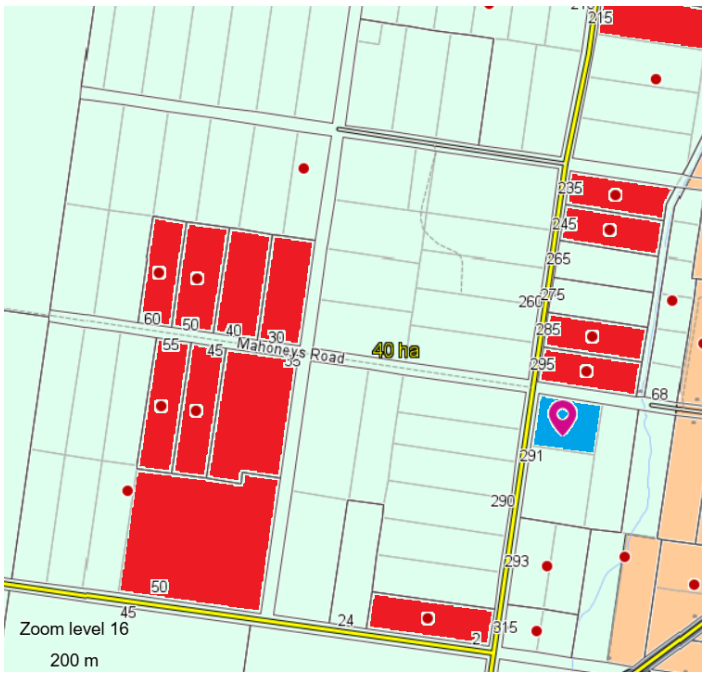
The subject site is in the Farming Zone, with street frontage of approximately 85m to Deans Creek Road and a depth of approximately 103m. The abutting land to the north is undeveloped Crown Land. Abutting lots to the rear (Allotment 25) and south (Allotment 24) are currently vacant. The property does not currently have formal access. The site is largely vacant, apart from some vegetation along the north and west boundaries.

The nearest dwelling is located to the east at 66 Lawes Street, which is in the Rural Living Zone (RLZ). The nearest dwelling in the Farming Zone is a long established one at 260 Deans Creek Road, approximately 200m to the northwest from the proposed location of dwelling on the subject site. There are no planning records for that property.

Also of note are the following surrounding lots which benefit from planning permission:

- 295 Deans Creek Road – Use and development of land for a dwelling – permit issued by Council 10/06/2020 (PP258/2019)
- 285 Deans Creek Road – Use and development of land for a dwelling – permit issued by Council 16/04/2021 (PP280/2020).
- 245 Deans Creek Road – Use and development of land for a dwelling – permit issued by Council 12/07/2024 (PP71/2024).

The image presented below provides an indication of dwellings existing or approved within the immediate area, marked in red. The subject site is identified in blue.



5. PLANNING SCHEME PROVISIONS

Planning Policy Framework

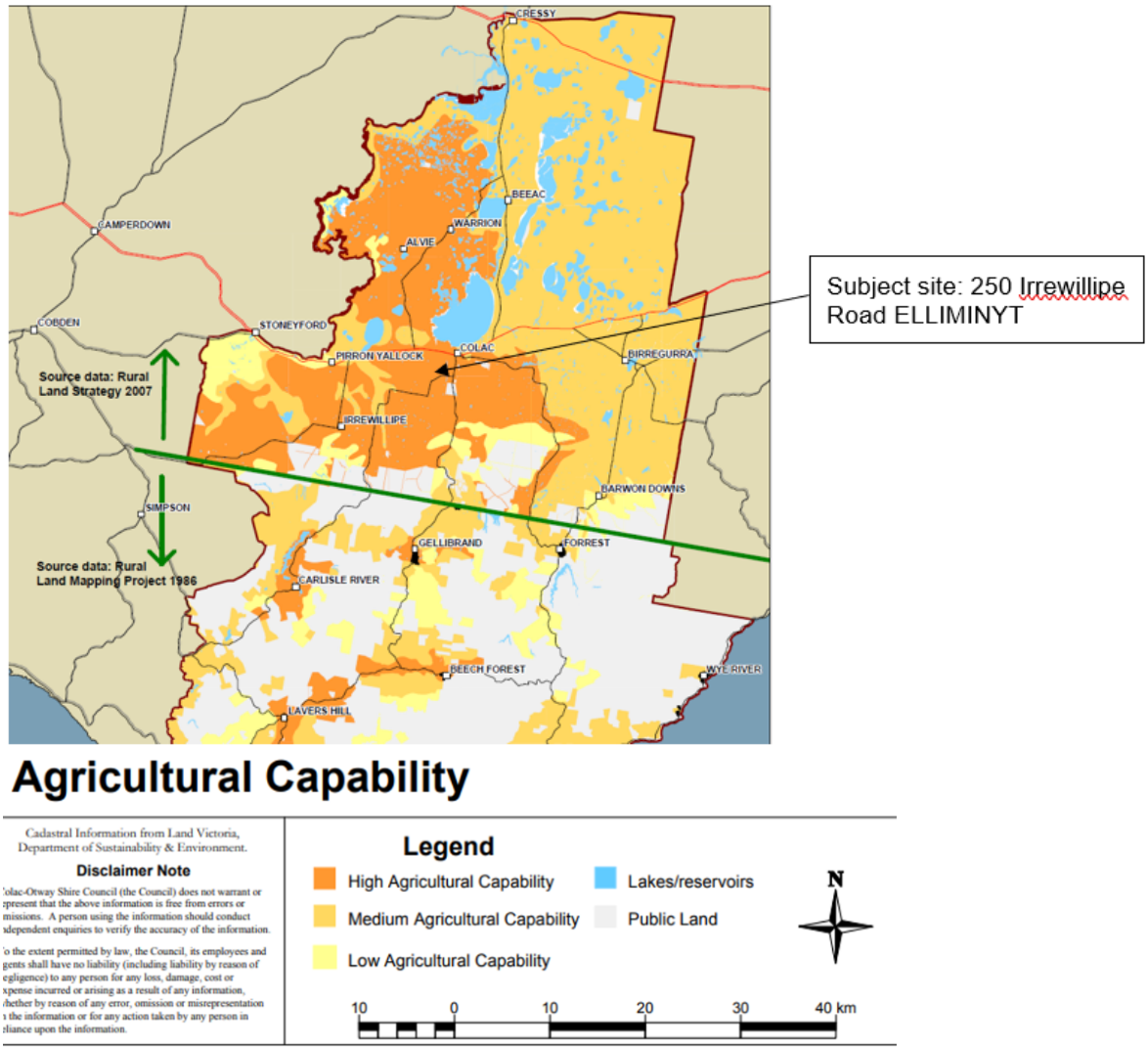
The following sections of the Municipal Planning Strategy (MPS) and Planning Policy Framework (PPF) are considered relevant to this application:

- Clause 01.02 Vision for Victoria
- Clause 02.02 - Vision
- Clause 02.03-4 - Natural Resource Management
- Clause 02.03-6 - Economic Development
- Clause 12.03 - Water Bodies and Wetlands
- Clause 13.01 - Climate Change Impacts
- Clause 13.03 - Floodplains
- Clause 13.07 - Amenity, Human Health and Safety
- Clause 13.07-1S and 13.07-1L - Land Use Compatibility
- Clause 14.01-1S and 14.01-1L - Protection of Agricultural Land
- Clause 14.01-2S - Sustainable Agricultural Land Use
- Clause 15.01-2L - Building Design

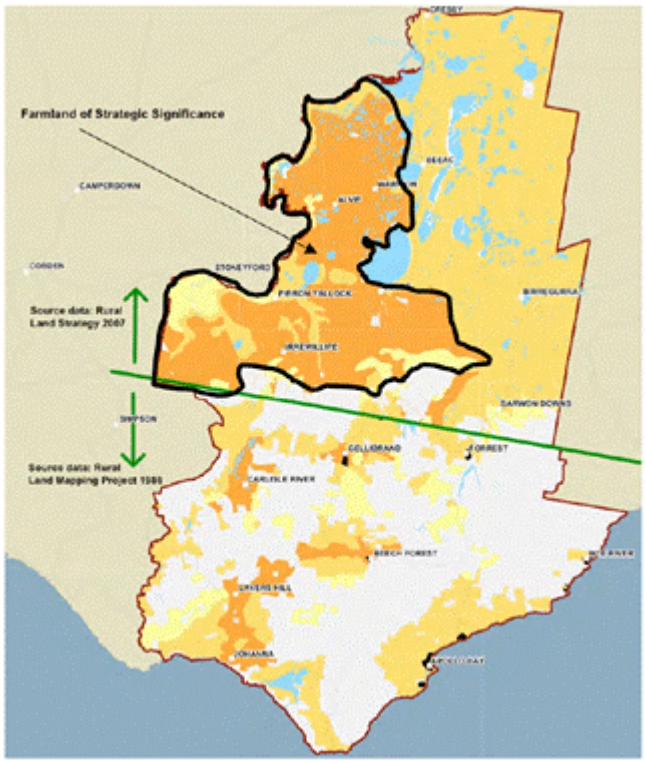
- Clause 15.01-6L - Design for Rural Areas
- Clause 16.01-1S and 16.01-1L - Housing Supply
- Clause 16.01-3S - Rural Residential Development

Other relevant provisions

The Rural Land Strategy 2007 identifies the subject site as located within land of high agricultural capability as shown below.



The subject site is also identified as being Farmland of Strategic Significance in the *Rural Land Strategy* 2007. This means that the site is in an area of high-quality agricultural land, with allotments that are conducive to agriculture and provide an economic contribution to the Shire. Planning policy requires Council to ensure that agricultural areas protected from unplanned loss of productive land due to permanent change. This is a significant consideration in the assessment of this application, as discussed below in the assessment section of this report.



It is considered that the proposal generally meets the relevant objectives, strategies and policies of the MPS and PPF. This is discussed and expanded upon in the assessment section below.

Colac 2050 Growth Plan

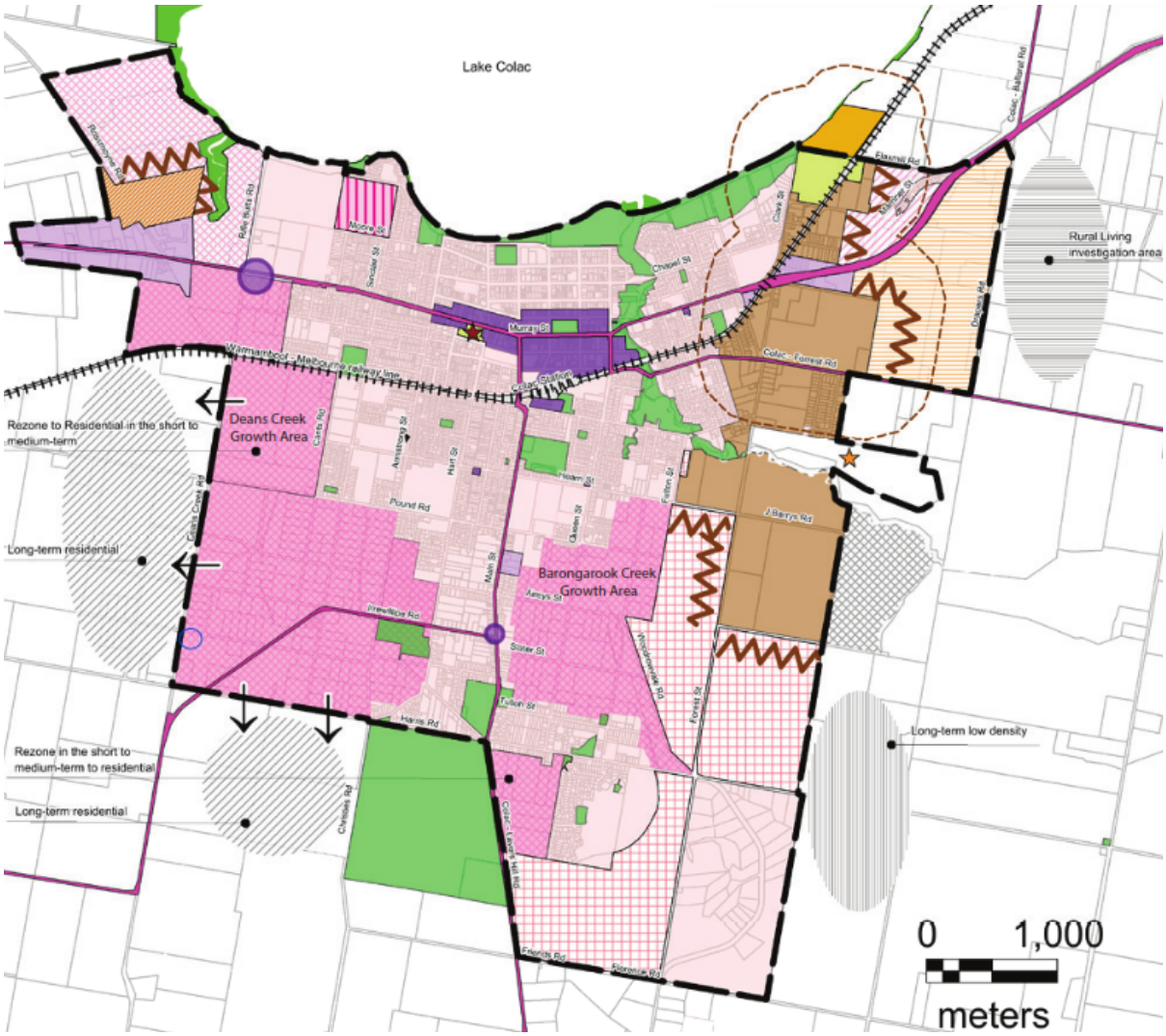
The subject land forms part of the future growth corridor identified by the *Colac 250 Growth Plan,* which seeks to facilitate coordinated residential development supported by appropriate infrastructure and development planning. The approval of additional dwellings on small Farming Zone allotments has the potential to undermine the orderly and coordinated development of the area, increase land ownership fragmentation, and prejudice the future delivery of the long-term urban growth outcomes envisaged for Colac West. Individual approvals may also set an undesirable precedent, making it increasingly difficult to achieve the comprehensive planning outcomes anticipated by the Growth Plan.

Careful consideration must be given to the development of small allotments within the Farming Zone that form part of the future growth corridor identified in the *Colac 2050* strategy. The incremental approval of dwellings on individual lots has the potential to undermine the orderly and coordinated development of this area and prejudice the future implementation of the long-term growth framework.

Whilst the subject land is identified for higher-density urban development under *Colac 2050*, the delivery of a cohesive and comprehensive development outcome is becoming increasingly challenging due to the fragmentation of land ownership and the number of dwellings and associated infrastructure that have already been approved within the corridor. Such development patterns can constrain future subdivision design, infrastructure provision, road networks, open space planning and servicing requirements.

In considering the current application, it is important to recognise the cumulative implications of approving additional dwellings within the designated growth area. Approval of a proposal

without due regard to the potential future impact on coordinated residential growth may set a precedent for similar applications on adjoining and nearby properties, further encouraging the fragmentation of agricultural land and the establishment of additional dwellings ahead of strategic planning and infrastructure delivery. Over time, this may compromise the ability to achieve the orderly urban growth outcomes envisaged by *Colac 2050* and increase the complexity and cost of future development across the precinct.



Extract Colac Framework Plan – Land Use – the subject site is identified by the blue circle, which is land which has the potential to be rezoned to residential.

Deans Creek Precinct Structure Plan / Outline Development Plan

The *Colac 2050 Growth Plan* identifies the Dean Creek growth area as the direction for growth of the town. It contains recommendations for Council to plan for future growth as a priority, to enable the Shire to achieve its population target of 20,000 by 2050. Due to the identification of significant constraints that have emerged in the preparation of the Precinct Structure Plan and the resulting difficulties in achieving a viable developed outcome for the growth area, Council has revised its approach to planning for the growth area. The Precinct Structure Plan process has been discontinued, and Council is preparing an Outline Development Plan that more effectively responds to the conditions of the area. Council is currently working with consulting engineers to understand in more detail which areas will be viable to develop with

the required infrastructure, and which areas need to be excluded from further planning for growth.

GENERAL PROVISIONS
Having considered the proposal, including the zone, overlay and any particular provisions, it is considered that the proposal generally meets the relevant decision guidelines at Clause 65 of the Colac Otway Planning Scheme.

Relevant Planning Scheme amendments

- Clause 53.02 - Bushfire Planning
- Clause 53.03 - Residential Reticulated Gas Service Connection

6. REFERRALS

Internal Referrals
The application was referred to Council's Infrastructure Department, Environment Unit and Health Protection Unit for assessment. No objections were raised by the Infrastructure Department or Health Protection Unit, subject to the inclusion of permit conditions should a permit be issued. The Environment Unit has not raised any objection to the proposal.

External Referrals
The application was referred to the Corangamite Catchment Management Authority (CCMA) under Section 55 of the *Planning and Environment Act* 1987, in accordance with Clause 66.03 of the planning scheme. No objection was raised, subject to conditions that have been included within the recommendation section of this report.

7. PUBLIC NOTIFICATION & RESPONSE

COMMUNICATION

Public notification was undertaken by means of letters to surrounding properties and a site notice displayed for a period of 14 days. No objections were received.

8. OFFICER'S ASSESSMENT

Zone

Clause 35.07 – Farming Zone
The subject site is in the Farming Zone. The key purpose of this zone is to ensure that non-agricultural uses, including dwellings, do not adversely affect the use of land for agriculture, and to encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.

Pursuant to clause 35.07-1 of the Farming Zone, a planning permit is required to use the land for a dwelling as the lot size (0.9ha) is less than the minimum lot size (40ha) specified under the Farming Zone for the use of a dwelling to be as-of-right.

Pursuant to clause 35.07-4 of the Farming Zone, a planning permit is required for building and works associated with a use in Section 2 (permit required) of Clause 35.07-1. A permit is also required under clause 35.07-4 for building and works within 100 metres of a waterway,

wetlands or designated floodplain. The proposed dwelling would be located approximately 30m from a designated floodplain (LSIO1) and the proposed agricultural shed would be located within the area covered by the LSIO.

All the other specified setbacks would be met:

- *20m street setback*
  The minimum street setback of the proposed development would be 32.33m (from road to the dwelling).

- *5m from a boundary*
  The nearest boundary setback would be 5m.

- *100m from a dwelling not in the same ownership*
  The nearest dwelling at 260 Deans Creek Road is located approximately 200 metres north-west of the proposed dwelling site and would be a similar distance from the proposed agricultural shed.

- *100 metres from a small second dwelling not in the same ownership*
  There is no existing small second dwelling in the vicinity of the site.

- *500 metres from the nearest title boundary of land on which a work authority has been applied for or granted under the Mineral Resources (Sustainable Development) Act 1990*
  The subject site is not located within 500 metres of the nearest title boundary of land on which a work authority has been applied for or granted under the *Mineral Resources (Sustainable Development) Act* 1990.

- *One kilometre from the nearest title boundary of land subject to:*
  - *A permit for a wind energy facility; or*
  - *An application for a permit for a wind energy facility; or*
  - *An incorporated document approving a wind energy facility; or*
  - *A proposed wind energy facility for which an action has been taken under section 8(1), 8(2), 8(3) or 8(4) of the Environment Effects Act 1978.*

  The subject site is not located within one kilometre of the nearest title boundary of an existing or proposed wind energy facility.

To use land in the Farming Zone for a dwelling, the requirements of Clause 35.07-2 (relating to access, sewerage, water supply and electricity supply) must be met. The proposed dwelling would meet the Clause 35.07-2 requirements, noting:

- Access would be provided to the site via Deans Creek Road. A condition has been included in the recommendation section of this report that requires the internal drive to be constructed to an all-weather standard and to be capable of accommodating emergency vehicles.

- Reticulated sewerage is not available to the site and all wastewater from the proposed dwelling would be treated and retained within the lot. Council's Health Protection Unit has confirmed that the proposed development presents a low risk in terms of

wastewater. The Health Protection Unit did not object to the proposal subject to conditions that have been included in the recommendation section of this report.

- The site is connected to reticulated potable water.

- An electricity pole is located approximately 330m south the proposed access, and a reticulated electricity supply can be provided to the subject site.

Clause 35.07-6 of Farming Zone notes that, before deciding on an application to use land or to construct a building or construct or carry out works, in addition to the decision guidelines in Clause 65 the responsible authority must consider, as appropriate, the following:

General Issues

The subject land, with an area of approximately 0.9 hectares, is considered capable of accommodating the proposed dwelling. It is accepted that the subject site is not considered suitable for large-scale agricultural activities due to its relatively small size, the extent of floodplain coverage (approximately 47.8% of the land), and its proximity to a waterway.

Consideration must be given to whether the proposed use and development would be compatible with adjoining land use/s. It is noted that a significant portion of land surrounding the subject site is vacant land, used for agricultural purposes. It is also acknowledged that there is a developing pattern of residential development approvals within the locality, which can undermine the intended orderly and coordinated development of the area. As detailed, there are numerous lots surrounding the application site which are of a similar size and have either been developed for residential purposes or have received planning permission for dwellings:

- 245 Deans Creek Road - permit issued by Council 12/07/2024
- 285 Deans Creek Road - permit issued by Council 16/04/2021
- 295 Deans Creek Road - permit issued by Council 10/06/2020
- 315 Deans Creek Road, permit issued under delegation for a replacement dwelling 16/12/2022
- 2 Holmchase Road - permit issued under delegation for a replacement dwelling April 2020.

The delivery of a cohesive and comprehensive development outcome has already become increasingly challenging in this area due to the fragmentation of land ownership and the number of dwellings and associated infrastructure that have already been approved within the growth corridor. Consideration must be given as to whether the approval of this proposal would set a precedent for similar applications on adjoining and nearby properties, further encouraging the fragmentation of agricultural land and the establishment of additional dwellings ahead of strategic planning and infrastructure delivery.

It is acknowledged that the subject land forms part of the future growth corridor identified by the *Colac 2050 Growth Plan*. A dwelling on a small lot in the Farming Zone is not ordinarily supported by planning policy unless it can be demonstrated that productive agricultural land would not be negatively impacted. In this instance, the extent of the Land Subject to Inundation Overlay affecting the land is considered to be a significant factor. In the absence of the overlay, it is unlikely that it would be recommended that a permit be granted. However, having regard to the constraints imposed by inundation risk and the location of the land on the periphery of

the future growth area, it is considered that the construction of a dwelling on this particular lot is unlikely to undermine the future orderly and coordinated development of the area or prejudice the long-term growth outcomes envisaged by the *Colac 2050 Growth Plan*.

Whilst incremental approval of dwellings on individual lots has the potential to undermine the orderly and coordinated development of this area, and to prejudice the future implementation of the long-term growth framework, in this particular instance the encumbrance of the land by the Land Subject to Inundation Overlay is considered to be a significant constraint on its future development potential. Furthermore, the subject land is located on the western edge of the growth corridor identified by the *Colac 2050 Growth Plan* and is separated by Deans Creek, which itself presents considerable challenges in terms of inundation risk and future urban development. On balance, it is considered that the proposed dwelling, being located toward the southern portion of the allotment, would not prejudice the future extension or widening of Lawes Road to the north (if required). As such, on balance it is considered that the proposal is unlikely to compromise the orderly development of the broader growth corridor.

The use of the land for a dwelling is therefore considered acceptable in the context of the site and surrounding area. The proposal also includes the construction of an agricultural shed, the use of which does not require a planning permit.

As previously detailed, the proposal is considered capable of making appropriate use of existing infrastructure and services.

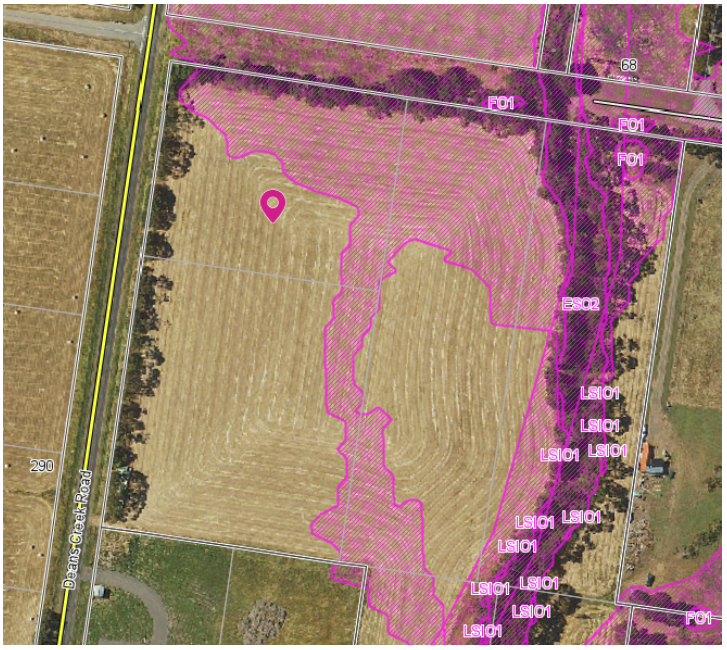
Agricultural issues and the impacts from non-agricultural uses

Consideration should be given to whether the proposal would support and enhance agricultural production, avoid adverse impacts on soil quality, and not unnecessarily remove productive agricultural land from ongoing use. Consideration should also be given to whether the proposal could constrain the operation or future expansion of nearby agricultural activities.

The subject site is largely encumbered land covered by the LSIO. It is also noted that the land adjoining the subject site to the south (Allotment 24, 250 Irrewillipe Road) and rear (Allotment 25, 250 Irrewillipe Road) is also affected by the LSIO. This limitation further supports the view that both the adjoining land and the subject site may have limited capability for productive agricultural use. Whilst the LSIO does not generally preclude the ongoing agricultural use of land, it may constrain aspects of agricultural development through requirements relating to buildings, works and earthworks within flood-prone areas. The overlay may also affect the location and design of agricultural infrastructure and limit opportunities for future expansion where flood risk or impacts on flood storage and conveyance are identified. Nevertheless, agricultural activities such as cropping and grazing are typically compatible with the objectives of the overlay and can generally continue on affected land.

It is considered that consolidation of the subject land with the adjoining allotments is unlikely to result in any meaningful improvement to agricultural productivity. In addition, given the extensive inundation constraints affecting Allotment 25 and the lack of practical access arrangements, it is unlikely that further dwelling development would occur on land to the rear of the subject site. Also of note is that the land to the east of Deans Creek is located within the Rural Living Zone.

For these reasons, it is not considered that the proposal would result in unreasonable impacts on immediately adjacent agricultural land use, nor is it likely to compromise the ongoing agricultural use and productivity of the surrounding area.



The image above shows the level of covered of the LSIO on the subject site and surrounding lots.

Accommodation issues

As discussed above, the subject site and adjoining lots have limited potential for agricultural use due to local environmental constraints. The larger farming properties located opposite Deans Creek Road to the west would remain unaffected by the proposed use and development of the subject land.

It is not considered that the proposed dwelling would be adversely affected by agricultural activities on adjacent or nearby land, including impacts associated with dust, noise, odour, chemical use, farm machinery, traffic, or hours of operation. The proposed dwelling would be set back approximately 32 metres from Deans Creek Road, and existing vegetation along the front and northern boundaries would provide a visual and physical buffer between the dwelling and surrounding rural activities.

Furthermore, the subject site is not located within one kilometre of the nearest title boundary of land with an existing or proposed wind energy facility, nor within 500 metres of the nearest title boundary of land on which a work authority has been applied for or granted under the *Mineral Resources (Sustainable Development) Act* 1990.

While the site is identified as Farmland of Strategic Significance in the *Rural Land Strategy 2007* and is generally located within an area of high agricultural capability, the site's environmental constraints and relatively small landholding size limit its capacity to support meaningful agricultural production.

Environmental issues

The subject land is a relatively flat parcel of land, with approximately 47% of the site affected by the LSIO. The proposed dwelling would be located within 100 metres of a designated floodplain, while the proposed agricultural shed would be sited within the area affected by the LSIO.

The application was referred to the Corangamite Catchment Management Authority (CCMA) pursuant to Section 55 of the *Planning and Environment Act* 1987. The CCMA did not object to the proposal, subject to conditions. These conditions have been incorporated into the recommended permit conditions set out earlier in this report, and specify the approved building envelope and minimum finished floor levels for both the proposed dwelling and agricultural shed.

The proposal includes the removal of a non-native tree to facilitate construction of the accessway. A planning permit is not required for the removal of the non-native tree.

Design and siting issues

The proposed single-storey dwelling would be set back approximately 32 metres from Deans Creek Road. The proposed materials and colours are muted and non-reflective, making them appropriate within the rural landscape setting.

Existing vegetation established along the site boundary, would assist in screening the dwelling from surrounding properties and the road network. Consequently, it is expected that the proposed development would have a limited visual impact and would integrate satisfactorily with the existing rural landscape character of the area.

Overlays

Land Subject to Inundation, Schedule 1 (LSIO1)

The subject site is partially (47.81%) covered within the LSIO. It is considered that the proposed dwelling would be sited in the most appropriate location on the property, minimising encroachment into the area affected by the LSIO1 while also responding to the minimum specified setbacks of the Farming Zone. The agricultural shed would be positioned to maximise the extent of contiguous land available for agricultural activities and to support the ongoing productive use of the land.

This application was referred to the CCMA, which did not object to the proposal subject to conditions which have been included in the recommendation earlier in this report.

Particular Provisions

Clause 53.03 – Residential Reticulated Gas Service Connection

The purpose of this clause is to prohibit residential reticulated gas connections to new dwellings, new apartment developments and new residential subdivisions.

This clause applies to an application for a permit under any provision of this scheme that is for or includes the construction of a new dwelling. As the proposal is for the development of the land with a dwelling, this provision is applicable. The mandatory condition under this clause for a dwelling has been included within the recommendation section of this report.

Clause 53.02 - Bushfire Planning

The purpose of this provision is to specify location, design and construction measures for a single dwelling that reduces the bushfire risk to life and property to an acceptable level. This clause applies to an application under any provision of the planning scheme to construct a building or construct or carry out works associated with the use of land for accommodation in a bushfire prone area that is not in a Bushfire Management Overlay (BMO).

The subject land is located within such a bushfire prone area. As a planning permit is required for the proposed use and development of a dwelling under the provisions of the planning scheme, the decision guidelines at Clause 53.02-6 must be considered.

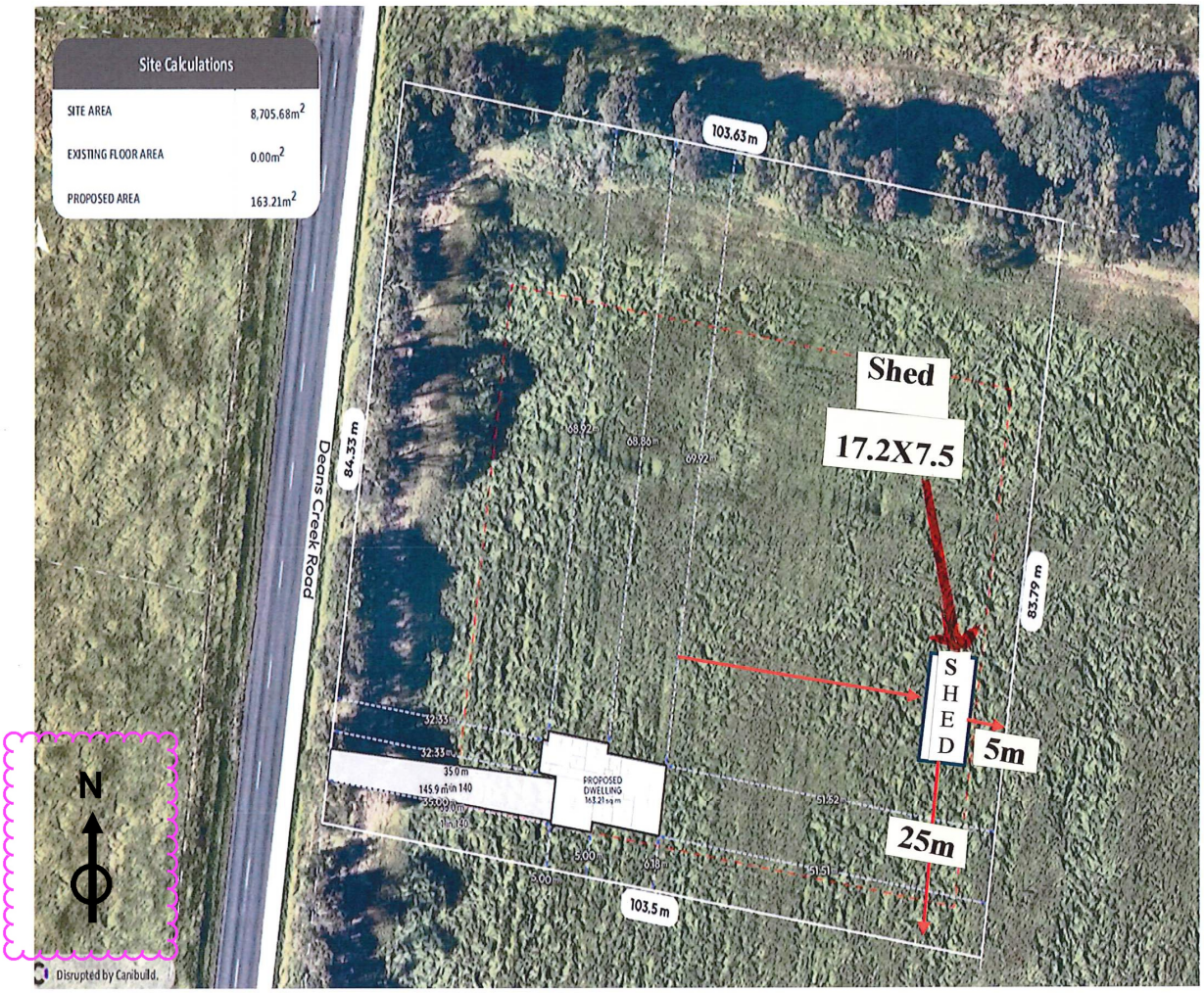
Clause 53.02-6 Bushfire Prone Area
Clause 53.02-6 seeks to ensure that the bushfire hazard is appropriately considered and that development is located and designed to reduce bushfire risk to life and property. Relevant considerations include the siting of buildings, setbacks from hazardous vegetation, defendable space, vehicle access, water supply and emergency management arrangements.

A firefighting hydrant is located approximately 360 metres south of the subject site. Conditions relating to roadway access, the crossover, and internal driveway construction will ensure safe access to and from the property, including for emergency vehicles. There is no existing vegetation in the immediate vicinity of the proposed dwelling. Sufficient space is available around the dwelling to establish and maintain a defendable space, which will assist in reducing bushfire risk. Any additional bushfire protection measures can be addressed as part of the building permit process.

Overall, the proposal is not expected to significantly increase bushfire risk and is considered to satisfy the relevant bushfire planning requirements.

9. OFFICER DIRECT OR INDIRECT INTEREST

No officer declared an interest under the *Local Government Act 2020* in the preparation of this report.


Site Calculations
SITE AREA 8,705.68m²
EXISTING FLOOR AREA 0.00m²
PROPOSED AREA 163.21m²
103.63 m
Shed
17.2X7.5
84.33 m
Deans Creek Road
85.79 m
S
H
E
D
5m
25m
PROPOSED DWELLING
103.5 m
N
Disrupted by Canibuild.

Site Plan


Site Calculations
SITE AREA 8,705.68m²
EXISTING FLOOR AREA 0.00m²
PROPOSED AREA 163.21m²
32.53m
32.53m
33.0m
1 in 140
145.9m²
5.00
5.00
9.37
6.18
103.5 m
Disrupted by Canibuild
Client Name
Client Email
Client Phone
Signature
Copyright Statement
Disclaimer
ALL DIMENSIONS ARE IN METRES
Generated by Beau Huppert
Phone +61435123663
beauh@sherridonhomes.com.au
Property Details
23~/PP2586, Deans Creek Road, Elliminyt, VIC 3250, Australia Lot 3
Lot/DP: 23~/PP2586
Sheet Name
Site Plan
Sheet no.
2
Lic no.
Job no.
Design
Norwood 163
Scale
1:200@A3
1st version date:
19/07/2026
Current version date:
16/08/2026
Version #
2

AREA SCHEDULE		
GROUND FL:	122.81m²	13.22sq
GARAGE:	35.12m²	3.78sq
PORCH:	5.35m²	0.58sq
TOTAL:	163.28m²	17.58sq

GENERAL NOTES

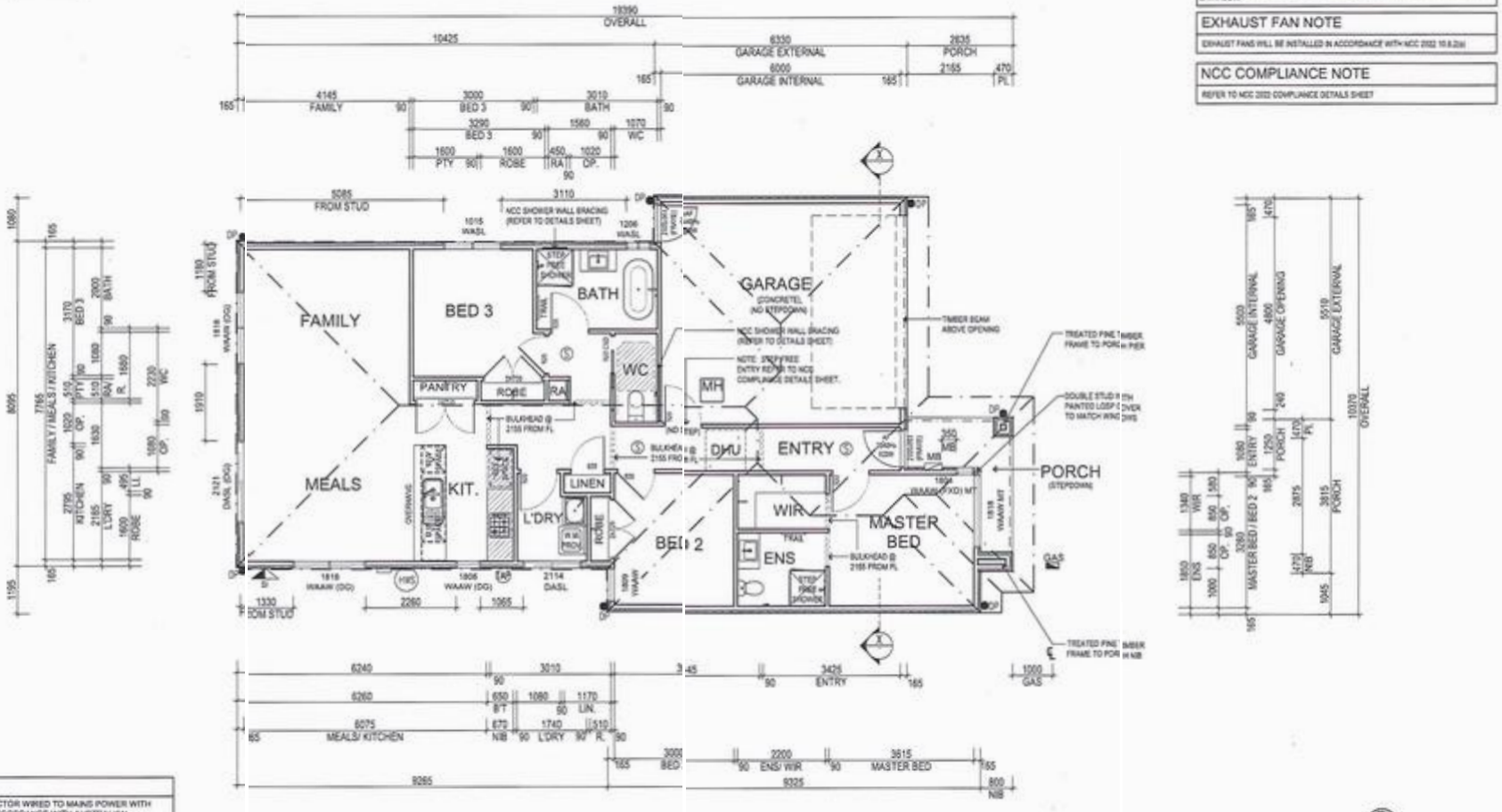
- SOLID HATCHED VOID INDICATE THEY CANNOT BE REMOVED, RELOCATED OR ALTERED. FLOOR JOISTS AND TRUSSES TO BE CLEAR OF VOIDS.
- INDICATES BALUSTRADES TO STAIRS.
- ALL DIMENSIONS ARE TO STUD FRAME PLASTER AND SKIRTING BOARDS NOT CONSIDERED.
- ALL WINDOWS AND EXTERNAL DOORS ARE INDICATED AS NOMINAL SIZES REFER TO MANUFACTURES SCHEDULE FOR ACTUAL SIZING TOUGHEN GLAZING TO ENSUITE AND BATHROOM.

EXHAUST FAN NOTE

EXHAUST FANS WILL BE INSTALLED IN ACCORDANCE WITH NCC 2022 10.8.2(a)

NCC COMPLIANCE NOTE

REFER TO NCC 2022 COMPLIANCE DETAILS SHEET



LEGEND

- (S) PROVIDE SMOKE DETECTOR WIRED TO MAINS POWER WITH BATTERY BACK UP IN ACCORDANCE WITH AUSTRALIAN STANDARDS.
- (C) CONTROL JOINT IN BRICKS TO BE IN ACCORDANCE WITH AS 3700
- (HW) HOT WATER SERVICE
- (MB) METER BOX
- (GAS) GAS METER
- (SI) SOLAR INVERTER

ELEVATIONS (A, B, C, D)

SIMPLICITY by SHERRIDON
56 Barclay Road, Derrimut VIC 3026 | CDB-U 50039
P +613 8390 5000 | E info@sherridonhomes.com.au
W sherridonhomes.com.au

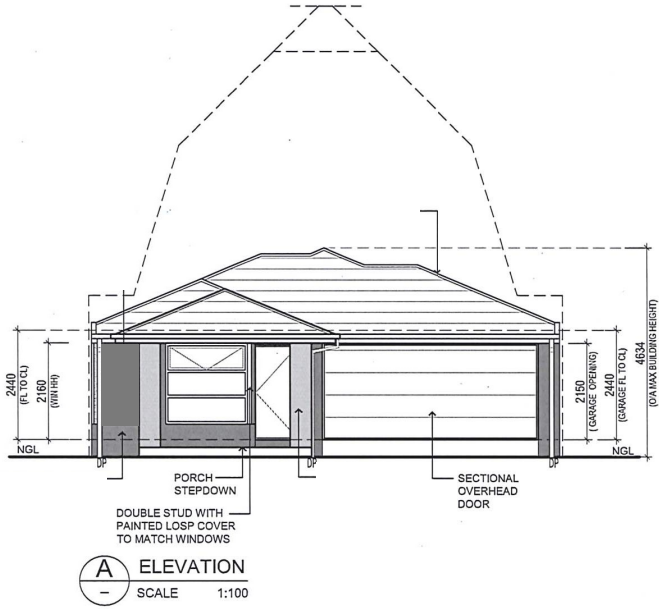
PLEASE READ CAREFULLY

SHEET TITLE: GROUND FLOOR PLAN
SCALE: 1:100
SHEET SIZE: A3
SHEET: 03 of 15

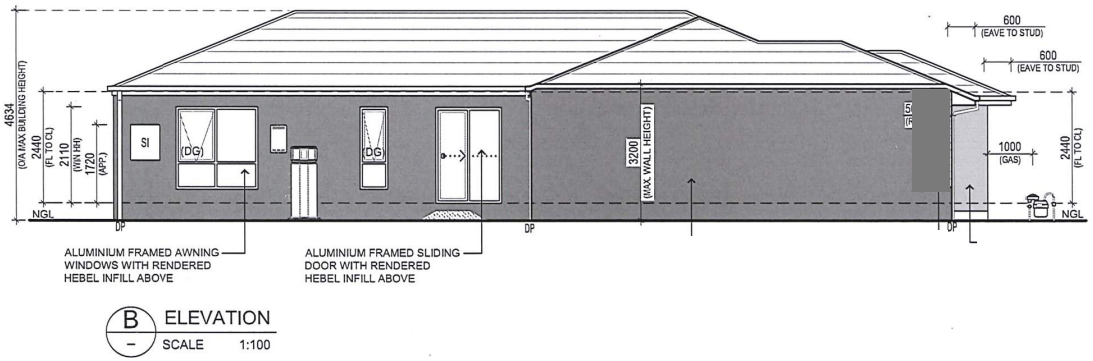
HOUSE TYPE: NORWOOD 163 - RHS
FACADE: COASTAL

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CLIENT NAME:
JOB ADDRESS:
D.B. No:
B.C. No:



A – ELEVATION
SCALE 1:100



B – ELEVATION
SCALE 1:100

GENERAL NOTES

- WINDOW HEAD HEIGHTS INDICATED ARE NOMINAL AND MAY VARY DUE TO VARIANCES IN BRICK SIZES.
- BACKFILL TO EXTERNAL DOOS NOT TO BE GREATER THAN 190MM IN ACCORDANCE WITH NCC 2022 "11.2.6 THRESHOLDS".
- DIMENSIONS RELATING TO FFL & FCL REFER TO OVERALL TOP & BOTTOM PLATE DIMENSIONS, NOT ACTUAL CEILING HEIGHTS.

NOTE

ALUMINIUM FRAMED AWNING WINDOWS TO FRONT FACADE ONLY (UNLESS NOTED OTHERWISE)

ALUMINIUM FRAMED SLIDING WINDOWS TO SIDE AND REAR ELEVATIONS (UNLESS NOTED OTHERWISE)

NOTE

600mm EAVES FROM OUTSIDE OF FRAME TO FRONT FACADE ONLY. 2150mm WINDOW HEAD HT. TO SIDE AND REAR (UNLESS NOTED OTHERWISE)

Material Finish:
External Walls - Brick in 'Monument' colour
Roofing - Colourbond in 'Monument' colour

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W sherridonhomes.com.au

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I / WE ACKNOWLEDGE THAT THESE PLANS ARE CORRECT & REFLECT ALL THE ITEMS REQUESTED IN OUR BUILDING CONTRACT WITH SHERRIDON HOMES PTY LTD . I'M / WE ALSO AWARE THAT IF ANY FURTHER CHANGES ARE REQUIRED TO BE MADE A $1000.00 VARIATION FEE WILL OCCUR.

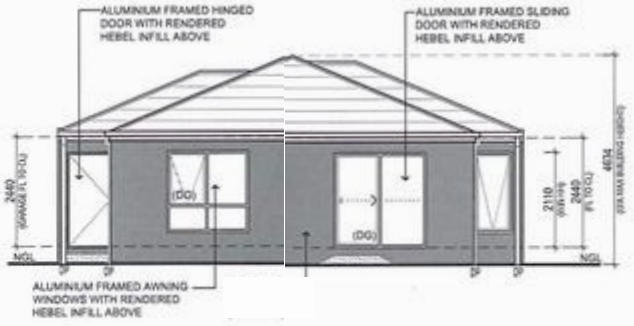
SIGNED ..... DATE: .....
SIGNED ..... DATE: .....
WITNESSED ..... DATE: .....

SHEET TITLE: ELEVATIONS 1
SCALE: 1:100
SHEET SIZE: A3
SHEET: 04 of 15

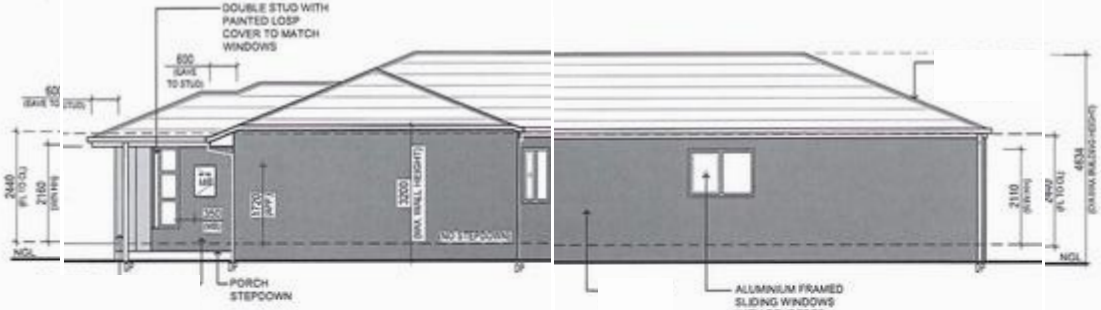
HOUSE TYPE: NORWOOD 163 - RHS
FACADE: COASTAL

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CLIENT NAME:
JOB ADDRESS:
D.B. No:
B.C. No:



C ELEVATION
SCALE 1:100



D ELEVATION
SCALE 1:100

GENERAL NOTES

- WINDOW HEAD HEIGHTS INDICATED ARE NOMINAL AND MAY VARY DUE TO VARIANCES IN BRICK SIZES.
- BACKFILL TO EXTERNAL DOORS NOT TO BE GREATER THAN 190MM IN ACCORDANCE WITH NCC 2022 11.2.6 THRESHOLDS.
- DIMENSIONS RELATING TO FFL & FCL REFER TO OVERALL TOP & BOTTOM PLATE DIMENSIONS, NOT ACTUAL CEILING HEIGHTS.

NOTE

GRADE SOIL UP TO EXTERNAL DOORWAY, BACKFILL TO EXTERNAL DOORS NOT TO BE GREATER THAN 190mm IN ACCORDANCE WITH NCC 11.2.6 THRESHOLDS.

Material Finish:
External Walls - Brick in 'Monument' colour
Roofing - Colourbond in 'Monument' colour

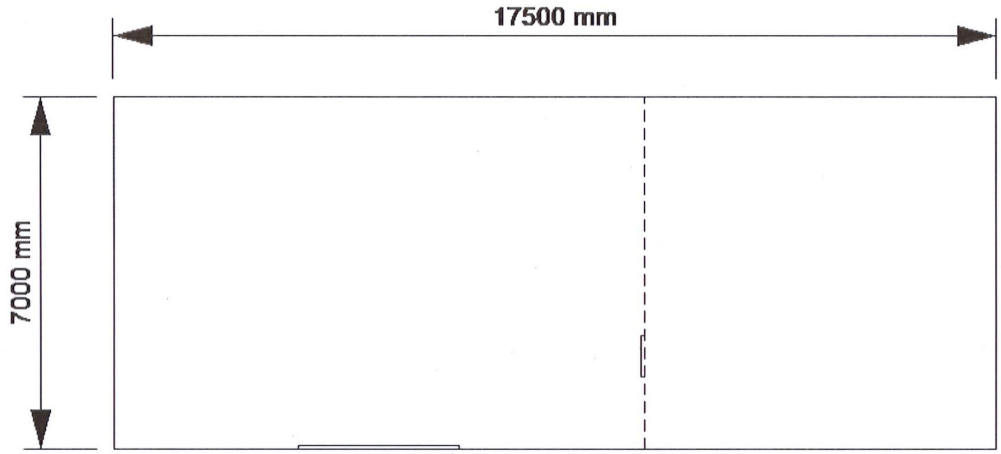
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W sherridonhomes.com.au

PLEASE READ CAREFULLY

SHEET TITLE: ELEVATIONS 2
SCALE: 1:100
SHEET SIZE: A3
SHEET: 05 of 15

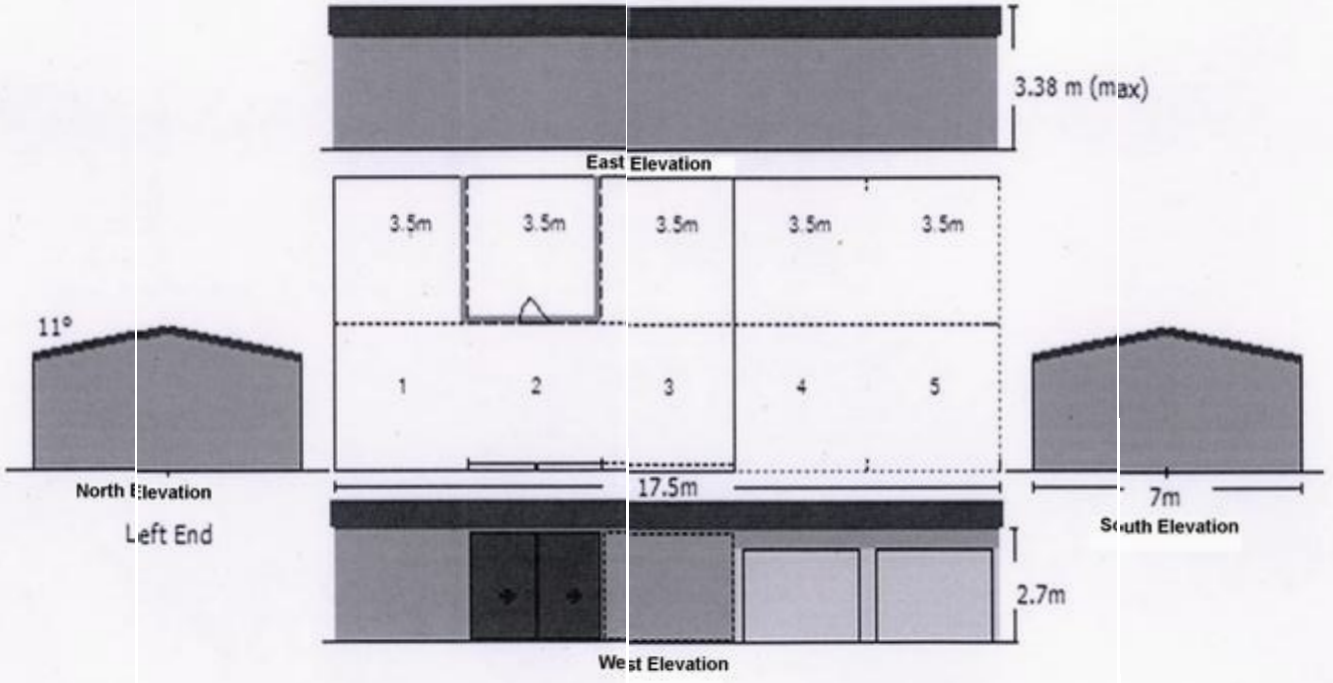
HOUSE TYPE: NORWOOD 163 - RHS
FACADE: COASTAL

CLIENT NAME:
JOB ADDRESS:
D.B. No:
B.C. No:



Agriculture Shed Floor Plan

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BEST SHEDS BEST PRICE GUARANTEE
GUARANTEED 20 YEARS WARRANTY GUARANTEED
best sheds



Material Finish:
External wall cladding and Roofing -
Colourbond 'Monument'

D26/216813

Item: 7.1

Project Budget Adjustments and Cash Reserve Transfers

OFFICER	Mikael Blyth
GENERAL MANAGER	Doug McNeill
DIVISION	Infrastructure and Environment
ATTACHMENTS	Nil

1. PURPOSE

To present the project budget adjustments and cash reserve transfers for Council ratification and approval. These budgets are for 2026-27 Capital Works and Operational projects.

2. EXECUTIVE SUMMARY

The project budget adjustments presented in this report relate to the 2026-27 financial year. The report seeks formal approval to adjust project budgets, create new projects where needed, or recognise that some projects are complete and can be formally closed. The report demonstrates good governance and project management practice and provides improved transparency to the community about matters that occur outside of the annual budget cycle.

Allocation of funds is required to support successful grant applications under the State Government's Local Sports Infrastructure Fund for an upgrade of the netball pavilion at the Western Oval, an upgrade of the Central Reserve hockey field lighting and development of a municipal tennis strategy. The report also reports on funds that have been accessed to date from the Capital Works Portfolio Contingency account for contingency related to projects being delivered in 2026-27.

3. RECOMMENDATION

That Council:

1. ***Approves the project budget adjustments in Table 1 that formalise allocation of funds to support successful grant applications under the State Government's Local Sports Infrastructure Fund, at a total cost of $98,334.***
2. ***Notes the use of funding from the Capital Works Portfolio Contingency work order for two projects as listed in Table 4, totalling $100,000.***

4. KEY INFORMATION

The following project budget transfers are presented for Council consideration and transparency to the community. Amounts are presented as exclusive of GST as per Council's adopted budget and financial reporting as follows:

- Increases in the project expense budget are presented without brackets.
- Decreases in the project expense budget are presented with brackets.

Council allocates funding to projects through its annual budget or by specific resolution. Where matters arise that require urgent action to address compliance or safety concerns, and the service delivery cannot be reasonably stopped, the Chief Executive Officer may need to approve establishment of a project to address the issue. In these instances, the Chief Executive Officer will advise all Councillors as soon as possible, and the project will be ratified by Council at the next practical meeting through Table 1. The opening balances, at the time of writing this report, before any transfers recommended in this report are considered, are:

- Unallocated Renewal Funds (WO38793): $2,377,574.00 (Capital)
- Unallocated Discretionary Funds (WO38810): $485,999 (Operational)

Table 1 – New projects for Council approval

Project Name	Funding Source	Basis for Variation	Project Allocation (Ex GST)	
			Exp	Income
Western Reserve Netball Pavilion Development	Victorian Government Grant $500k Colac Imperials FNC $112,896 In-Kind $108,250	An upgrade of the Western Reserve Netball Pavilion following a successful grant application from the Victorian Government of $500,000 under the 2026-27 Local Sports Infrastructure Fund Community Facilities stream. There is no Council contribution. The balance of funds will be a local contribution from the Colac Imperials Football Netball Club and in-kind contributions.	$612,896	$612,896
Central Reserve Hockey Field Lighting Upgrade (New WO)	Victorian Government Grant $250,000 Council contribution of $83,334 from WO 38793 – Capital Works Projects - Unallocated Renewal Funds	An upgrade of the Central Reserve hockey fields lighting, part funded by a successful Victorian Government grant of $250,000 from the 2026-27 Local Sports Infrastructure Fund (Community Sports stream).	$333,334	$250,000
Colac Otway Shire Tennis Strategy (New WO)	Victorian Government Grant $40,000 Council contribution of $15,000 from WO38810 Operating Projects - Unallocated Renewal Funds $5,000 contribution	Grant funding under the 2026-27 Victorian Government Local Sports Infrastructure Fund (Planning Stream) for a municipal tennis infrastructure planning project.	$60,000	$45,000

Project Name	Funding Source	Basis for Variation	Project Allocation (Ex GST)	
	from Tennis Victoria			

From time to time, situations arise whereby initial budgets need to be reconsidered to achieve their planned objectives and project scope. It is important that Council's decisions to adjust project budgets are open and transparent to the community. Therefore, any changes to project budgets or cash reserves are reported in Tables 2 and 3 of this report to demonstrate the diligence and transparency of the organisation's financial management principles.

Table 2 Existing Project budgets requiring adjustment (Capital Projects)

Project Name	Transfers from project account	Transfers to project account	Basis for Variation	Project Budget Adjustment (Ex GST)	
				Exp	Income
Nil					

Table 3 Existing Project budgets requiring adjustment (Operational Projects)

Project Name	Transfers from project account	Transfers to project account	Basis for Variation	Project Budget Adjustment (Ex GST)	
				Exp	Income
Nil					

Contingency for 2026-26 Project Delivery

Council resolved at its meeting on 23 June 2026 to allocate savings from completed projects in the 2025-26 capital works program to a work order specifically for access as contingency for unanticipated costs incurred delivering projects in 2026-27. The current balance of this work order is:

- Capital Works Portfolio Contingency (WO38893): $451,980 (Capital)

Table 4 indicates those projects which have required additional funding to be allocated from this work order. The transfers are being reported for Councillor information.

Table 4 Existing Project budgets requiring contingency adjustment (Capital Projects)

Project Name	Transfers from contingency account	Transfers to project account	Basis for Variation	Project Budget Adjustment (Ex GST)
				Exp
Ramsden Avenue Reconstruction	WO38893 - Capital Works - Capital Works Portfolio Contingencies	WO 38694 - 2025 - 2026 Capital Works - Ramsden Avenue Reconstruction (Pengilley St to McLachlan St)	There were variations that add up to $168k largely due to additional excavation of the roadway, geofabric/grid placement and additional Type A material which resulted from adverse site conditions. The project contingency was insufficient and additional budget was required to cover part of the cost of the variations.	$75,000
Apollo Bay Recreation Reserve (J Coles Access) - Bridge Decommission	WO38893 - Capital Works - Capital Works Portfolio Contingencies	WO38718 - 2025 - 2026 Capital Works - Apollo Bay Recreation Reserve (J Coles Access) - Bridge Decommission	The tender pricing received exceeds the approved funding, and this budget adjustment is required to deliver the approved project scope. Descoping the project is not a viable option.	$25,000

5. CONSIDERATIONS

Overarching Governance Principles (s(9)(2) *LGA 2020*)

This report contributes to the financial viability by ensuring Council approves and is well informed about the allocation and movement of project funds to achieve the best outcomes for the municipal community.

Policies and Relevant Law (s(9)(2)(a) *LGA 2020*)

Not applicable.

Environmental and Sustainability Implications (s(9)(2)(c) *LGA 2020*

Not applicable.

Community Engagement (s56 *LGA 2020 and Council's Community Engagement Policy*)

Not applicable.

Public Transparency (s58 *LGA 2020)*

This report contributes to public transparency by ensuring that the allocation and movement of project funds is made available to the community.

Alignment to Plans and Strategies

Alignment to Council Plan 2025-2029:

Theme 2 - PEOPLE
3.1 - Elevate the efficiency and effectiveness of our Council
3.2 - Make well-informed, transparent decisions for the betterment of the community through best-practice governance

Theme 3 - PROSPERITY
4.1 - Attract business and government investment to stimulate industry and business growth
4.3 - Build economic opportunities from local arts, culture, sports, science and technology

Financial Management (s101 *Local Government Act 2020)*

This report contributes to financial management principles by recording the allocation and movement of project funds that may impact on the budget, current and future.

Service Performance (s106 *Local Government Act 2020)*

This report contributes to service performance for project delivery by considering the allocation and movement of project funds for successful project outcomes.

Risk Assessment

There are no identified Workplace Health and Safety implications or identified risks associated with this report.

Communication/Implementation

Implementation of Council's decision will be undertaken by the responsible officers within Council. Project partners and stakeholders will be notified of Council's decision where relevant by the Project Sponsor or Project Manager.

Human Rights Charter

There are no matters identified with this report that impact on human rights as defined in the charter.

Officer General or Material Interest

No officer declared an interest under the *Local Government Act 2020* in the preparation of this report.

Options

Option 1 – Approve transfers as per the recommendation.
This option is recommended as the project budgets and cash reserve transfers supports implementation of Council's strategies and/or to respond to statutory obligations or organisational risks.

Option 2 – Not approve transfers as recommended.
This option is not recommended as transfers are necessary to allow ongoing delivery and closure of projects, which have been through a series of governance checks.

Item: 7.2

For Adoption - Colac Otway Shire Annual Report 2025-26

OFFICER	Steven O'Dowd
CHIEF EXECUTIVE OFFICER	Andrew Tenni
DIVISION	Executive
ATTACHMENTS	1. Annual Report 2025-26 [**7.2.1** - 160 pages]

1. PURPOSE

To present Colac Otway Shire Council's Annual Report 2025-26.

2. EXECUTIVE SUMMARY

This report presents Colac Otway Shire Council's Annual Report 2025-26 for Council's consideration, in accordance with the requirements of the *Local Government Act 2020*.

The Annual Report 2025-26 is Council's first report against the Council Plan 2025-2029. It outlines Council's performance against the Annual Plan and Annual Budget for 2025-26, and provides an overview of services and operations, financial and organisational performance, key achievements and challenges, and governance and management processes.

Under the *Local Government Act 2020*, the Mayor is required to report on the implementation of the Council Plan by presenting the Annual Report at a Council meeting open to the public.

3. RECOMMENDATION

That Council:

1. ***Receives and notes Colac Otway Shire Council's Annual Report 2025-26 (Attachment 1).***
2. ***Authorises the Chief Executive Officer to make any minor administrative changes to the Annual Report 2025-26.***
3. ***Notes that the Annual Report 2025-26 will be published on Council's website and made available at Council's Customer Service Centres.***

4. KEY INFORMATION

Council prepares an Annual Report each year to report on its achievements, performance and results for the previous financial year, in accordance with the requirements of the *Local Government Act 2020*.

The Annual Report 2025-26 is structured around the following sections:

- Introduction to the Annual Report
- The Year in Review
- Our Council
- Our Performance:
  - Theme 1: Place
  - Theme 2: People
  - Theme 3: Prosperity
  - Environmental Sustainability Achievements
- Our Governance
- Performance and Financial Statements

Council approved the audited Annual Financial Statements and Performance Statement 'in principle' at its meeting on 13 October 2026. The statements were then certified by the Chief Executive Officer, Principal Accounting Officer and two Councillors.

The Victorian Auditor-General's Office (VAGO) has audited the documents and issued an Independent Auditor's Report, confirming that they present fairly, in all material respects, and in accordance with the relevant legislation. The signed reports are included in the attached Annual Report 2025-26.

5. CONSIDERATIONS

Overarching Governance Principles (s(9)(2) *LGA 2020*)

The Annual Report 2025-26 demonstrates how Council has worked to achieve the best outcomes for the municipal community, including future generations. By reporting on the matters prescribed under the legislation and regulations, the Annual Report supports transparency and enables the community to understand Council's performance, achievements and accountability for the 2025-26 financial year.

Policies and Relevant Law (s(9)(2)(a) *LGA 2020*)

The Annual Report includes information prescribed by section 98 of the *Local Government Act 2020* (Act) and the *Local Government (Planning and Reporting) Regulations 2020* and has been prepared in accordance with the legislation. Section 100 of the *Act* requires the Annual Report be presented to an open Council meeting within four months of the end of financial year.

The Act also prescribes that the Mayor must report on the implementation of the Council Plan by presenting the Annual Report at a Council meeting open to the public.

Environmental and Sustainability Implications (s(9)(2)(c) *LGA 2020*

Not applicable.

Community Engagement (s56 *LGA 2020 and Council's Community Engagement Policy*)

Council is informing the community in respect of its performance for the 2025-26 financial year.

Public Transparency (s58 *LGA 2020)*

Section 100 of the *Act* prescribes that the Annual Report 2025-26 be presented to an open Council meeting.

Alignment to Plans and Strategies

Council Plan 2025-2029 Theme 2 - PEOPLE
3.4 - Communicate and engage positively and clearly with the community.

Financial Management (s101 *Local Government Act 2020)*

The Annual Report 2025-26 presents Council's financial performance and end of year position for the 2025-26 financial year.

Service Performance (s106 *Local Government Act 2020)*

Service performance is addressed throughout the Annual Report 2025-26.

Risk Assessment

Not applicable.

Communication/Implementation

The Annual Report 2025-26 will be uploaded to Council's website and made available in its customer service centres as soon as practicable.

Human Rights Charter

No impact.

Officer General or Material Interest

No officer declared an interest under the *Local Government Act 2020* in the preparation of this report.

Options

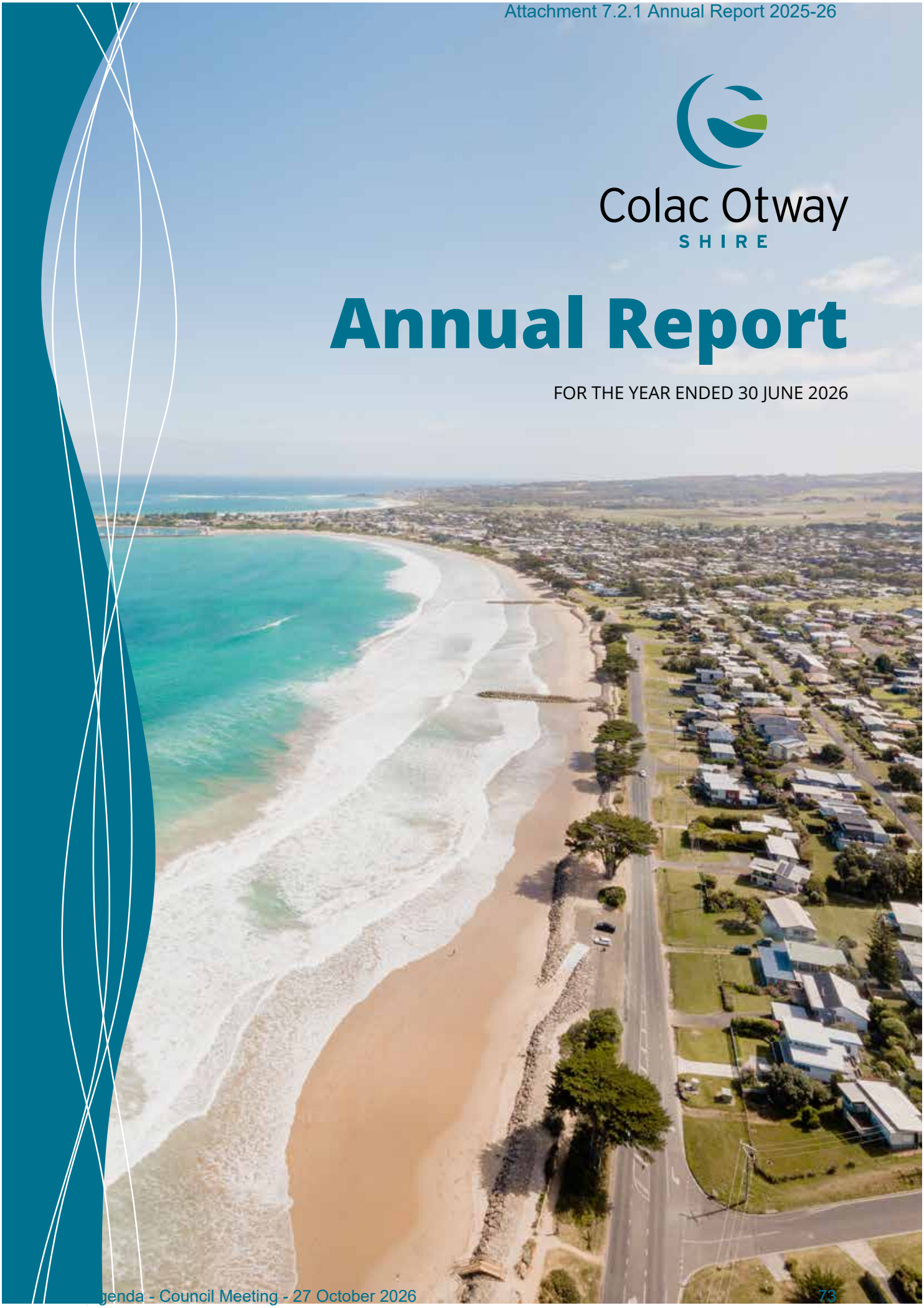
Option 1 – Council receives and notes Colac Otway Shire Council's Annual Report 2025-26. This option is recommended as it will ensure compliance with Council's statutory obligations.

Option 2 – Council doesn't receive and note the Colac Otway Shire Council's Annual Report 2025-26. This option is not recommended as Council will not be complying with its statutory obligations.

Colac Otway
SHIRE

Annual Report

FOR THE YEAR ENDED 30 JUNE 2026





Acknowledgment of Traditional Custodians

Colac Otway Shire Council respectfully acknowledges the Gulidjan and Gadubanud peoples of the Maar Nation as the Traditional Custodians of the Colac Otway region, the land and waterways upon which the activities of the Colac Otway Shire Council are conducted.

We pay our respects to their ancestors and elders, past and present.

We recognise and respect their unique cultural heritage, beliefs and uphold their continuing relationship to this land.

Inside Cover Image: Sky's Veins by Logan Stout, 12-18 Category - 2025 Youth Photography Competition.

About Colac Otway

Located about 160 kilometres south-west of Melbourne, Colac Otway Shire proudly rests on the traditional lands of the Gulidjan and Gadubanud Peoples of the Maar Nation.

The region is celebrated for its stunning natural diversity - from dramatic coastlines and lush rainforests to rich farmland and serene volcanic lakes.

Agriculture thrives here, with farming, cropping, and dairying forming the backbone of the local economy, alongside vibrant timber, fishing and tourism industries. The iconic Great Ocean Road adds to the area's appeal, drawing visitors from near and far.

Colac Otway enjoys a strategic location within easy reach of major regional centres like Geelong, Ballarat, and Warrnambool. The Shire's two main townships - Colac, the hub for administration, retail, and commerce, and the picturesque Apollo Bay - offer a welcoming blend of community and opportunity.

Beyond these centres, the region is dotted with charming inland and coastal towns, each contributing to a dynamic local economy supported by a wide variety of small and medium-sized businesses.

Together, they create a vibrant and resilient community with a strong sense of place and purpose.

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Introduction to our Annual Report

Welcome

How to read our Annual Report





Introduction to our Annual Report

Welcome

Colac Otway Shire Council is pleased to share the 2025-26 Annual Report with community members, ratepayers and stakeholders.

The report provides a clear and accessible overview of Council's work over the past financial year, highlighting the services delivered, progress achieved and challenges navigated in partnership with our community.

It outlines how Council has delivered against the priorities set out in the Council Plan and annual budget, while also reporting on our financial performance, governance practices, democratic processes, and audited financial and performance results.

The Annual Report also includes important statutory and legislative disclosures, fulfilling Council's obligations under the Local Government Act 2020 and other relevant legislation.

The Annual Report is an important opportunity to reflect on the year, demonstrate transparency and accountability, and share how Council is working to support a thriving, resilient and connected community.

We continue to review and refine the content each year to ensure it reflects best practice and meets local government reporting standards. We welcome your thoughts and feedback - please contact us at inq@colacotway.vic.gov.au.

How to Read our Annual Report

The Annual Report is organised into six key sections to help readers find information about Council's activities, performance, governance and financial results for 2025-26.

1 The Year in Review

This section reflects on the major highlights, achievements and challenges of the year. It includes updates on key projects and programs, sustainability initiatives, advocacy, community engagement, grants and events, and the services Council delivers for the Colac Otway community. It also includes messages from the Mayor and Chief Executive Officer and a summary of Council's financial performance.

2 Our Council

This section provides general information about Colac Otway Shire Council, including our Councillors, Executive Management Team, organisational structure and workforce. It also includes information about our people, learning and development, equal opportunity, occupational health and safety, and the way Council supports a safe, capable and inclusive workplace.

3 Our Performance

This section explains Council's planning and accountability framework and reports on progress against the strategic direction set out in the Council Plan. It outlines performance across the three Council Plan 2025-2029 themes: Place, People and Prosperity. It also includes the Sustainability Report and a snapshot of Community Satisfaction Survey results.

4 Our Governance

This section outlines Council's democratic and corporate governance arrangements, including how decisions are made, how Councillors and committees operate, and how Council meets its legislative responsibilities. It also includes statutory information required under the Local Government Act 2020 and other relevant legislation, reflecting Council's commitment to openness, transparency and accountability.

5 Performance Statements

This section includes Council's Performance Statements for the year and the Victorian Auditor-General's report on Council's performance reporting.

6 Financial Statements

This section provides Council's audited Financial Statements for 2025-26, prepared in accordance with the Local Government Act 2020 and relevant accounting standards. The statements include the Victorian Auditor-General's report and provide detailed information about Council's financial position and performance for the year.



The Year in Review

Message from the Mayor and CEO

The Year in Review

Our Strategic Direction

Our Community Profile – Fast Facts

Serving our Community - Fast Facts

Achievements

Challenges and Future Outlook

Continuous Improvement Initiatives

Performance against the Council Plan

Projects and Programs

Financial Summary




NO CLIMBING

From the Mayor and CEO

On behalf of fellow Councillors and staff, we are pleased to present Colac Otway Shire Council's 2025-26 Annual Report.

Following the adoption of the Council Plan 2025-29, Council's work has been guided by a shared ambition for Colac Otway to be a place to grow, a place to invest and a place to belong. The Plan, which also incorporates the Municipal Health and Wellbeing Plan, provides the framework for our decisions, priorities and services over the next four years.

With that in mind, 2025-26 financial was a year of significant delivery, progress and recovery for Colac Otway Shire Council. Council continued to implement its new Council Plan 2025-2029 while maintaining essential services, progressing major infrastructure projects, responding to natural disasters, strengthening governance, and investing in the long-term prosperity and liveability of the municipality.

A defining feature of the year was Council's response to, and recovery from, the unprecedented run of events over January and February where the region faced bushfires throughout the Otways and flash floods on the Great Ocean Road.

Recovery efforts transitioned formally from emergency response to community recovery in February 2026, supporting communities right across the Shire that were either directly or indirectly impacted. Council established a dedicated recovery team, secured government funding, opened a Community Recovery Hub in Gellibrand and worked closely with residents, businesses and support agencies on the long journey to build resilience and support long-term recovery.

The efforts of staff in that initial crisis period were greatly appreciated. The response required 24-hour rostering from across the organisation. Services and Operations staff and machinery were deployed to support the fire efforts and to respond quickly to the flash flooding on the coast. The response from the whole organisation, and the support received from colleagues from surrounding councils, was outstanding.

The response from the broader community, business and from those outside the area was inspiring to witness and gave incredible support to those immediately impacted or displaced by the events.

Infrastructure and public spaces

Throughout 2025-26, Council continued its investment in community infrastructure and public spaces. During the period, Council's total capital expenditure was over $18million. The average annual capital expenditure over the past five years has been around $13million. This demonstrates a significant outcome for the Shire that sets a strong foundation for Council's capital program in the coming years.



Major achievements throughout the year included completion of the Elliminyt Wetlands project, adoption of the Birregurra Structure Plan, completion of the Lake Colac Holiday Park upgrade, installation of upgraded facilities at the Colac Saleyards and the renewal of CCTV infrastructure within central Colac.

The Elliminyt Wetlands project in particular was an important example of Council's commitment to integrated planning, environmental improvement, public open space and future housing opportunities. Delivered in partnership with Regional Development Victoria through its Regional Infrastructure Fund, the project provides flood protection for approximately 70 hectares of downstream land, enabling future residential development in line with Council's Colac 2050 Growth Plan, while also delivering a significant new area of community open space.

Economic development

Economic development remained a major focus during 2025-26. Council advanced a new Economic Development Strategy, supported tourism activation initiatives, strengthened partnerships with businesses and education providers, and delivered destination marketing campaigns to grow visitation and investment.

In December 2025, Council adopted its Advocacy Priorities 2026 document that highlighted the projects that required support to make a lasting impact on community wellbeing, prosperity and the overall liveability of the shire.

Those priorities have underpinned a variety advocacy activities undertaken by the Mayor and CEO both locally and through the G21 Regional Alliance to push the case for targeted investment that will help achieve the ambitions of the Colac Otway Shire.

New tenancy agreements were signed for key community assets at Colac Leisure Centre (commonly known as the Colac Youth Club building) and the Colac Otway Performing Arts and Cultural Centre (COPACC).

Colac Neighbourhood House (Colac Area Health) has taken a lease on the leisure centre and has increased the breadth of community groups accessing the centre daily. IVG Global has taken a lease on COPACC bringing cinema, performing arts, events and community use under the one umbrella for the first time. Council looks forward to the activation of the centre to flow from this new operating model.

Transport and accessibility

Council also advanced several transport and accessibility initiatives, including footpath construction projects, road safety improvements, development of a Road Safety Strategy, and the commencement of works funded through the Safer Local Roads and Streets Program such as the construction of a roundabout at the intersection of Pascoe Street and Moore Street, Apollo Bay.

Council has invested heavily in its local road network, making good progress in delivery of a number of road upgrades in Wye River, Separation Creek and Apollo Bay, totalling $7 million across 2025-26 and 2026-27. These will deliver much improved roads for our coastal communities.

Wellbeing, inclusion and social development

Significant progress was made across community wellbeing, inclusion and social development initiatives. Council completed implementation of Year 1 actions of the Municipal Health and Wellbeing Action Plan, successfully transitioned aged care services to the Commonwealth's Support at Home program, expanded youth engagement programs, strengthened support for vulnerable residents, and committed to endorsing the Age Friendly Victoria Declaration.

Strong Partnerships with health, education and multicultural organisations remained central to Council's work.

Governance

Council continued to improve governance, transparency and organisational performance.

Key achievements included adoption of the Advocacy Framework and Priority Projects, progress on implementing Monitor recommendations, development of a Customer Experience Strategy, review of major strategic policies, strengthened community engagement processes, and delivery of community conversations across the Shire.

Finance

Our financial results for 2025-26 are outlined in detail in this Annual Report. They reflect Council remaining in a stable position despite ongoing economic pressures. Prudent financial management along with grant funding, supported continued service delivery and strategic investment across the municipality.

Council has continued to balance the need to deliver services and infrastructure with the financial pressures experienced across the local government sector.

Overall

Overall, the 2025–26 year demonstrated Council's commitment to supporting its communities through challenging circumstances while continuing to deliver infrastructure, services and strategic initiatives that enhance quality of life, strengthen local resilience and position Colac Otway Shire for long-term success.

Thank you

It has been an honour to work with fellow Councillors to serve our communities in 2025-26. We thank residents for your continued support for key community services and projects.

Most importantly, we thank our 350 staff for their commitment and dedication over what has proven to be an extremely challenging 12 months for the Colac Otway Shire.



Cr Jason Schram
Mayor



Andrew Tenni
Chief Executive Officer

The Year in Review

Looking back on 2025-26, Council was at the heart of many news stories locally, state-wide and even at a national level due to the stresses on our community through the fires and floods of January.

The following compilation provides a snapshot of some of the Council activities, emergency responses and program delivery throughout the year.

Staff and partners support emergency response

During the severe fires and floods of summer 2025-26, Council staff provided around-the-clock care at Emergency Relief Centres, supported frontline services and coordinated vital community assistance.

Emergency services, volunteers, agencies, service clubs and partner Councils worked together, while Council continued to support affected communities, families and businesses through recovery.

Old Beech Forest Road landslip

Extreme weather caused significant movement at a landslip on Old Beech Forest Road, requiring major rectification works. Council continued to manage the affected section and plan for its recovery.

Civic highlights

Council welcomed the Governor-General of Australia, Her Excellency the Honourable Sam Mostyn AC, in April 2026 to discuss the impacts of summer fires and floods and meet first responders and community members.

The Governor-General met with Councillors and management, visited Gellibrand and finished her day mixing with community members at the local football and netball.

This followed a visit in March by Her Excellency Professor the Honourable Margaret Gardner AC, Governor of Victoria. The Governor's tour included a Civic Reception to meet with first responders and those impacted by the fire and flood events, and visits to Apollo Bay and Wye River to witness flood recovery works.

Funding boosts playground and lighting projects

Victorian Government funding supported design work for a regional playspace on the Lake Colac foreshore and lighting upgrades at Eastern Reserve, Gellibrand Recreation Reserve and Irrewillipe Recreation Reserve, with contributions from Council and local clubs.

Birregurra playspace opens

Families welcomed the opening of the expanded $275,000 playspace at Birregurra Park. New features include play towers, a maze and nature play elements.

Bluewater gym introduces Australian-first equipment

A Bluewater gym revamp introduced Australia's first Matrix upper-body cycle, along with an assault runner and a dedicated Reformer Pilates space featuring 10 reformer beds.

Road Management Plan adopted

Council adopted its Road Management Plan 2025-2029 following public consultation. The plan provides a clear framework and service standards for managing more than 1,600 kilometres of public roads and related infrastructure.

Road safety improvements respond to community concerns

Speed limits were reduced to 80 km/h on Conns Lane and part of Cape Otway Road near the intersection. Further warning and give way signs, a stop control and rumble strips were initiated in response to community concerns about traffic, crashes and near misses. Council also installed warning signage and rumble strips at Barongarook in response to resident safety.

Council also endorsed a Road Upgrade Policy which aims to help Council prioritise future spending on sealing of unsealed roads in response to resident concerns over dust and road safety.

Forrest infrastructure supports sustainable tourism

Council completed an $800,000 wastewater and car parking project at Forrest Holiday Park. The upgraded treatment system supports the park and town public toilet while helping accommodate sustainable visitor growth.

Community farm tackles food insecurity

A $762,450 VicHealth grant supported the transformation of more than 1.5 acres at Colac Secondary College into a regenerative community farm using the Farm My School model. Council and partners launched the project with a Build a Farm in a Day event in November 2025.

Andrew Tenni appointed Chief Executive Officer

Councillors appointed Andrew Tenni as Chief Executive Officer following a thorough recruitment process that attracted a strong field of applicants.

Andrew was previously General Manager of Corporate Services and had been the Acting CEO after the departure of Anne Howard, who joined Darebin City Council.

Saleyards improvements support farmers

Council invested $270,000 in infrastructure upgrades at the Colac Regional Saleyards, improving safety, efficiency and accessibility for livestock transport operators.

The works include installation of double-decker loading ramps, and four new single loading ramps, an extension of the loading area road surface to provide a turning area for B-double trucks and new non-slip matting in livestock pens.

The selling ring was revitalised through rust removal, painting, replacement timbers and new safety rails, ceiling fans, an auction stand and stairs, improving the facility for local producers and users.

Eastern Reserve playing surface upgraded

Council undertook top-dressing and levelling works at Eastern Reserve to address subsidence and improve the oval's safety, usability and ongoing maintenance for cricket and baseball.

Women's swim program removes barriers

Bluewater Leisure Centre introduced women-only swim nights through Council's VicHealth partnership, creating a safe and welcoming environment for women and girls who face barriers to being active.

Barongarook Creek restoration underway

A $349,410 Victorian Government Green Links grant supported work to restore Barongarook Creek. In partnership with Eastern Maar, Central Otway Landcare Group, schools and community groups, the project included willow and weed removal, indigenous planting, education and community participation.

Small projects make a big impact

A program of practical improvements helped keep public spaces safe and welcoming. Projects included new furniture at the Lake Colac foreshore, Colac fountain renovations, reinstatement of the Marengo Beacon, and new drinking fountains.

Mayor elected to lead G21 Alliance

Mayor Jason Schram was elected chair of the G21 Geelong Region Alliance, with City of Greater Geelong Mayor Stretch Kontelj elected deputy chair. The leaders have driven a renewed advocacy focus on securing a fair share of government investment for the region.



Online bookings introduced at Meredith Park

A new online booking platform for Meredith Park provides more accurate visitor and occupancy information. The system supports planning for peak periods, service delivery and quicker responses when required.

The co-ordinated focus of staff on management of visitor activity during peak visitation has resulted in a much-improved experience at the site. Council has commenced development of a long-term management plan.

Blueprint for future housing

Council and project partners launched Colac Otway Adaptable Precincts with $2.018 million in Australian Government funding. The initiative will design two shovel-ready precincts for 50–100 adaptable modular homes, responding to affordability pressures in Colac and the shortage of long-term rentals in Apollo Bay.

Community achievements celebrated at Cressy

Australia Day 2026 was celebrated at Cressy Aerodrome with a citizenship ceremony, Community Awards, live music and historical displays. The community-led event recognised outstanding local contributions and welcomed new Australians to Colac Otway Shire.

Advocacy priorities shared

Council published its priority projects to help advocate for delivery of its strategic objectives and has been taking every opportunity to share these with government and decision-makers.

Projects highlighted included a revitalisation of the Colac Civic Precinct, recreation reserve pavilion upgrades, unlocking industrial land in Colac East, a home for soccer, footpath infrastructure connections, the Colac Bike Park, a Lake Colac Regional Playspace, revitalisation of the Colac Central Business District and a host of supporting priorities.

As a member of G21, Council has also been lobbying for broader regional priorities including transport infrastructure and links, public transport upgrades and sustainable water networks.

Pascoe Street upgrade improves safety

A $1.7 million upgrade of Pascoe Street, Apollo Bay, commenced to deliver a better road surface, improved drainage and safer pedestrian access between Moore Street and Nelson Street. It will include a new roundabout and pedestrian crossings, helping to deliver strategies in the Apollo Bay, Skenes Creek and Marengo Community Infrastructure Plan and address known flood risk.

Business survey supports recovery

Council launched a Business Impact Survey following fires and flash flooding across the region. Feedback from businesses helped build a clearer picture of impacts on operations, workforces, cashflow and forward bookings to inform recovery support.

Digital screens connect visitors with the region

Council installed interactive digital information screens in Memorial Square, at Colac Unearthed and at the Great Ocean Road Visitor Information Centre in Apollo Bay.

Available around the clock, the screens provide current information about attractions, trails, facilities, services, events and activities.







Live music energises Memorial Square

The Pierce Brothers performed at a free pop-up entertainment session in Memorial Square, giving residents and visitors an opportunity to enjoy live music during one of Colac's busiest weekends.

The Council-led initiative activated the town centre during one of the regional basketball tournament weekends which attracts hundreds of families.

Major road investment in Apollo Bay

Council awarded a major contract for four Apollo Bay road reconstruction projects as part of a $7 million investment in sealed road upgrades across coastal townships.

Works included Pengilley Avenue, Ramsden Avenue, Montrose Avenue, Costin Street and Pascoe Street, with projects to be completed over the course of 2026 The works are delivering improved footpath connections and underground stormwater drainage.

Library access expands in Birregurra

A new self-service library kiosk opened at the Birregurra Community Health Centre, giving members a convenient and secure way to collect reservations, browse items and return loans during weekday opening hours.

Tourism partnership renewed

Council endorsed a further two-year partnership with Great Ocean Road Regional Tourism following an eight-month review.

The partnership provides coordinated regional marketing, advocacy and content development, supporting economic and reputational benefits for Colac Otway.

Green light for Colac bike park

Colac Otway secured $500,000 from the Victorian Government's Local Sports Infrastructure Fund to construct a new bike park. The project reflects years of community advocacy and strong support from young people and families.

Young artists celebrated

The 2026 Youth Art Futures Competition celebrated the creativity of artists aged 12 to 25 from across the region. Awards were presented in the 12-18 and 19-25 age categories, with local artists Pete Cromer and Angela Baldwin joining the judging panel.

New lease supports COPACC's future

Council resolved to enter into a lease with IVG Global as the new operator of COPACC following community consultation. The agreement is intended to support the centre's long-term viability as a sustainable and accessible cultural and community venue.

Future use of recreation centre progresses

Following an expression of interest process, Colac Area Health was identified as the preferred manager of the Colac Youth and Recreation Centre.

Council entered into a lease to support a base for Neighbourhood House programs and community user groups.

Elliminyt Wetlands delivered

The Elliminyt Wetlands project was delivered in June, with the completion of significant civil construction, landscaping and community amenities.

The project provides flood protection for about 70 hectares of downstream land, supports future housing and creates valuable community open space and environmental benefits.





The Elliminyt Wetlands project was jointly funded, including a $3 million contribution from Regional Development Victoria through its Regional Infrastructure Fund.

Memorial Square footpaths renewed

Council renewed Memorial Square's existing footpaths to improve safety, accessibility and presentation. Works included realigning bluestone edging, improving path transitions, resurfacing asphalt and reinstating surrounding turf and landscaped areas.

Council also endorsed a Footpath Strategy Review for Colac and Apollo Bay, establishing priorities for investment in future upgrades to Council's footpath network.

Strong response to public art call

A 12-week expression of interest process attracted 20 public art proposals from artists, community groups and organisations.

Ideas included murals, sculpture and community-led concepts designed to enhance public spaces, share local stories and enrich the visitor experience.

Funding secured for safer intersection

Victorian Government funding through the Safe Local Roads and Streets Program will support safety upgrades at the Deans Creek Road and Pound Road intersection, which Council identified as a high-risk rural location.

Council backs future Colac Soccer Hub

Council unanimously endorsed a feasibility study setting a clear path towards a new Colac Soccer Hub. The decision recognised strong community advocacy, growing participation and the need for suitable facilities to support the health and wellbeing benefits of the sport.

Community Conversations

Council continued to meet with residents through Community Conversations held in Cressy on 3 June and Beech Forest on 24 June, providing opportunities to discuss local priorities and hear community feedback.

Community satisfaction improves

Council's 2026 Community Satisfaction Survey recorded stronger results across several areas, including the spending of local funds, general direction and overall performance. Customer service, opportunities to provide feedback, waste management, decision-making and the condition of sealed local streets also improved.

Youth engagement creates opportunities

Council's Youth Engagement Team supported young people through a photography competition and exhibition, workshops and activities. Council and COPACC also presented Rock On! The Future of Music, a showcase designed and led by young people from across Colac Otway.

Grants support projects across Colac Otway

Council endorsed more than $300,000 for 95 local projects and initiatives through its Grants Program. Funding included $175,759 for 57 community projects, $117,461 for 31 events and $14,611 for seven business façade projects, while 12 Trees for Farms applicants shared $33,500.

Trees for Farms joins Council's Grants Program

Council introduced Trees for Farms as a new funding stream in its Grants Program. The grant supports native tree planting on Farming Zone properties of five hectares or more, helping farmers and eligible groups improve farmland and strengthen local biodiversity.





Our Strategic Direction

Our Community Vision 2050

Council has a long-term Vision developed with the community that states –

By 2050, Colac Otway Shire will be a destination where people come to appreciate our unique and diverse environment and friendly communities.

We value the wisdom of this land's first caretakers, the Gulidjan and Gadubanud peoples, and recognise all those who have cared for the land since.

We work to preserve what makes our place special. We focus on environmental sustainability to protect our precious natural assets.

We are a proud and resilient community that values our welcoming spirit. We embrace new people, new business, new ideas. Our region is a great place to learn, live, work and play.

Council Plan 2025-2029

In its first term Council adopted a new Council Plan 2025-2029 (the Plan), which incorporated its Municipal Health and Wellbeing Plan.

The Plan was developed through deliberative community engagement via focus groups, pop-up sessions, drop-in sessions, online sessions, an online survey and with input from a community panel of 23 members.

The Council Plan 2025-2029 is a critical document in providing the high-level objectives and strategies that will be the focus of Council and the organisation over this term of Council.

It reflects the aspirations of the community and Council in shaping the type of Shire we aspire to provide for residents and visitors. It expresses pride in the natural and built environments, community connections and services provided, and sets a challenge of continuous improvement where Colac Otway is 'a place to grow, a place to invest and a place to belong'.

The Plan is a high-level document setting strategic direction. It is supported by annual action plans that are developed in partnership with the budget cycle each year to ensure alignment between the commitments of Council and funds allocated in the budget to various projects and initiatives.

A Vision statement was developed for the Council Plan 2025-2029:

"Colac Otway is a thriving regional hub where residents prosper, businesses find opportunity and visitors stay longer."

The themes emerging from the Plan were Place, People and Prosperity:

Theme One: Place

Our Shire boasts a regional city by the lake, coastal towns and riverside villages in which residents and visitors alike enjoy the variety of experiences and services on offer. It is easy and fulfilling to live here, allowing people to lead their best lives.

Theme Two: People

Our Council and community work together to support the growth of our Shire. We make the most of the opportunities that growth presents, with the aim of improving the wellbeing of all who call our Shire home, without losing the local community spirit that makes our region great.

Theme Three: Prosperity

Our Shire is a place of continual improvement and investment, which builds on its strengths and creates new opportunities as it evolves. Visitors stay and play longer, residents enjoy diverse work, while new businesses are drawn here for the variety of opportunities and experiences on offer.

Our Community Profile

– Fast Facts

Colac Otway Shire has an estimated population of **22,209** people *

The median age is **45**^

31% of the population is over 60 years old ^

1.4% of the population identify as Aboriginal or Torres Strait Islander *

10.3% of the population were born overseas *

Ranked country of birth:
Australia (81.0%), United Kingdon (2.6%), New Zealand (1.0%), China (0.8%), Taiwan (0.7%

40.9% own their property outright *

29.6% own their property with a mortgage *

20.6% of households rent their home *

22.3% of households are couples with children *

29.8% of people live on their own *

12.1% of houses are for visitors only (3.3% across the Shire) *

50 approvals were issued in 2024-25 for residential dwellings to be built *

The average weekly household income is **$1,277** *

The median weekly rent is **$420** *

19% of people have volunteered at an organisation over the last 12 months *

More than **85%** of Colac Otway's workforce lives locally *

There are **11,050** local jobs

31% of ratepayers are non-resident

Gross Regional Product **$1.95**

Largest employing industries:
Manufacturing (15.4%), Health Care and Social Assistance (13.9%), Agricultural, Forestry and Fishing (11.4%)

30.7% of economic output comes from the manufacturing sector #

14.8% of the population have a Bachelor or Higher degree

23.2% of the population have a vocational qualification

222 babies were born in the Shire in 2024-25

^ Sourced from the Australian Bureau of Statistics 2024 (Estimated Resident Population)
* Sourced from the Colac Otway Shire (Profile ID)
# Sourced from Remplan Economy

Serving Our Community – Fast Facts



806
Children who attend the Maternal and Child Health service at least once in the year



132,453
Physical library collection items loaned



1,382,178
Kerbside bins collected in the year



6,007
Active library borrowers this year



3,902
Tonnes of material diverted from the landfill stream



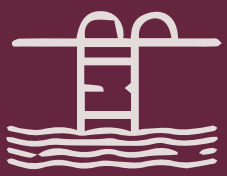
$6.94m
Towards the upgrade and renewal of local roads



247
Planning application decisions made in the year



$0.8m
Towards the upgrade and renewal of local buildings.



162,614
Visits to Bluewater Leisure Centre



73
Council grants awarded to business and community groups



136
Animals were rehomed



332
Annual food safety assessments completed

Achievements

Council delivered substantial progress in the first year of the Council Plan 2025–2029, completing 33 annual actions and progressing a further 17 across the themes of Place, People and Prosperity.

Major achievements included completion of the Elliminyt Wetlands and delivery of road, drainage, building, open space and community infrastructure projects. Council also progressed $7 million of road reconstruction works in Apollo Bay and coastal towns, improving road quality and traffic safety, while capital expenditure exceeded the 2025–26 target baseline.

Council completed the Birregurra Structure Plan, adopted the Road Management Plan and Domestic Animal Management Plan, upgraded the Colac Regional Saleyards, and supported new operating and lease arrangements for COPACC, the Colac Youth and Recreation Centre and other major community assets. Governance arrangements for Community Asset Committees were strengthened, while planning and funding outcomes supported priority recreation and community infrastructure projects.

Community and wellbeing outcomes included youth engagement programs, transition to the Commonwealth Support at Home program, delivery of Municipal Health and Wellbeing Plan actions, the Farm My School community food initiative, 16 Days of Activism activities, and stronger partnerships supporting vulnerable, multicultural and First Nations communities.

Environmental initiatives included Barongarook Creek restoration, street-tree planting, climate resilience programs and diversion of 2,443 tonnes of organic waste from landfill.

Council strengthened long-term economic growth and community activation through new Business Concierge and Event Concierge services, a customer relationship management system, targeted support for businesses affected by the January fire and flood events, regional collaboration and advocacy. Strategic work included the Economic Development Framework, an investment prospectus, industrial land planning investigations and three digital wayfinding boards, alongside stronger partnerships with business chambers and industry stakeholders.

The 2026 Community Satisfaction Survey recorded improvement across all headline measures, with overall performance increasing to 55. This exceeded the Large Shire average and reflected a positive shift in community perceptions of Council's performance.



Challenges and Future Outlook

The year was shaped by significant external and operational pressures. Fires and flash flooding in January required a sustained emergency response and continue to affect communities, businesses, infrastructure and recovery priorities. Extreme weather also contributed to the Old Beech Forest Road landslip and reinforced the need for resilient infrastructure and preparedness.

Council continues to manage cost pressures, growing service demand, housing affordability and availability, workforce attraction, business confidence, gaps in mental health, homelessness and emergency accommodation services, and the long-term financial challenge of maintaining a large and diverse asset network. Demand for recreation and community facilities is also increasing as assets age, regulatory requirements grow and infrastructure priorities compete for limited resources.

High fuel costs arising from conflict in the Middle East are expected to increase Council's operating costs and the price of materials and contracted services, including waste collection. Securing external funding and investment will remain critical to delivering major projects while maintaining affordability for ratepayers.

In 2026–27, Council will continue recovery and resilience work while progressing the Apollo Bay Structure Plan, Planning Scheme Review, Greenlinks revegetation project at Barongarook Creek, Lake Colac Foreshore Regional Playspace, Central Reserve dog park, Red Rock renewal works, road safety upgrades, new footpath connections and the $7 million coastal road reconstruction program, alongside new projects in rural areas.

Further work will include finalising the Economic Development Strategy, Colac Aerodrome Strategy, Community Engagement Policy and Resource Recovery and Waste Strategy Review; commencing the Connected Futures project; continuing adaptable housing precinct planning; and pursuing advocacy and external funding for priority infrastructure and services.

Council will prepare for rehabilitation of former landfills, review the future of transfer station facilities, explore funding strategies through the Rating and Revenue Plan, and enter new ten-year waste management contracts with stronger performance monitoring.

Council will also upgrade network connections between sites to provide backup internet services and enable locations to operate independently of the main office. It will continue expanding and simplifying online interactions while retaining existing contact methods.



Continuous Improvement Initiatives

Council continued to strengthen organisational capability, service delivery and accountability. The Customer Experience Strategy was finalised and is guiding staff training and internal process improvements, while a program of priority service reviews was developed for implementation in 2026–27.

Stronger project governance, coordination and streamlined internal processes supported capital delivery, with expenditure exceeding the annual target baseline and finishing $4.1 million above the previous year. Event approvals and coordination across community, planning and economic development functions were also improved.

Governance, contract management and service monitoring were strengthened across community facilities and services, providing clearer performance expectations, improved customer outcomes and more timely responses to emerging issues. Councillor professional development continued in response to legislative requirements and the Municipal Monitor's recommendations.

Improvements to the 2025–26 fire prevention program resulted in substantially higher compliance. Lessons from the January 2026 bushfire and flood emergencies will inform further improvements to emergency management processes and internal capacity.

Council advanced management and cybersecurity improvements, strategic reviews and long-term planning to support evidence-based decisions, identify investment needs and align resources with community expectations and Council Plan objectives. Improved systems for managing plant and machinery, including electronic fuel monitoring, also strengthened resource efficiency.

All on-premises server infrastructure, backups and disaster recovery systems were migrated to the cloud during 2025–26. This reduced the need for ongoing capital investment in in-house infrastructure, improved resilience and enabled Council to operate from any location with an internet connection. The former disaster recovery site at Bluewater Leisure Centre was subsequently decommissioned.

Waste-service improvements included new litter-control netting at Alvie Transfer Station and four-bin enclosures at Meredith Park. Council also prepared a long-term waste services procurement process and continued reviewing the Resource Recovery and Waste Strategy.

Community satisfaction results, performance reporting and service data will be used to target further improvement, particularly in roads, planning, decision-making, opportunities to provide feedback and service outcomes for coastal communities.

Performance against the Council Plan

Strategic indicators help Council monitor progress against the objectives and priorities set out in the Council Plan 2025-2029.

These indicators provide an important measure of how Council is tracking in delivering outcomes for the community across the themes of Place, People and Prosperity.

Where strategic indicators have been identified, results are reported later in this Annual Report. Overall progress against key indicators is presented in the table below:

Annual actions	Completed	Progressing
Theme 1 - Place	7	8
Theme 2 - People	16	5
Theme 3 - Prosperity	10	4



Projects and Programs

In addition to its ongoing operations, Colac Otway Shire Council delivers a broad range of capital and operational projects each year. These projects vary in scale and complexity, from essential infrastructure renewals through to community development initiatives, and reflect Council's commitment to improving services, supporting economic growth and enhancing the liveability of the Shire.

The 2025-26 financial year saw a significant focus on increasing project delivery and capital investment. Through the coordinated efforts of Council's Program Delivery Team, Council accelerated the delivery of infrastructure projects to address a backlog that had accumulated over several years while continuing to meet community needs through a range of operational programs.

The following highlights demonstrate the diversity and impact of projects and programs delivered across the municipality during the year.

Historical Performance

Graph 1 illustrates Council's capital expenditure over the past five financial years. During this period, average annual capital expenditure was $12.89 million, reflecting Council's ongoing investment in community infrastructure and asset renewal.

Graph 1

Capital Expenditure – Last 5-Years



2025-26 Target and Actual Result

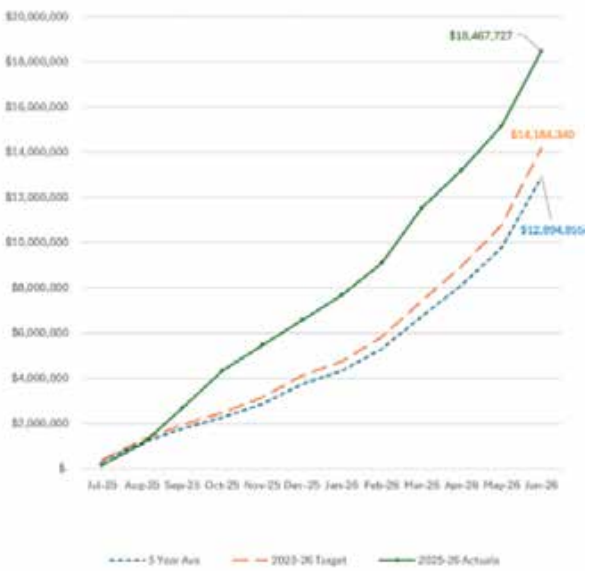
Council established a capital expenditure target of $14.18 million for the 2025-26 financial year, representing a 10 per cent increase on the five-year average. This target reflected Council's commitment to accelerating project delivery and reducing the backlog of capital works projects.

As at 30 June 2026, actual capital expenditure exceeded the target baseline, demonstrating strong delivery performance across multiple infrastructure programs. Investment was directed across roads, buildings, drainage, open space assets, road safety improvements and major strategic projects, including the Elliminyt Wetlands Development.

Graph 2 compares actual capital expenditure against both the 2025-26 target and the five-year average.

Graph 2

2025-26 Target v Actual Expenditure



Capital Works Program

Council delivered a diverse capital works program during 2025-26, investing in roads, buildings, parks, drainage and community infrastructure across the municipality. Major investment areas included road reconstruction and renewal programs, the Elliminyt Wetlands Development, building renewals, road safety improvements and stormwater infrastructure upgrades.

The table below outlines the principal capital programs delivered during the year and the associated expenditure.

Project	Description	Project Expenditure
Bridges Program	Renewal and upgrade of Council-owned bridges to maintain structural integrity, improve safety and ensure reliable access for residents, emergency services and freight movements.	$193,007
Buildings Program	Renewal and upgrade of community buildings, public facilities and Council-owned assets to maintain functionality, safety and accessibility for users. Includes upgrades to the Colac Saleyard infrastructure.	$1,705,602
Footpath Renewal Program	Replacement of deteriorated footpaths identified through condition assessments to improve safety, accessibility and connectivity for pedestrians across the Shire. Construction of new footpaths in Colac and Apollo Bay.	$462,788
Guardrail Program	Installation and replacement of safety barriers at priority locations to reduce road risks and improve protection for road users.	$55,341
Kerb and Channel Program	Renewal and construction of kerb and channel infrastructure to improve stormwater collection, protect road assets and enhance streetscapes.	$147,426
Open Space Park Furniture Renewals	Replacement of ageing park furniture, including seats, picnic settings and other amenities, to improve safety, comfort and enjoyment of public open spaces.	$56,159
Elliminyt Wetlands Development	Delivery of a major community and environmental project creating wetlands, recreational facilities and open space improvements that enhance biodiversity, stormwater management and community wellbeing.	$4,560,005
Open Space Program	Renewal and improvement of playgrounds, parks, sporting reserves and public open spaces to support recreation, community health and social connection.	$685,971
Annual Reseal Program	Annual maintenance program that extends the life of sealed roads by restoring road surfaces, protecting underlying pavements and improving driving conditions.	$1,070,652
Resheet Program	Renewal of unsealed roads through the placement of new gravel wearing surfaces to improve road condition, safety and network reliability.	$954,046
Road Reconstruction Program & Road Major Patch Program	Renewal of deteriorated road infrastructure through full pavement reconstruction and targeted major patching works, improving safety, ride quality and long-term asset performance.	$4,292,496
Road safety Program	Delivery of safety improvements including pedestrian crossings, speed management treatments, roundabouts, bus shelters and other infrastructure designed to reduce road risk and improve community safety.	$623,237
Storm Water Program	Renewal and upgrade of stormwater infrastructure, including pipes, pits and culverts, to improve drainage performance, reduce flooding risks and support resilient communities.	$753,947
Road Slip Program	Stabilisation and repair of roads affected by landslips and embankment failures to restore safe access and protect critical transport links across the Shire.	$173,772

Elliminyt Wetlands Development

The Elliminyt Wetlands Development is a landmark project providing a significant environmental and community asset. The development provides wetlands, shared pathways, open space and recreational facilities that improve biodiversity, support stormwater management and create new opportunities for community recreation and wellbeing. The works included a new playground for families.

With an investment of more than $4.5 million during 2025-26, the project represents Council's commitment to sustainable infrastructure and enhancing liveability for current and future residents.

Operational projects

In addition to the capital works program, Council delivered a range of operational projects aimed at improving community services, organisational capability, environmental outcomes and strategic planning. These projects are generally funded through Council's operational budget and focus on delivering service improvements, policy initiatives, community programs and planning activities that support the long-term needs of the municipality.

Through these operational projects, Council continued to enhance services, build organisational capability and respond to the evolving needs of the community.

Key operational project categories delivered during 2025-26 included:

Project	Description	Expenditure
Connected communities and a prosperous economy	Community and events grants, youth programs, aged care initiatives, strategic land-use planning, economic development and planning for community facilities.	$2,313,329
Sustainable infrastructure, environment and emergency resilience	Asset and road network planning, environmental restoration, climate resilience, road safety, emergency recovery and flood-risk initiatives.	$973,287
Good governance and organisational capability	Integrated strategic planning, Councillor induction, revenue and rating planning, information management and cybersecurity improvements.	$94,671
Waste and resource recovery	Landfill rehabilitation and access improvements, waste infrastructure planning and development of the ten-year Waste and Resource Recovery Strategy Review.	$154,884



Environmental Sustainability Achievements

The community's ongoing engagement with Council's environmental and sustainability programs and initiatives has once again highlighted the importance of environmental sustainability and addressing and responding to climate change, both in terms of Council's internal operations and its continuous improvement and development of community services and supports.

Council has a broad role in the area of environmental sustainability with a snapshot of achievements highlighted below.

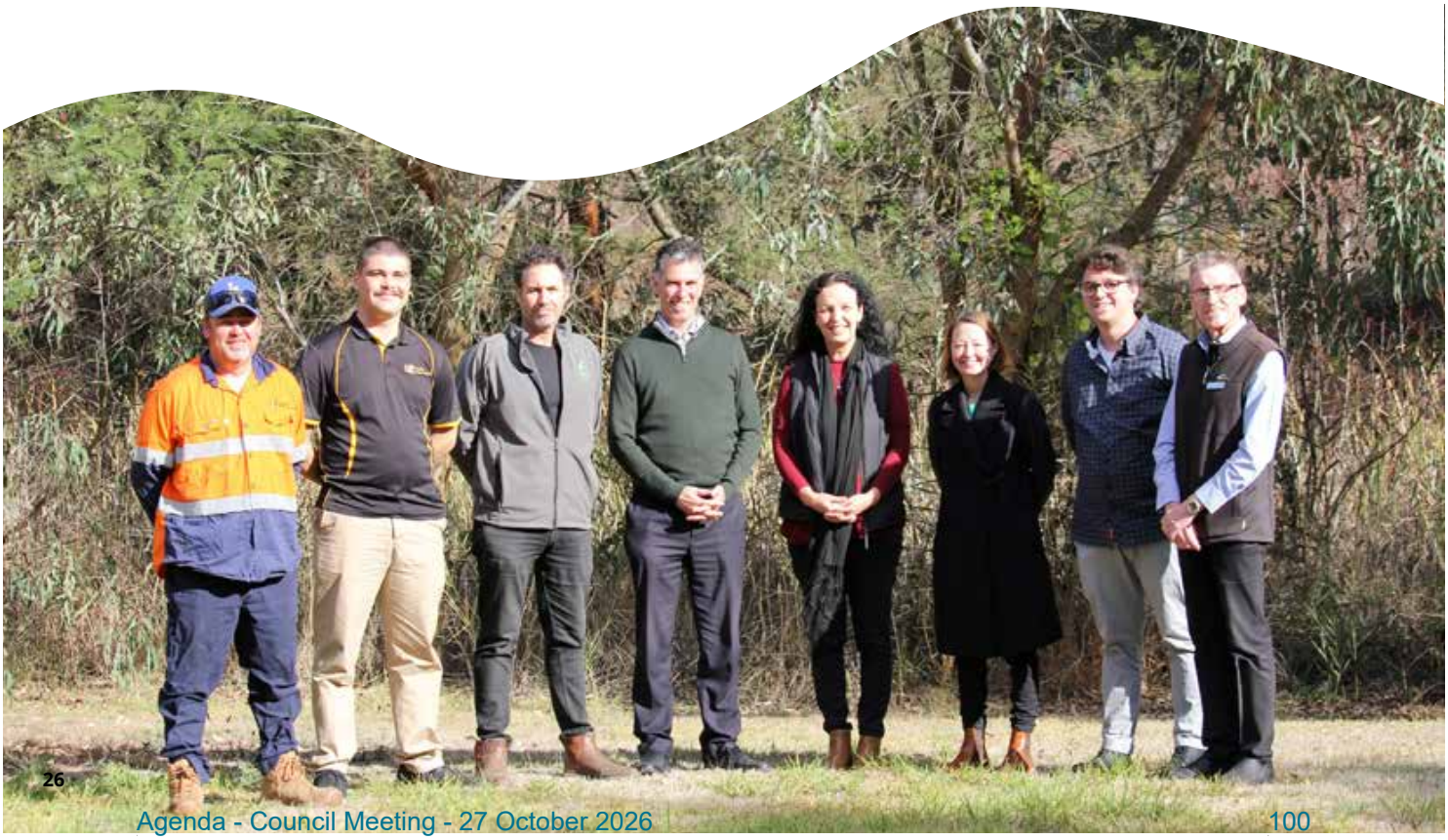
Barongarook Creek Restoration

The Environment and Sustainability team has worked collaboratively with project partners, Central Otway Landcare Network, Eastern Maar Aboriginal Corporation, and V/Line to successfully begin the delivery of the GreenLinks Rewilding the Barongarook Creek Project.

A major milestone has been the successful removal of large woody weeds, including willow, poplar and ash trees, along Barongarook Creek between Joseph Paasch Reserve and the Murray Street Bridge. This work has transformed the appearance of the creek corridor and created the space needed for extensive revegetation works across the project area.

More than 11,000 indigenous plants are planned to be established across the project's 11.7 hectares, with revegetation works expected to commence in July 2026. Preparatory works are progressing.

The GreenLinks Project delivers significant environmental benefits through the restoration of Barongarook Creek and the creation of a healthier, more resilient ecosystem. Beyond its environmental value, the project is also enhancing a major community asset that runs through the centre of Colac, creating an attractive and accessible green space for residents and visitors alike.



Environmental Sustainability Strategy 2023-2033 and Climate Change Action Plan Implementation

Council continues to work towards delivering the goals and objectives of the Environmental Sustainability Strategy 2023-2033 and Council's Climate Change Action Plan (CCAP) which is designed to mitigate the impacts of, and respond to, climate change.

The CCAP includes a wide range of measures aimed at reducing greenhouse gas emissions, including energy efficiency and renewable energy, waste reduction and recycling, and sustainable transport.

Focuses in the 2025-2026 financial year were largely around reserve and weed management, the Electric Homes program, and the Green Links revegetation program.

Electric Homes Program

The Electric Homes Program was run again in 2026. In its third year, the program is helping households reduce emissions and lower energy costs.

Council has been particularly encouraged by the continued demand for the program and the strong level of community participation. A focus was the Community Power Hub program which assessed energy use at four venues, Colac and District Pastoral and Agricultural Society, Gellibrand Community Hall, Gellibrand Football Club and Colac Players Shed, resulting in replacement of gas appliances with electric options, suitability for solar installations and providing detailed 'Cool Spaces' reports specifically for three showgrounds buildings.

At a time when cost-of-living pressures remain a significant concern for many households, these savings highlight the important role electrification can play in improving household financial resilience while reducing emissions.

Environmental Community Engagement Events and Activities

Council continued to host, facilitate and support a wide range of collaborative, engagement and educational activities with an environmental and sustainability focus in the 2025-26 financial year.

Our youth focus events included the 2026 World Environment Day Student Environmental Leadership Summit held at COPACC and four planting days with students. The Student Leadership Summit was run by a team from CERES Environment Park in Brunswick East, and was designed for students from years 7-10, as a hands-on, multi-school summit that connected fellow sustainability leaders and supported them to share achievements and develop their own school environmental action plan. Forty students from two Colac schools attended.

Council's environment team attended the Southern Otway Landcare Network's Garden Festival where they advertised the Nature Strip Guidelines developed by Council and distributed guides on local indigenous plants and invasive weeds and over 200 plants for people to take home.

Council also continued to host Community Climate Change Action Forums, which were established under the Climate Change Action Plan.

Environmental Tree Planting

In 2025-26, Council supported the planting of 1,300 indigenous plants across various sites in the Shire.

These plantings were carried out with the involvement of local schools, community groups, and Council staff, aiming to enhance local biodiversity and restore native vegetation.

In addition, Council gave away 800 indigenous plants at community events to encourage residents to contribute to local habitat improvement on their own properties.

This work reflects Council's ongoing commitment to caring for the natural environment and fostering community participation in environmental stewardship.

Behaviour Change Campaign

Council continued its work under Sustainability Victoria's Education and Behaviour Change Campaign to support residents in reducing contamination in recycling and organics bins, and to promote food waste diversion from landfills through waste education programs.

Under the program Council used a range of methods to reach the community, including newspapers, radio ads, distributing magnets and brochures, setting up banners, and promotion through Council websites and the GoodSort app.

Results:

- Council's Good Sort App downloads have grown to 6,670, giving more people access to information about waste sorting.

- Waste sent to landfill decreased slightly, with the diversion rate increasing from 54% to 56%.
- 6,660,858 drink containers were disposed of by the community into Container Deposit Scheme sites to help reduce contamination, resulting in a rebate to Council of $6,800.

The campaign engaged the community to increase waste diversion, and promote proper waste sorting. The rising app engagement and container acquisitions highlight a growing community commitment to sustainable waste practices and contamination reduction.





Health and Wellbeing in Colac Otway

Council progressed Year 1 of the Municipal Health and Wellbeing Action Plan through strong partnerships with health services, schools, community organisations and other stakeholders.

Actions focused on preventing family violence, responding to climate change, reducing harm from vaping and other substances, encouraging active living and healthy eating, and strengthening social and emotional wellbeing.

Across the priority areas of the Municipal Health and Wellbeing Plan, Council is delivering programs and initiatives with different stakeholders as outlined below:

1	Prevention of Family Violence: primarily through implementation of the Gender Equity Action Plan: training of staff on gender equity, bystander action and primary prevention, and implementing gender impact assessments. Community level activities are being implemented in partnership with Women's Health and Wellbeing Barwon South West, Rotary Clubs, Colac Area Health, Victoria Police and schools.
2	Tackling Climate Change: Council has undertaken several projects in partnership with Geelong Sustainability in areas of mitigation and adaptation. Council has also revised a range of policies seeking to reduce greenhouse gas emissions. Waste redirection from landfill has also increased.
3	Reducing harm from tobacco, vape, alcohol, other drugs and gambling: Council partnered with Colac Area Health to support students from Colac Secondary College and Lake Colac School to develop a vaping harm prevention campaign. The campaign produced collateral and video which has been widely distributed in the community. Colac Area Health is also providing support to sporting clubs to implement harm minimisation policies and strategies.
4	Active living and Healthy Eating: The Farm My School Colac project was established at Colac Secondary College in November 2025. From February 2026, the farm started providing fresh-organic vegetables to the community. Council has continued to deliver the walk to school and walk to kinder programs in partnership with Victoria Police and Barwon Water. Council's Bluewater Leisure Centre has delivered a range of programs to promote inclusion, such as women's only swimming. Council has also supported a range of organisations and sporting clubs to deliver inclusion programs. Other key partners include Salvation Army, Leisure Networks and all kindergartens in the Shire who have been funded by Council to implement the Stephanie Alexander Kitchen Garden initiative.
5	Social and emotional wellbeing: Council is delivering a range of programs in partnership with Headspace Colac, Salvation Army, Let's Talk Colac and Colac Area Health in areas of increasing social participation, early prevention, reduction of stigma around mental health and promotion of green space for active living and social-emotional wellbeing.

These achievements provide a strong foundation for the second year of the Action Plan, with Council and its partners continuing to build a healthier, more connected and inclusive community.

Community Satisfaction Survey Snapshot

The independent annual Community Satisfaction Survey measures community perception of Council performance and delivery of key services and provides valuable feedback to the organisation.

Community views on a range of Council services are recorded and benchmarked against both the State average and other Large Shire councils. A total of 506 residents participated in the survey, which was conducted during February and March 2026 using a combination of telephone and online interviewing.

The 2026 survey revealed a significant improvement across all headline measures, with Council's Overall Performance increasing by eight points to 55, exceeding the Large Shire average of 53 and representing the strongest result achieved in recent years.

Community perception of Council Direction increased by five points to 52, while Customer Service improved four points to 68, matching the State average. Overall, the results indicate a broad and meaningful improvement in community satisfaction and provide a positive foundation to build upon.

Libraries remained Council's highest-rated service area with a score of 75, while strong results were also recorded for Emergency and Disaster Management (70) and Family Support Services (68).

Advocacy for the Community recorded the largest year-on-year improvement, increasing ten points to 53. Waste Management also increased by six points to 68.

High-influence areas including sealed and unsealed roads, and planning showed significant improvement, but along with opportunities to provide feedback and perceptions of Council decision-making they remain areas to be improved.

The survey also identified lower levels of satisfaction among coastal residents across a range of measures including overall performance, customer service, planning, roads and community engagement.

The full report is published on Council's website.



Financial Summary

Colac Otway Shire Council's performance was generally favourable when compared to the 2024-25 Budget and the previous financial year. A summary of key results follows, with details on following pages.

Key Results for 2025-26	Adopted Budget $'000	Actual $'000	Variance Fav/(unfav) $'000	Variance %
Rates and charges revenue	38,748	39,351	603	1.6
Total Revenue	63,099	81,249	18,150	28.8
Total Expenditure (non-capital)	66,281	69,564	(3,283)	-5.0
Net surplus	**(3,182)**	**11,685**	**14,867**	**467.2**
Cash and cash equivalents	21,086	20,473	(613)	-3.0
Net assets	**607,469**	**731,160**	**123,691**	**20.4**
Total Capital projects delivered	**10,893**	**18,138**	**7,245**	**66.5**





Our Council

Our Councillors

Our Executive

Our Organisational Structure

Our People




a little birdie
told me so
BOOTMAKERS
OTWAY
ARTISAN

Our Councillors

Councillors provide strategic leadership and represent the interests of the Colac Otway Shire community. They set Council's strategic direction, make key policy and planning decisions, and monitor the organisation's performance in delivering the Council Plan.

Working together the seven Councillors:

- Maintain the 'Community Vision'.
- Establish the Council Plan, Financial Plan and Asset Plan.
- Set the strategic and policy framework including the Rating and Revenue Plan.
- Monitor performance against plans.
- Allocate overall resources to support the CEO and staff to deliver on the goals and objectives of the organisation.

Councillors are democratically elected every four years in a general election in accordance with the *Local Government Act 2020.*

The last general election was held on 26 October 2024, and the municipality remains unsubdivided.

The table below lists Colac Otway Shire Councillors in 2025-26:

Councillor	Election Date
Charlie Buchanan	First elected as Councillor in October 2024
Chrissy De Deugd	First elected as Councillor in October 2024
Phil Howard	First elected as Councillor in October 2024
Zoe Hudgell	First elected as Councillor in October 2024
Mick McCrickard	First elected in 2012 (1 year on Council) and re-elected in 2024
Chris Potter	First elected as Councillor in 2016 and re-elected in 2020 and 2024
Jason Schram	First elected as Councillor in 2016 and re-elected in 2024



Our Executive

Council's organisation is led by the Executive Management Team, comprising the Chief Executive Officer, General Manager Corporate Services, General Manager Community and Economy, General Manager Infrastructure and Environment, and the Executive Officer Governance.

The Executive Management Team provides leadership across the organisation and supports Council by ensuring Councillors and staff have the information, advice and direction required to set priorities, implement decisions and deliver services for the community.



Andrew Tenni
Chief Executive Officer
Master of Applied Science (Innovation and Service Management)
Graduate Diploma in Business Leadership
Bachelor of Arts (Social Science)
Commenced: 8 August 2022 as General Manager Corporate Services. Appointed CEO on 26 August 2025



Ian Seuren
General Manager Community and Economy
Master of Sport Business
Bachelor of Applied Science (Human Movement)
Commenced: 8 November 2018



Emma Lowes
General Manager Corporate Services
MBA Studies, UNSW Business School
Certificate in Directorship, Australian Institute of Management
Member, Australian Human Resources Institute (MAHRI)
Commenced: 5 January 2026



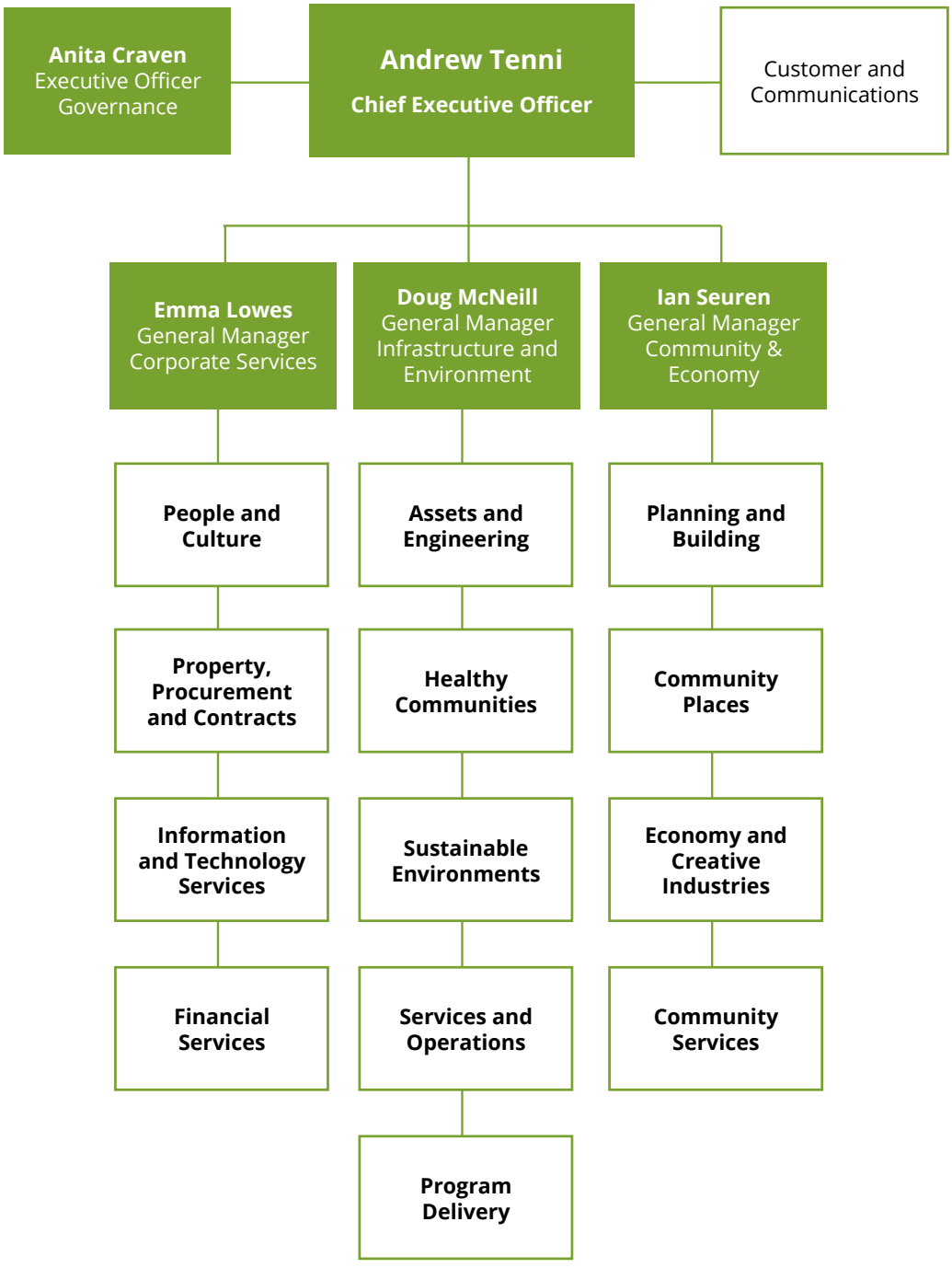
Doug McNeill
General Manager Infrastructure and Environment
Bachelor of Applied Science (Planning)
Advanced Diploma of Management
Commenced: 15 April 2024



Anita Craven
Executive Officer Governance
Master of Business (Strategy and Planning)
Commenced: 5 May 2025

Organisational Structure

(as at 30 June 2026)



Our People

Our people are central to delivering services and outcomes for the Colac Otway community. In 2025-26, Council focused on workforce capability, safety, inclusion and sustainability in a challenging regional labour market.

359	245	60%	36%	17%
total employees	full-time equivalent employees	women in our workforce	employees aged 55 years or older	annual turnover

*Figures are rounded to whole numbers

Workforce overview

Council's workforce includes a diverse mix of professional, technical, operational and community-facing roles, with employees working across a range of locations and services throughout the Shire. The workforce profile reflects a high proportion of part-time and casual employment, supporting the varied nature of Council's services.

Table 1. Workforce by employment type and gender at June 30 2026

Employment type	Women	Men	Total Employees	Women as % of category
Full-time	72	113	185	39%
Part-time	85	21	106	80%
Casual	57	11	68	84%
TOTAL	**214**	**145**	**359**	**60%**

*Figures are rounded to whole numbers

Women represented 60% of Council's workforce at 30 June 2026 and accounted for a significantly higher proportion of part-time and casual employment.

Recruitment, attraction and workforce capacity

Recruitment remained a significant focus during 2025-26 as Council continued to compete for skilled employees in a challenging regional labour market. Vacancies occurred across a broad range of leadership, professional, clinical, technical, administrative and outdoor roles.

Council increased its focus on promoting Colac Otway as both a place to work and a place to live, recognising that attracting employees to a regional organisation is closely linked to attracting people to the region. Recruitment advertising promoted the lifestyle and career opportunities available in Colac Otway, with campaigns extending beyond the local area to reach prospective candidates in surrounding communities.

Council also continued to strengthen connections with local education providers and promote local government careers. In June 2026, the People and Culture team attended the Saints College Beyond the Gates event to showcase career opportunities at Council and support future workforce attraction.

During 2025-26, Council advertised 80 positions, attracting 1024 applications and appointed 74 employees. Of the 74 appointments made during the reporting period, 25 were internal employees, demonstrating opportunities for career progression and mobility within Council.

Annual employee turnover was 17%, with attraction and retention continuing to be a focus in a competitive regional labour market.

Learning and development

Council continued to invest in the skills and capability of its people, supporting employees to grow professionally and maintain the knowledge, qualifications and competencies needed to deliver services safely and effectively.

During 2025-26, employees participated in a broad range of learning and development opportunities, including customer service training, leadership and professional development, workplace health and safety, emergency management, governance and fraud and corruption prevention, mandatory compliance learning, and technical and role-specific training.

Council's Learning Management System supported mandatory and online learning alongside face-to-face, technical and on-the-job development. Employees completed 1,558 learning modules and courses, with 91% of mandatory training completed at 30 June 2026.

Practical and technical development continued to be an important focus for Council's operational workforce. Services and Operations delivered 24 training courses and programs, resulting in approximately 100 training certifications across areas including plant and equipment operation, heavy vehicle licensing, traffic management, chemical handling, first aid and CPR, and workplace safety.

Council also supported employees to pursue professional development, industry training and relevant qualifications, supporting career development while building capability across the organisation.

Developing our future workforce

Council continued to support pathways into employment by providing work experience, student placements and apprenticeships for young people to gain practical workplace experience and learn more about careers in local government.

Throughout 2025-26, Council worked with Trinity College Colac, Colac Secondary College, Lavers Hill P-12, LaTrobe University, Federation University, South West Tafe and Victorian Group Training, welcoming 16 work experience students and 5 student placements across a range of Council services, giving students exposure to the diverse range of careers and services delivered by local government.

Council also supported 6 apprentices/trainees across its operational workforce, providing structured on-the-job experience alongside formal training and helping develop practical skills and qualifications for future employment.

Council continued to strengthen its connections with local schools and education providers, participating in career expos, job fairs and school-based employment events to showcase the breadth of careers available in local government and promote Council as a local employer, providing opportunities to engage directly with students, job seekers and prospective employees.

Equal opportunity, diversity and inclusion

Council continued to promote a fair, respectful and inclusive workplace where employees are valued and supported to contribute. Council's Equal Employment Opportunity commitments are supported through the Enterprise Agreement, workplace policies, mandatory learning, the Staff Code of Conduct and formal grievance procedures.

During 2025-26, Council supported a range of diversity and inclusion initiatives and awareness activities. Harmony Day was celebrated with a staff picnic at the Colac Botanic Gardens, encouraging employees to share their cultural stories and music and promoting inclusion, respect and a sense of belonging.

Council also recognised IDAHOBIT Day with an employee afternoon tea, reinforcing LGBTQIA+ inclusion, dignity and respect in the workplace, and NAIDOC Week, promoting awareness of Aboriginal and Torres Strait Islander histories, cultures and resilience.

Together, these activities supported Council's commitment to creating a workplace where diversity is respected and employees feel included and valued.

Gender equity

Council continued to progress its Gender Equality Action Plan and meet its reporting obligations under the Gender Equality Act 2020.

Council's 2025 gender audit showed progress in several areas. Women represented 61.3% of Council's workforce, up from 59.4% in 2023, and representation increased in technicians, trades, machinery operators and drivers. Women also continued to represent the majority of employees recruited and promoted during the audit period.

The median base salary and median total remuneration gender pay gaps were both reduced to 0%. However, the mean base-salary gender pay gap increased from 7.5% to 9.1%, reflecting differences in workforce and leadership composition.

Women represented 17% of senior leaders at the time of the 2025 audit. Leadership composition subsequently changed, increasing women's representation in senior roles; however, strengthening pathways into leadership remains an area of focus.

Table 2. Selected gender equality measures

Measure	2023	2025
Women in the workforce	59.4%	61.3%
Men in the workforce	40.6%	38.3%
Women among recruited employees	62.6%	72.1%
Women among promoted employees	80.0%	72.2%
Women among technicians and trades workers	18.0%	25.0%
Women among machinery operators and drivers	9.8%	13.5%
Women among senior leaders	33.0%	17.0%
Median total-remuneration gender pay gap	4.2%	0.0%
Median base-salary gender pay gap	2.95%	0.0%
Mean base-salary gender pay gap	7.5%	9.1%

Note: The 2023 senior leadership figure has been corrected for the data originally reported to ensure a consistent definition of senior leadership is applied across comparative periods.

Table 3. Flexible work and parental leave indicators

Measure	2023 women	2023 men	2025 women	2025 men
Average parental leave, weeks	14.6	4.0	26.3	4.0
Flexible-work uptake	10.1%	9.6%	11.9%	13.0%
Positive perception of flexible-work culture	81.0%	76.5%	87.5%	75.9%
Share of parental-leave takers	80.0%	20.0%	83.3%	16.7%
Carer's-leave usage	25.1%	25.3%	23.8%	27.2%

Flexible work uptake increased for women and men between 2023 and 2025. Positive perceptions of flexible-work culture also increased among women, while declining slightly among men. Average parental leave taken by women increased considerably, while remaining at four weeks for men.

Work health, safety and wellbeing

Council continued to strengthen its approach to workplace health, safety and wellbeing during 2025-26, with a focus on improving safety systems, accountability, risk management and organisational capability.

A key focus was the WHS Back to Basics program - a structured improvement program designed to strengthen Council's fundamental health and safety systems. Work during the year included strengthening WHS governance and accountability, consultation arrangements, risk assessment and incident-management practices, workplace inspections and audits, induction and training, and safe work procedures.

Council also adopted an updated Workplace Health and Safety Policy, strengthening expectations around leadership accountability, consultation and risk management, with increased emphasis on both physical and psychological health and safety

Council recorded 50 incidents, including 14 incidents resulting in employee injury, with three WorkCover claims being monitored. Incident reporting and investigations continued to inform safety improvements and areas requiring further attention.

Employee wellbeing remained an important part of Council's approach to workplace health and safety. Council continued to provide confidential Employee Assistance Program (EAP) and Manager Assist services, supporting employees with personal, family, financial, legal and workplace matters. Council also continued to promote early access to support and monitor workforce wellbeing trends to help identify emerging areas of concern.

Council's Employee Assistance Program (EAP) recorded 29 new cases, an increase of 12 cases compared with the previous reporting period. Council's annual EAP utilisation rate was 9.4%, compared with the 10.0% Government and Public Administration industry benchmark. Of employee counselling referrals, 61% related to personal matters and 39% to work-related matters.

Recognising years of service

In 2025-26, Colac Otway Shire Council recognised 27 employees from across the organisation for reaching significant service milestones.

A recognition event celebrated their contribution to Council and the community, providing an opportunity to thank employees for their commitment and dedication. Councillors, colleagues and guests joined the celebration.

Years of Service Milestone	Employees Recognised
5	11
10	3
15	7
20	3
25	3




Bluewater

Our Perfomance

Our Planning and Accountability Framework

Theme 1: Place

Theme 2: People

Theme 3: Prosperity

Sustainability Report




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Our Planning and Accountability Framework

Under the *Local Government Act 2020,* Councils are required to develop, implement and monitor an integrated planning and reporting framework that is informed by community engagement and supports transparent decision-making.

This framework links Council's long-term Community Vision with the Council Plan, Financial Plan, Asset Plan, Annual Budget and Annual Report, demonstrating how Council plans, funds, delivers and reports on services and priorities for the community.

Long-term planning

Council's Community Vision 2050 sets out the long-term aspirations of the Colac Otway community and provides an enduring foundation for strategic planning.

The Vision is supported by Council's 10-year Financial Plan and 10-year Asset Plan, which guide long-term financial sustainability, asset management and investment decisions.

Shorter-term planning documents, including the Council Plan, Annual Budget and Annual Action Plan, translate this long-term direction into priorities, initiatives and services delivered during each financial year.

Council Plan 2025-2029

The Council Plan 2025-2029 outlines Council's strategic direction for the current term and incorporates the Municipal Health and Wellbeing Plan.

The Plan was developed through community engagement and reflects the shared ambition for Colac Otway to be a place to grow, a place to invest and a place to belong.

The Council Plan is structured around three themes: Place, People and Prosperity. These themes guide Council's objectives, strategies, annual actions and performance reporting across the four-year term.

Progress against the Council Plan is reported through the Annual Report, quarterly reporting and other performance monitoring processes.

Annual Budget

Each financial year, Council prepares an Annual Budget that allocates the resources required to deliver services, infrastructure, projects and initiatives aligned with the Council Plan.

The 2025-26 Budget supported the first year of implementation of the Council Plan 2025-2029 and provided a framework for financial accountability throughout the year.

Annual Report

The Annual Report provides a comprehensive overview of Council's performance during 2025-26, including progress against the Council Plan, delivery of key services and projects, and Council's financial and governance performance.

It also includes prescribed performance measures, statutory disclosures and commentary to provide the community with a clear account of Council's achievements, challenges and results for the reporting year.

The diagram on the next page illustrates how Council's key planning, budgeting and reporting documents work together as part of the integrated strategic planning and reporting framework.



Annual Plan

The 2025-26 Annual Plan outlines the key actions and deliverables that support the achievement of each priority in the Council Plan.

This chapter highlights Council's performance across the key themes and objectives of the Council Plan and includes:

- Clear descriptions of key services and relevant service statistics
- Updates on the progress of initiatives and actions from the Annual Plan
- Insights into how Council is tracking towards its strategic objectives and outcomes, based on measurable indicators or those directly linked to the 2025-26 Annual Plan.
- PLEASE NOTE: All strategic outcomes indicated with an include actions under Council's Municipal Health and Wellbeing Plan 2025-2029.

Theme 1
Place

Our Shire boasts a regional city by the lake, coastal towns and villages in which residents and visitors alike enjoy the variety of experiences and services on offer. It is easy and fulfilling to live here, allowing people to lead their best lives.

Council Plan Objective:

1. Our Shire is a great place to live, work and belong.

Supporting strategies:

1.1 Enliven and beautify our townships and natural environments.

1.2 Enhance our community and social spaces and collaborate with communities to deliver healthy and climate resilient environments.

1.3 Make it safe and easy to get around the Shire.

1.4 Ensure our region offers a diversity of economic opportunities supported by an array of housing options.

Performance of Services Funded in the Budget

The following statement provides information in relation to Theme 1 services funded in the 2025-26 Budget and the people or sections of the community that are provided the service.

Service area	Description of services provided	2025-26 Actual $'000	
Building Services	This service ensures a safe built environment by overseeing building regulation, compliance and statutory approvals in accordance with legislative requirements.	Expenditure	317
		Revenue	-162
		NET	**155**
Civil Infrastructure	This service is responsible for the construction, maintenance and day-to-day operation of Council's civil assets, including sealed and unsealed roads, bridges, drainage and pathways, to ensure a safe, reliable and well-maintained transport and drainage network for the community.	Expenditure	8,772
		Revenue	-1,590
		NET	**7,182**
Community Places and Building Maintenance	This service provides and maintains high-quality, sustainable community facilities that support community health, wellbeing and active lifestyles. It is responsible for the maintenance and operation of a wide range of Council buildings and associated infrastructure, including indoor sports facilities, recreation assets, public toilets and community halls.	Expenditure	2,599
		Revenue	-293
		NET	**2,306**
Corporate Services Management	This service maintains strong organisational governance and administrative systems, ensuring responsive, accountable and transparent support to internal services and the community.	Expenditure	658
		Revenue	0
		NET	**657**
Emergency Management	This service strengthens community resilience by preparing for, responding to and supporting recovery from emergency events in collaboration with partner agencies.	Expenditure	1,521
		Revenue	-447
		NET	**1,074**
Environmental Health	This service protects community health by enforcing public health standards, monitoring environmental risks and providing education and regulatory oversight.	Expenditure	857
		Revenue	-467
		NET	**391**
Environment Sustainability	This service leads environmental sustainability initiatives by protecting natural assets, reducing environmental impact and supporting long-term ecological resilience.	Expenditure	818
		Revenue	0
		NET	**818**

Leisure Centre	This service provides community access to aquatic and recreational facilities that support physical activity, health and wellbeing.	Expenditure	2,720
		Revenue	-1,732
		NET	**988**
Local Laws and Animal Management	This service promotes community safety and amenity by enforcing local laws, managing domestic animals and supporting responsible pet ownership.	Expenditure	982
		Revenue	-517
		NET	**465**
Parks, Gardens and Reserves Management	This service manages and maintains Council's parks, gardens, reserves and open spaces, including the Colac Botanic Gardens, to support biodiversity, recreation, amenity and the liveability of the municipality.	Expenditure	2,538
		Revenue	-28
		NET	**2,510**
Recreation Services	This service supports active lifestyles by providing recreational programs, facilities and partnerships that encourage participation in sport and physical activity.	Expenditure	381
		Revenue	0
		NET	**381**
Statutory Planning	This service delivers statutory land-use planning, ensuring development is assessed in accordance with legislation while balancing sustainable growth and community expectations.	Expenditure	1,855
		Revenue	-380
		NET	**1,475**
Strategic Planning	This service guides long-term land-use and development planning to support sustainable growth, protect community character and meet the needs of current and future generations.	Expenditure	1,780
		Revenue	-1,205
		NET	**575**
Waste Management	This service manages waste collection, recycling and disposal to support environmental sustainability and ensure the safe, compliant handling of municipal waste.	Expenditure	6,540
		Revenue	-5,257
		NET	**1,283**
Total - Place		Exp	32,338
		Rev	-12,077
		NET	**20,261**

Annual Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2025-26 Annual Action Plan:

ACTION	PROGRESS
Progress Apollo Bay Structure Plan Review	**Progressing**. Draft Issues and Opportunities report was reviewed and a Community Reference Group meeting was held in June. Planning was completed for further community engagement in July 2026. The Draft Structure Plan will be presented to Council in 2026–27, followed by formal exhibition.
Complete the Elliminyt Wetlands project	**Completed**. The Elliminyt Wetlands was completed in June 2026 and a Ministerial opening was held on 25 June 2026.
Deliver Council's Street Tree planting program	**Completed**. 180 street trees were planted under the program, and another 1300 native species were planted across the Shire.
Implement the Green Links Revegetation program at Barongarook Creek in Colac	**Completed**. Major woody weed removal completed in May 2026. Revegetation site preparation commenced in late June, laying the groundwork for the planting of 11,000 indigenous plants in late winter/ early spring. The project has occurred over multiple years and will be completed as planned in 2026-27.
Complete the Birregurra Structure Plan review	**Completed**. The Birregurra Structure Plan was adopted by Council in November 2025.
Undertake the Bluewater Leisure Centre Electrification project	**Progressing**. Detailed design and subsequent cost plan completed. The estimated cost exceeds the project budget and the Project Team is investigating options.
Prepare designs for the Lake Colac Foreshore Regional Playspace	**Progressing**. Community engagement has commenced with the Lake Colac Advisory Committee. The process to develop a Cultural Heritage Management Plan has also commenced. Cultural Heritage investigations will continue in 2026-27, with playground design to follow once site constraints and opportunities are known.

Construct a Dog Park at Colac's Central Reserve	**Progressing**. Tender issued in June 2026, with construction expected to be completed in October 2026. The project was a multi-year project with design and planning completed in 2025-26 as planned.
Deliver climate change mitigation and adaptation programs in partnership with Geelong Sustainability	**Completed**. Council and Geelong Sustainability delivered the 2025-26 Strategic Partnership projects, including 240 Electric Homes installations, Relief in Place locations and Climate Resilience Leadership training. Council has also implemented the Cool Rooms program across the Shire in partnership with Geelong Sustainability.
Develop a Road Safety Strategy	**Progressing**. Public exhibition of the draft Road Safety Strategy has been completed. The Strategy is expected be to be adopted by Council in the first quarter of 2026-27.
Construct new footpath connections in accordance with the footpath strategy for Colac and Apollo Bay	**Progressing**. The Ballagh Street, Elliminyt footpath project is approximately 80 per cent complete, with remaining works delayed by service clashes. In Apollo Bay the Nelson Street project is progressing through procurement, and Ramsden Avenue works are being delivered as part of the broader road construction project.
Renew CCTV equipment within the central Colac precinct	**Completed**. CCTV infrastructure in the central Colac precinct was renewed, including remediation of the links to Central Reserve and the Police Station.
Implement approved road safety upgrades under the State Government's Safer Local Roads and Streets program	**Progressing**. Road safety upgrades in Apollo Bay, including the Pascoe Street and Moore Street roundabout and raised pedestrian crossings, are 50 percent complete after being delayed to avoid impacting business during the peak trading period early in 2026. Works are scheduled to continue in 2026–27.
Develop a policy framework for consideration of proposals to seal unsealed roads	**Progressing**. Public exhibition of the draft policy is complete. The Policy is expected to be adopted in the first quarter of 2026-27.
Participate in the Colac Otway Adaptable Precincts Project relating to Colac and Apollo Bay, funded by the Federal Government's Regional Precincts and Partnerships program	**Complete**. All activities scheduled for 2025-26 have been completed, including participation in consultant-led planning, completion of concept plans, progression of community engagement activities, and completion of the Cultural Heritage Management Plan for the Colac site. The Adaptable Precincts Project is a multi-year initiative and will continue into 2026-27 in accordance with the approved project timeline.



Theme 2
People

Our Council and community work together to support the growth of our Shire. We make the most of the opportunities that growth presents, with the aim of improving the wellbeing of all who call our Shire home, without losing the local community spirit that makes our region great.

Council Plan objectives:

2. Our Community is vibrant, healthy and supported.
3. Our Council governs progressively and sustainably for all.

Supporting strategies:

2.1 Work with partners to ensure important services like employment, health and education are readily available.

2.2 Build greater community connection through social, cultural and recreational opportunities.

2.3 Identify and advocate for increased support for vulnerable communities and vulnerable and socially disadvantaged members of our communities, wherever possible.

2.4 Promote and enable healthy behaviours.

2.5 Ensure opportunities for greater community connections for multicultural and First Nations groups within our Shire.

3.1 Elevate the efficiency and effectiveness of our Council.

3.2 Make well-informed, transparent decisions for the betterment of the community through best-practice governance.

3.3 Build and maintain effective working relationships with all levels of government.

3.4 Communicate and engage positively and clearly with the community.

3.5 Develop and refine policies that support the health and wellbeing of the community.

Performance of Services Funded in the Budget

The following statement provides information in relation to Theme 2 services funded in the 2025-26 Budget and the people or sections of the community that are provided the service.

Service area	Description of services provided	2025-26 Actual $'000	
Aged Care Services	This service supports older community members by delivering programs and assistance that promote independence, wellbeing and social connection, enabling residents to live safely and comfortably in their own homes and communities.	Expenditure	4,560
		Revenue	-4,801
		NET	**-241**
Children and Family Services	This service supports children and families by delivering early years programs, maternal and child health services and initiatives that promote safe and healthy development.	Expenditure	1,620
		Revenue	-862
		NET	**758**
Councillors and Chief Executive Office	This service supports elected Council and executive leadership by providing administrative support and strategic direction for the organisation.	Expenditure	1,199
		Revenue	-90
		NET	**1,109**
Customer and Communications	This service provides front line customer support and clear, timely communication to ensure the community can easily access Council information, services, and engagement opportunities	Expenditure	1,161
		Revenue	-2
		NET	**1,159**

Financial Services	This service provides responsible financial management by ensuring accurate revenue collection, budgeting, reporting and long-term financial sustainability for Council.	Expenditure	1,292
		Revenue	-14,737
		NET	**-13,445**
Governance	This service ensures strong and transparent governance by supporting Council meetings, statutory obligations, policy frameworks and ethical decision-making.	Expenditure	1,023
		Revenue	-1
		NET	**1,022**
Information Services	This service delivers reliable information and technology systems that support effective data management, digital capability and secure, compliant operations across Council.	Expenditure	3,278
		Revenue	-
		NET	**3,278**
Library Services	This service delivers equitable access to library resources, programs and information that support lifelong learning, literacy and community connection.	Expenditure	926
		Revenue	-
		NET	**926**
People and Culture	This service supports organisational capability and performance through workforce planning, development, health, safety and employee relations.	Expenditure	1,607
		Revenue	-2
		NET	**1,605**
Procurement and Contract Management	This service ensures accountable procurement practices and provides oversight of contract management to support value-for-money, compliance and ethical purchasing.	Expenditure	539
		Revenue	-
		NET	**539**
Risk Management	This service identifies, assesses and manages organisational risks to support safe, compliant and resilient Council operations and to protect community and corporate assets.	Expenditure	969
		Revenue	-22
		NET	**947**
Total - People		Exp	18,175
		Rev	-20,517
		NET	-2,342

Annual Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2025-26 Annual Action Plan:

ACTION	PROGRESS
Implement Year 1 actions from the Municipal Health and Wellbeing Action Plan	**Completed**. Implementation of Year 1 actions progressed through coordination and collaboration with a wide range of stakeholders. Council led the delivery of the VicHealth-funded Victorian Local Government Partnership program, which concluded in December 2025. Council also secured two VicHealth grants, the Colac Otway Food Systems Community Partnership Project to develop a regenerative farm at Colac Secondary College in partnership with Farm My School and the Connected Futures project, to activate neighbourhood places and spaces for the health and wellbeing of community. Priority population of these programs are young people and people facing different vulnerabilities. The Municipal Health and Wellbeing Action Plan has been reviewed and actions will continue to be implemented in Year 2 in collaboration with stakeholders.
Prepare designs for the potential redevelopment of Colac's Lake Oval Clubrooms	**Progressing**. The project experienced temporary delays in 2025-26 while alternate options for a current tenant were explored. The project brief and procurement document have been developed and released to market. The design process will commence in 2026-27.

Support Geelong Regional Library Corporation to develop the new 2025-29 Library Plan, representing the needs of the community in Colac Otway Shire	**Completed**. Council officers had input into the development of the new 2025-29 Library Plan, with the plan now having been adopted by the Geelong Regional Library Corporation Board.
Deliver youth engagement services and programs, such as Youth Fest	**Completed**. Council delivered a range of youth engagement programs and events for young people aged 12-25 through the Victorian Government's Engage! program, including school holiday activities, a youth art competition, the Catch a Carp festival, a tertiary education information session and school-based engagement to plan future youth programs.
Continue the transition of aged care services to the Commonwealth Government's new Support at Home program	**Completed**. Council successfully transitioned services to the new Support at Home program on 1 November 2025.
Advocate for increased availability of social support services, particularly to cover gaps in the provision of mental health, counselling, homelessness outreach and emergency accommodation, including wrap-around supports	**Completed**. Council brought local support organisations together to discuss community needs and service gaps, including mental health, counselling, homelessness support and emergency accommodation. The session helped strengthen local partnerships and support ongoing advocacy for improved services.
Implement the Colac Otway Food Systems Community Partnership project in partnership with Colac Secondary College, Colac Area Health, Farm My School and other key stakeholders	**Completed**. Harvesting commenced at Farm My School Colac, enabling weekly community vegetable box orders. The project also continued to integrate farm-based learning with Colac Secondary College and delivered community nourish workshops, including a twilight event marking six months since the farm was established.
Continue to partner with Colac Area Health in 16 Days of Activism initiative	**Completed**. Council partnered with local organisations to deliver 16 Days of Activism activities, promoting gender equity and equality to support the prevention of violence against women and children.
Partner with community organisations, Traditional Owner groups and the Colac Multicultural Association to promote programs for multicultural and First Nations peoples in the Shire	**Completed**. Council continued strategic engagement with Eastern Maar Aboriginal Corporation and supported a National Reconciliation Week event at COPACC, delivered with First Nations young people and local Aboriginal organisations Wathaurong's Karroong Kanyool Youth Hub and Colac Koorie Kids Club.
Implement Customer Experience improvement program	**Completed**. The Customer Experience Strategy has been finalised. The Strategy is driving internal process improvements and training initiatives to provide ongoing improvements in Customer Experience.
Progress service reviews for priority areas, determined through discussion with Councillors	**Progressing**. The Chief Executive Officer has developed and discussed with Councillors a planned approach to service reviews for implementation in 2026-27.
Explore opportunities to dispose of surplus Council land and/or assets	**Completed**. A list of buildings and land assets have been developed for action.
Undertake the Planning Scheme Review	**Progressing**. Consultants were engaged to complete the Planning Scheme Review, with an inception meeting held and Council officers commencing data updates to inform the review.
Implement response provided to the recommendations from the Monitor's report	**Progressing**. Councillors Continuing Professional Development Program for 2026 has been completed for the 2025-26 year as planned. State Government legislation for Model Governance Rules has not been legislated for Council to action.
Review Council's Resource Recovery and Waste Strategy	**Progressing**. The project is to be undertaken over multiple years. The Strategy Review has been completed and will be presented to Council in Quarter 1 of 2026–27. Preparations for tendering Council's 10-year Waste Services contract also progressed, including legal review and probity audit of tender documents.

Adopt a revised Domestic Animal Management Plan	**Completed**. The Domestic Animal Management Plan was adopted at the November 2025 Council meeting. Key actions from the plan will be advanced in 2026-27.
Review Advocacy Strategy and determine Council's priority projects	**Completed**. Council adopted its Advocacy Framework and Priority Projects at its December 2025 meeting.
Undertake a minimum of two Community Conversations at townships across the Shire.	**Completed**. Two Community Conversation sessions were held, the first at Cressy Hall on 3 June 2026 and the second event at the Beech Forrest Hall on 24 June 2026.
Review Council's Community Engagement Policy	**Progressing**. Policy has been reviewed and a revised Policy has been drafted, which will be presented to Council in Quarter 1, 2026-27.
Early and effective engagement with the community on emergency preparedness	**Completed**. The team supporting recovery from the January 2026 bushfires is working closely with affected communities to develop improved resilience to future bushfire events. This builds on earlier work to prepare communities in advance of the 2025-26 fire season.
Implement Council's Gender Equity Action Plan and conduct Gender Impact Assessments to inform Council's policies, programs and services.	**Completed**. Council's Gender Equity Action Plan 2026-2030 was submitted to the Commission for Gender Equality in the Public Sector on 21 May 2026.
Support the Global Age Friendly Cities Declaration	**Completed**. Council endorsed the Age Friendly Victoria Declaration, strengthening its commitment to planning for an ageing community and supporting key actions in the Council Plan and Municipal Public Health and Wellbeing Action Plan.

Theme 3
Prosperity

Our Shire is a place of continual improvement and investment, which builds on its strengths and creates new opportunities as it evolves. Visitors stay and play longer, residents enjoy diverse work, while new businesses are drawn here for the variety of opportunities and experiences on offer.

Council Plan Objectives:

4. Our economy is growing and diverse, supporting innovation, new businesses and investments.
5. Our tourism industry is thriving, with expanded and interlinked experiences.

Supporting strategies:

4.1 Attract business and government investment to stimulate industry and business growth.

4.2 Protect and leverage our traditional agricultural and manufacturing industries to create new economic opportunities, preparing for and responding to changes to the natural environment.

4.3 Build economic opportunities from local arts, culture, sports, science and technology.

4.4 Work with key partners to improve the employability of our residents based on the opportunities and networks available.

5.1 Facilitate growth and diversification of the visitor economy to increase visitation, length of stay and employment outcomes.

5.2 Enhance promotion of Colac Otway Shire as a destination.

5.3 Increase tourism offerings and investment in Colac Otway Shire through events, products and attractions.

5.4 Improve tourism infrastructure that leverages our natural tourism and recreation assets.

Performance of Services Funded in the Budget

The following statement provides information in relation to Theme 3 services funded in the 2025-26 Budget and the people or sections of the community that are provided the service.

Service area	Description of services provided	2025-26 Actual $'000	
Arts and Culture	This service supports arts, culture and community expression by managing the Colac Otway Performing Arts and Cultural Centre and delivering programs, events and cultural initiatives that enrich community life and strengthen social connection.	Expenditure	838
		Revenue	-315
		NET	**522**
Colac Regional Saleyards	This service supports regional economic activity by providing a safe, well-managed facility for livestock sales and associated rural business operations.	Expenditure	476
		Revenue	-494
		NET	**-17**
Economic Development	This service strengthens the local economy by supporting business growth, investment, advocacy and partnerships to build a resilient and prosperous community.	Expenditure	996
		Revenue	-14
		NET	**982**

Events	This service supports community participation and economic activity by delivering and facilitating safe, well-managed community and civic events.	Expenditure	95
		Revenue	-2
		NET	**93**
Tourism	This service supports economic development by promoting local attractions, providing visitor information and enhancing the municipality's visitor experience.	Expenditure	659
		Revenue	-157
		NET	**502**
Total - Prosperity		Expenditure	3,064
		Revenue	-982
		NET	**2,082**

Annual Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2025-26 Annual Action Plan:

ACTION	PROGRESS
Develop a new Economic Development Strategy	**Progressing**. The draft Economic Development Strategy was prepared and placed on public exhibition, with community and stakeholder feedback to inform the final Strategy and Action Plan for Council consideration in 2026–27.
Develop a strategy for the Colac Aerodrome	**Progressing**. A specialist consultant was appointed in March and has undertaken stakeholder consultation. A draft report will be presented to Council in the second quarter of 2026-27 for public exhibition.
Complete Saleyards Review	**Completed**. The service review has been completed and the Advisory Committee informed of outcomes.
Upgrade facilities at the Colac Saleyards, including purchase of a multi-deck loading race	**Completed**. Works to install a new double decker loading ramp and renewal of four single deck loading ramps was completed in June 2026. An improved truck turning area has also been completed.
Develop a Public Art Policy and implement the Public Art program	**Completed**. Council adopted the Public Art Policy and guidelines and opened an Expression of Interest process for public artwork contribution funding, with delivery planned for December 2026.
Determine the future management of COPACC	**Completed**. Council has finalised the future management model for COPACC, with transition to International Venue Group (IVG) completed. Handover activities were finalised on 30 June, with IVG commencing operations from 1 July. Governance, operational and contractual arrangements have been implemented to support the transition to external management.
Work with TAFE and other education providers to enhance their offerings in Colac Otway Shire	**Completed**. Council engaged with TAFE and other education providers throughout the year to advocate for training and education opportunities that respond to local workforce needs and support key industries in Colac Otway Shire
Support the upgrade of the Lake Colac Holiday Park	**Completed**. The upgrade works have been successfully completed and formally signed off by Council's Project Management team in accordance with the funding agreement.
In partnership with Great Ocean Road Regional Tourism, undertake a project focussing on Colac and leveraging its important role in the regional visitor economy	**Completed**. Council partnered with Great Ocean Road Regional Tourism to deliver a project promoting Colac's role in the regional visitor economy, including development of the Be in Your Element campaign.

Partner with local businesses to develop a visitor economy business partnering program	**Completed**. Council partnered with local businesses, chambers, tourism operators and regional tourism organisations to support destination marketing, event attraction and visitor economy initiatives.
Continue to investigate and support options for short term accommodation in Colac	**Completed**. Council completed an accommodation feasibility study, engaged with developers and government partners, and prepared an expression of interest for the Civic and Health Precinct to support future short-term accommodation investment in Colac.
Explore opportunities for activating key public spaces through events and programs	**Completed**. Council continued to activate key public spaces through events and place activation initiatives, including the Basketball Weekends and Pierce Brothers performance in Memorial Square, which increased visitation and town centre activity. This work has informed development of the Event Attraction Strategy and broader activation planning, establishing a framework to support future programming and investment in public spaces across the Shire.
Undertake renewal works at the Red Rock scenic lookout	**Progressing**. Tender documentation has been prepared for a competitive market process in July 2026, following extensive stakeholder consultation on the scope and proposed design.




12:26 pm
Lake Colac Bird Sanctuary
Birdwatcher's Haven
Home
Back

Sustainability Report

Organisational emissions for 2025-26

Council's organisational carbon emissions decreased by 4.3% in 2025-26 compared with the previous year, representing a reduction of 64 tonnes of CO2-e. This decline is primarily attributed to a reduction in gas usage with the replacement of gas appliances with electric appliances continuing.

Some of the decrease was offset by an increase in fleet emissions due to additional fuel usage in response to the January 2026 fire events. Council's low emissions are still primarily dependent on the ongoing VECO contract which supplies Council with 100% zero emissions electricity produced from wind farms located in Western Victoria.

Total COS Greenhouse Emissions (CO2-e tonnes)					
Financial Year	Buildings	Gas	Street/Public Lighting	Fleet	Total
2010-11	1,999	311	1,181	2,114	**5,605**
2011-12	1,916	290	1,202	1,727	**5,135**
2012-13	1,879	323	1,182	1,698	**5,082**
2013-14	1,484	186	1,014	1,523	**4,207**
2014-15	1,356	3	872	1,530	**3,761**
2015-16	1,846	282	436	1,269	**3,833**
2016-17	1,881	478	412	1,560	**4,331**
2017-18	1,887	488	406	1,329	**4,110**
2018-19	1,747	470	406	1,263	**3,886**
2019-20	1,389	466	417	1,333	**3,605**
2020-21	0* (1,121)	412	0* (368)	1,108	**1,520**
2021-22	0* (1,254)	431	0* (327)	1,276	**1,707**
2022-23	0* (1,128)	446	0* (321)	1,273	**1,719**
2023-24	0* (1,106)	383	0* (248)	1,353	**1,734**
2024-25	0* (986)	240#	0* (222)	1,109	**1,487**
2025-26	0* (1,044)	161	0* (253)	1,262	**1,423**

*Numbers in brackets show emissions avoided by purchasing 100% clean renewable electricity (VECO)
Figure corrected from the previous report.

Buildings

Council's continued use of 100% renewable electricity through the Victorian Energy Collaboration (VECO) ensures that building electricity use remains emissions-free.

Building energy consumption increased in 2025-26 by 5.88%. This reflected more demands on our building heating and cooling systems due to the colder conditions in the Spring of 2025 and the then hotter conditions from December 2025 into the 2026 fire season.

VECO sources renewable energy from wind farms in Western Victoria, which powers council-owned infrastructure including halls, sports grounds, community venues, leisure centres, and streetlights.

Gas

Gas emissions fell by 32.92% in 2025-26, continuing Council's transition away from gas appliances. This reduction is driven by the replacement of gas hot water systems with electric heat pumps and the incremental electrification of community and public buildings. Gas use also fell at the Bluewater Leisure Centre.

Street and Public Lighting

Street and public lighting emissions remain at zero, thanks to VECO's supply of 100% renewable electricity. The 13.96% increase in energy used reflects an expansion of the number street lights within the Shire.

Fleet

Fleet emissions increased by 13.8% in 2025-26. The increase was primary due to additional fuel use responding to the Januray 2026 fire event and improved data capture around fuel usage.

Council continues to progress its fleet electrification strategy, with more hybrid vehicles being introduced where practical.

Water Usage for Council Facilities

Water consumption decreased by 15.68% in 2025-26, lowering from 112,164 kilolitres to 94,579 kilolitres. This decrease reflects a variation in weather patterns and rainfall that results in changes in water usage at Council's sporting and recreational facilities for irrigation and water drawn from standpipes.

Year	Water Usage (kilolitres)
2016-17	80,887
2017-18	92,787
2018-19	92,935
2019-20	91,058
2020-21	67,333
2021-22	82,727
2022-23	89,950
2023-24	90,868
2024-25	112,164
2025-26	94,579

Waste diverted from landfill

During the year, Council serviced 1,382,178 kerbside bins and achieved an overall diversion rate of waste from landfill of 46.34%. This included 2,341 tonnes of organic waste, 1,288 tonnes of recycling, and 281 tonnes of glass recovered through Council's resource recovery programs.

In 2025-26, organic waste was processed into valuable compost products, continuing to support sustainable waste management across the municipality.

The continued diversion of organic waste from landfill helps reduce greenhouse gas emissions, extends landfill life, and enables organic materials to be recycled into beneficial products such as compost and soil conditioners.

Together with ongoing community education and waste reduction initiatives, these results demonstrate the community's commitment to improving recycling and resource recovery outcomes.

Council will continue to focus on reducing contamination, increasing resource recovery, and encouraging residents to make full use of the FOGO, recycling and glass collection services to further improve environmental outcomes across the municipality

Our Governance

Democratic Governance

Corporate Governance

Service Performance Indicators

Governance and Management Checklist




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THE SHIRES TRIBUTE

Democratic Governance

Model Code of Conduct

Effective from 26 October 2024, all Councillors are required to observe the Model Code of Conduct. The Model Code of Conduct replaces the previous statutory requirement for each Council to develop its own Councillor Code of Conduct. The Model established clear standards for the behaviour and responsibilities of Councillors. The Model is able to be viewed on Local Government Victoria's website under Governance resources.

Conflict of interest

Councillors are elected by their communities to make decisions in the best interests of the municipality. To ensure the public interest is served at all times, Councillors are required to separate their private interests from their public duties, which may mean stepping aside from a decision where a conflict of interest arises.

During 2025-26, Councillors disclosed 12 conflicts of interest during Council Meetings and 4 conflicts of interest in Planning Committee Meetings.

Local Laws

The following Local Laws are in force:

No. 1 *General Local Law*
Date Adopted by Council: 23 August 2023
Date Operational: 25 August 2023

No. 4 *Governance*
Date Adopted by Council: 26 August 2020
Date Operational: 26 August 2020

Appointments to Committees and External Organisations

The *Local Government Act 2020* acknowledges the need for various committees to enable Council to conduct its business effectively. Council has Councillor and officer representation on a number of committees associated with a variety of interests. This includes managing Council owned or managed facilities, advising Council on issues and representing Council views on regional and state-wide matters.

As at 25 November 2025, the current Councillor appointments to committees are detailed on the next page.



Committee	Councillor Representative
Committees Established by Council/Colac Otway Shire	
Planning Committee	All
Submissions Committee	All
Chief Executive Officer Employment Matters Advisory Committee	All
Audit and Risk Committee	Cr Phil Howard and Cr Jason Schram
Colac Municipal Aerodrome Advisory Committee	Cr Chris Potter
Colac Regional Saleyards Advisory Committee	Cr Charlie Buchanan
Lake Colac Advisory Committee	Cr Mick McCrickard and Cr Chrissy De Deugd
Mooleric Road Quarry Consultative Committee	Cr Chris Potter
Ondit Road Quarry Consultative Committee	Cr Chris Potter
External Committees and other Bodies	
Otway Road Safety Group	Cr Mick McCrickard
G21 Geelong Region Alliance (Board)	Cr Jason Schram
Geelong Regional Library Corporation	Cr Mick McCrickard (Substitute Cr Chrissy De Deugd)
Rural Councils Victoria	Cr Chrissy De Deugd (substitute is Cr Charlie Buchanan)
Timber Towns Victoria Committee	Cr Charlie Buchanan
Geelong City Deals Community Reference Group (Observer) – Apollo Bay Harbour	Cr Chris Potter
Rural Financial Counselling Service Vic Wimmera South West (RFC)	Cr Mick McCrickard
Local Housing Taskforce in Apollo Bay	Cr Chrissy De Deugd
Great Ocean Road Regional Tourism (GORRT) Board	Cr Zoe Hudgell
State and Commonwealth Local Government associations	
Australian Local Government Association	Cr Chris Potter (Substitute Cr Chrissy De Deugd)
Municipal Association of Victoria	Cr Phil Howard

Councillor Support and Remuneration

The Council Expenses Policy provides a broad overview of how Council assists and supports the Mayor and Councillors in carrying out their roles and official duties.

A copy of the Policy is available for inspection on Council's website under Council Policies. In line with the Policy, support is provided to the Mayor in the form of a Council vehicle.

Information and communication technology is available to all Councillors. The Council Expenses Policy contains provisions for reimbursement of expenses for training, registration fees for conferences and functions, travel and child-care.

The following table sets out the allowance paid to Councillors and Councillor expenses for the reporting period 2025-26:

Councillor Expenses - 2025-26 Financial Year
YTD June 2026

Details	Cr C Potter	Cr J Schram	Cr Z Hudgell	Cr P Howard	Cr C Buchanan	Cr M McCrickard	Cr C De Deugd	Total
Allowances	30,932	116,603	34,951	58,301	34,951	34,951	30,932	341,622
Mileage	1,110	-	-	6,839	674	-	2,001	10,624
Superannuation	2,801	-	-	-	-	-	2,801	5,601
Accommodation	2,365	504	-	1,396	-	-	-	4,265
Training	1,341	20	-	1,242	-	174	-	2,777
Telecoms	371	371	371	371	371	371	371	2,596
Remote Travel	-	-	-	2,641	-	-	929	3,570
Food & Catering	-	46	-	-	-	-	-	46
Parking	-	-	-	133	-	-	-	133
Total	**38,919**	**117,543**	**35,322**	**70,923**	**35,996**	**35,497**	**37,033**	**371,233**

In 2025-26 Council spent $20,350 for Councillor Professional Development. This was a combination of Councillors' mandatory professional development as per the *Local Government Act 2020* and professional development as per the recommendations from the Municipal State Monitor's Final Report.

Community Asset Committees

Colac Otway Shire has 20 Community Asset Committees (Committees). The Committees undertake an important role in the management of community facilities across the Shire.

The Committees manage each facility on behalf of Council and the community and they are pivotal to ensuring that the well-loved assets within each township are available and maintained for the community now and into the future.

- Alvie Recreation Reserve
- Apollo Bay Senior Citizens Centre
- Barwon Downs Public Hall
- Beech Forest Hall
- Beech Forest Recreation Reserve
- Birregurra Public Hall
- Carlisle River Recreation Reserve
- Chapple Vale Public Hall
- Cororooke Public Hall
- Cressy Hall
- Eurack Public Hall and Tennis Reserve
- Irrewillipe Hall and Reserve
- Kennett River Tennis Reserve
- Larpent Hall
- Lavers Hill Hall
- Pirron Yallock Recreation Reserve
- Stonyford Hall
- Swan Marsh Hall and Tennis Reserve
- Warncoort Tennis Reserve
- Warrion Public Hall

Policies, Strategies and Plans

The following policies, strategies and key plans were reviewed, endorsed and/or adopted by Council during 2025-26:

- Adoption of Road Management Plan 2025-29 – 22 July 2025
- Adoption of Council Policy 18.18 – Recording of Council and Committee Meetings – 26 August 2025
- Adoption of Public Art Policy – 28 October 2025
- Adoption of the Domestic Animal Management Plan – 25 November 2025
- Adoption of the Birregurra Structure Plan – 25 November 2025
- Adoption of Council's Advocacy Priorities 2026 – 9 December 2025
- Adoption of the Lake Colac Perimeter Path Feasibility Strategic Reference Document – 24 March 2026
- Adoption of Governance Rules – 24 March 2026

- Adoption of Council Policy 18.9 – Gifts Benefits and Hospitality – 24 March 2026
- Adoption of the Colac Otway Shire Football (Soccer) Facilities Strategic Document – 26 May 2026
- Adoption of the 2026-27 Budget – 23 June 2026

Councillor Attendance at meetings

Previous Council term (July 2025 to June 2026)

Councillor	Colac Otway Shire Council meetings (total 18)	Planning Committee meetings (total 9)	Submissions Committee Meetings (total 8)	Chief Executive Officer Employment Matters Committee (total 5)	Audit and Risk Committee meetings (total 5)
Chris Potter	16	8	8	5	NA
Jason Schram	18	8	8	5	3
Phil Howard	17	9	8	5	5
Mick McCrickard	18	8	6	5	NA
Zoe Hudgell	18	8	7	5	NA
Chrissy De Deugd	15	9	8	4	NA
Charlie Buchanan	17	7	7	5	NA

Election of Mayor

At the 18 November 2025 Council Meeting Councillor Jason Schram was elected as Mayor for a one-year term.

The Council resolved to elect Councillor Phil Howard as Deputy Mayor for a one-year term.

Corporate Governance

Audit and Risk Committee

The Audit and Risk Committee is an advisory committee of Council and its purpose is to provide a structured, systematic oversight of Council's governance, risk management and internal control practices. The Audit and Risk Committee assists the Council and management by providing advice and guidance on the adequacy of initiatives for:

- Governance structure
- Risk management
- Internal control framework
- Oversight of the internal audit activity, external auditors and other providers of assurance
- Financial and performance statements and public accountability reporting.

The Audit and Risk Committee Charter was adopted by Council on 25 February 2025.

Audit and Risk Committee members

The Audit and Risk Committee comprises two Councillors and four independent members.

The maximum term of an independent member is three terms of three years, or nine years. Councillor appointments to the Audit and Risk Committee are reviewed in November each year.

In 2025-26, the independent members were:

- Melissa Field
- Richard Trigg
- John Gavens (Chair)
- John Sutherland

Melissa Field, B. Comm, MBA, CA. Appointed from December 2021

Melissa has over 30 years commercial and financial experience, including 15 years in Big 4 Chartered Accounting firms. Melissa is an established independent governance professional. She has held independent Non-Executive Director and Chair roles in multiple organisations and industries including privately held and publicly held multinational IT services, national Not for Profit organisations and state government bodies.

She is also an experienced Audit and Risk Committee Chair, having held this role in private company, public company, not for profit and local government settings. Her passion is using the levers of governance to add value to all stakeholders.

John Gavens, B Comm, MA (Accounting), AICD, FCA. Appointed December 2023

John is an experienced director in public sector agencies and independent member of Audit and Risk Committees including local government.

He has over 30 years' experience in professional services specialising in audit, assurance and risk management services in local government and public sector agencies.

John Sutherland, Chartered Accountant, Diploma of Business Studies. Appointed December 2023.

John has held several Board and Board Committee positions in health, engineering, construction, maintenance, community services and electricity industries. For over 30 years John held the position of Chief Financial Officer in a variety of industries including construction, health, manufacturing and electricity. John has many years of experience in finance, audit, risk management and strategy.

Richard Trigg OAM, BCom, FCPA. Appointed from December 2020

Richard has more than 40 years' involvement with the accounting profession in tax, business management and audit, including as partner of a large chartered accounting firm.

Richard also spent 15 years in Local Government including positions as Finance Manager, Director Corporate Services and Acting CEO, providing valuable insight into the role that the Audit and Risk Committee plays in local government.

The Audit Committee meets five times in an annual cycle and has consisted of the following members over the financial year:

Attendee	Role	21 Aug 25	11 Sept 25	11 Dec 25	12 Mar 26	21 May 26
John Gavens	Independent member - Chair	✔	✔	✔	✔	✔
Richard Trigg	Independent member		✔	✔	✔	✔
Melissa Field	Independent member	✔	✔	✔	✔	✔
John Sutherland	Independent member	✔	✔	✔	✔	
Councillor Jason Schram	Councillor representative		✔		✔	✔
Councillor Phil Howard	Councillor representative	✔	✔	✔	✔	✔

Internal Audit

Council's internal audit service assists in maintaining robust, relevant and effective internal controls. Findex Australia Pty Ltd is contracted to deliver this service for Council.

Internal audits were completed for the following functions during the 2025-26 year - Business Continuity Planning, Panel Contractors, Immunisation Management, Fraud Management and Prevention.

External Audit

The Victorian Auditor-General's Office is responsible for external audit. It focuses on three key areas: strategic planning, detailed audited system testing, financial and performance statements.

Risk Management

Council is committed to effective risk management through a robust Risk Management Framework aligned with ISO 31000 and best practice principles.

Strategic and operational risks are monitored through a corporate risk register and overseen by the Executive Management Team and Audit and Risk Committee.

Council's Strategic Risk Register currently contains 12 key strategic risks, reflecting current and emerging challenges relevant to the Colac Otway Shire.

Business Continuity

Council is committed to maintaining the continuity of essential services during disruptions and emergency events.

In 2025, Council undertook a comprehensive review of its Business Continuity Plan and supporting business unit continuity plans to ensure they remained current, effective and aligned with organisational priorities and emerging risks.

The review strengthened Council's preparedness, response and recovery arrangements across all service areas.

The effectiveness of these plans was demonstrated during bushfire and flood events experienced in early 2026, with Council activating and applying its business continuity arrangements to support coordinated decision-making, maintain critical services and respond to community needs during these challenging events.

Legislative Compliance

Council has responsibility under more than 120 different pieces of state and federal legislation and as such, needs to be aware of the details of any non-compliance or breaches.

Colac Otway Shire regularly records and monitors its compliance with legislation under which it operates. This includes a survey to Executive, Managers, Coordinators and Team Leaders within Council who have obligations/responsibilities under legislation.

This is completed twice a year, with outcomes reported to the Executive Management Team and Audit and Risk Committee.

Beneficial Enterprises

Some parts of Council's role benefit from being performed in partnership with others, and Council has therefore resolved to participate in the following beneficial enterprises:

- G21
- Geelong Regional Libraries Corporation
- South West Victoria Alliance from 1 July to 5 September 2025 (Council resolved to cease

membership of this alliance on 23 September 2025)

- Barwon South West Climate Alliance

Council complied with section 110 of the Local Government Act 2020 when it joined these organisations.

Through 2025-26 these organisations have performed their role in accordance with their corporate requirements. No financial or non-financial risks arising from the organisations have been identified.

Domestic Animal Management Plan

In accordance with section 68A of the *Domestic Animals Act 1994,* Council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the annual report.

Council adopted the Domestic Animal Management Plan 2025-29 in November 2025. The new Plan was developed in consultation with various departments and was exhibited for a six-week public consultation period from 22 July 2025.

Food Act Ministerial Directions

In accordance with section 7E of the *Food Act 1984,* Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report. No Ministerial Directions were received by Council during 2025-26.

Freedom of Information

The *Freedom of Information Act 1982* (FOI Act) provides the community with the right to request access to information held by Council. Access to certain types of documents may be limited by exemptions outlined in the FOI Act.

Documents can be requested as detailed in section 17 of the FOI Act. To be valid, an application must:

- Be in writing;
- Provide as much information about the documents being sought as practicable, so an officer of Council can identify the documents being requested; and
- Accompanied by an application fee.

Council received 13 Freedom of Information applications in 2025-26.

More information, including an application form, is available on Council's website.

Privacy and Data Protection Act 2014

Standards set out by Victoria's *Privacy and Data Protection Act 2014,* and our Privacy Policy, control how we manage personal information.

Privacy compliance is included in our staff induction program. We have a dedicated privacy team to help staff and members of the public with privacy-related queries or issues.

No complaints from regulatory bodies were received in 2025-26.

Public Interest Disclosure Act 2012

Colac Otway Shire Council is committed to the aims and objectives of the *Public Interest Disclosures Act 2012*.

Council has established guidelines for responding to public interest disclosures. Reports of improper conduct, corrupt conduct, criminal offences, serious professional misconduct, conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety by Colac Otway Shire or its employees, can be made to the nominated Council staff or the Independent Broad-based Anti-Corruption Commission.

Disclosures may be made by any person including a member, officer or employee of Colac Otway Shire.

A copy of the Public Interests Disclosure Policy is available from Council's website.

During 2025-26 no disclosures were notified to the Independent Broad-based Anti-Corruption Commission.

Road Management Act Ministerial Direction

Council, as a road authority, is required under Section 22 of the *Act* to publish a copy or summary of any direction received from the Minister in its annual report.

No Ministerial Directions were received during 2025-26.

Complaints register

During the 2025-26 year, 151 complaints were recorded in the Complaints register. All of these were resolved, with none remaining open.

The average time to resolve complaints was 11 days. Council's target for resolving complaints is within 28 days:

- 48 per cent were upheld, 28 per cent were partially upheld, and 17 per cent were not upheld (2.6% were found not to be complaints)
- 47 recommendations for improvement in service delivery were initiated during the year, with further 14 recommendations made based on analysis of annual results.
- No complaints proceeded to an internal review.

Publicly available documents

The following list of documents are available for public inspection. These documents can be viewed at the Colac Otway Shire Offices at 2 6 Rae Street, Colac from 8.30am to 5.00pm Monday to Friday.

Documents
Meeting Agendas and Reports to Council and Delegated Committees
Minutes of Council meetings and meetings of Delegated Committees
Audit and Risk Committee Charter
Terms of Reference: a) Delegated Committees b) Community Asset Committees c) Advisory Committees of Council
Gift Registers for Councillors and Council Staff
Travel Registers for Councillors and Council Staff
Registers of Conflicts of Interest disclosed by Councillors and Council Staff
Registers of Leases entered into by Council
Register of Delegations
Register of Authorised Officers
Register of Election Campaign Donations
Summary of Personal Interests
Councillor Allowances – Category 2
Any other Registers or Records required by the Act or any other Act

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures including explanation of results in the comments.

Service / indicator / measure	Results				Comments
	2023	2024	2025	2026	
Aquatic Facilities					
Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	1.00	1.00	1.00	Council operated aquatic facility was inspected on 30/06 /2025
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities/ population]	4.64	6.44	7.27	7.32	Council operates the facility. The increase in the utilisation aligns with an increase in membership. This can be attributed in part to a significant upgrade to gym equipment along with new and revised programming.
Service cost Cost of aquatic facilities [Direct cost of aquatic facilities less income received/Number of visits to aquatic facilities]	$4.02	$4.92	$4.62	$6.21	Council operates the facility. The cost of Aquatic facilities was higher than last year due to increased costs associated with maintenance, chemical usage and compliance items. There were also a number of unexpected closures due to renovations and the centre being used as an Emergency Relief Centre during the January bushfires which reduced revenue.

Animal Management					
Timeliness Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.02	1.00	1.00	1.00	
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	49.24%	48.66%	42.45%	33.57%	The decrease on last year is potentially due to cost pressures of pet ownership during this time of challenging economic conditions.
Food Safety					
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	3.20	2.17	1.82	1.54	The time taken on average to respond to food complaints declined only marginally against last year, now taking on average 1.54 days for the 13 complaints received. The percentage change is not reflective of the small movement in time taken to respond.
Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	79.49%	100.00%	100.00%	100.00%	
Food safety samples [Number of food samples obtained / Required number of food samples] × 100	New	New	100%	109.80%	

Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	$395.11	$592.12	$513.45	$594.75	The cost of Council's food premises inspection program increased due to the need for engagement of contracted Environmental Health Officers resulting from the workload impact of relief and recovery support to communities impacted by flood and fire emergencies early in 2026.
Governance					
Transparency Council decisions made at meetings closed to the public [Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100	4.69%	3.11%	7.25%	2.23%	There has been a reduction in decisions made at closed session council meetings as there has been a reduction in confidential matters.
Attendance Councillor attendance at council meetings [The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) × (Number of Councillors elected at the last Council general election)] x100	99.05%	99.16%	95.41%	94.44%	
Service cost Cost of elected representation [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	$50,198.36	$65,515.00	$67,232.14	$65,632.87	

Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	45.00	45.00	44.00	48.00	This result for Colac Otway is due to improvements in practices that have had a positive influence on indicators related to making decisions.
Libraries					
Resource currency Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100 [Direct cost of the library service / Population]	58.49%	59.84%	61.48%	63.07%	
Utilisation Loans per head of population [Number of library collection item loans / Population]	New	New	7.24	7.32	
Library visits per head of population [Number of library visits / Population]	New	New	3.39	3.49	
Maternal and Child Health (MCH)					
Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.00%	99.54%	100.00%	101.38%	

Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	$71.86	$72.47	$66.95	$90.71	An error in FTE calculation was identified in the reporting for 2024-25, which indicated 10,241 hours of service. This error has been corrected for 2025-26 reporting, which includes the correct service hours of 8,977. The increase in costs to deliver the MCH service is due to an increase in overall FTE required to cover the additional time that nurses are required to spend with clients per appointment, along with increases in staff salaries.
Satisfaction Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100	94.78%	100.00%	88.79%	99.54%	There has been active focus and engagement with the community to ensure a greater participation rate for young babies.
Roads					
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	$0.00	$169.23	$108.96	$327.72	The increase in the cost of sealed local road reconstruction is due to the delivery of multiple urban road projects in Apollo Bay. The construction costs in Apollo Bay are typically higher than the elsewhere in the Shire due to its location and associated logistics, while rural road reconstruction projects undertaken in previous years are generally less expensive to deliver.
Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	$6.04	$8.42	$6.97	$10.21	The increase in sealed local road resealing costs is primarily attributable to the expiry of a previous multi-year contract that delivered competitive rates. The replacement contract reflects current market conditions, including significant increases in material, labour and construction costs over recent years.

Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	39.00	40.00	38.00	45.00	Satisfaction with sealed roads has increased as a result of Council's focus in recent years to allocating asset renewal funding to reconstruction of key local roads, with an emphasis in 2025-26 on roads in coastal townships.
Statutory Planning					
Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	91.00	99.00	81.00	81.00	Performance has remained consistent with 2024-25 and better than previous years. The reduction in days from the preceding years is the result of the reduced number of planning applications received and the completion of a number of major Development Plans.
Service cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	$2,452.92	$3,092.89	$3,874.87	$4,347.71	Council had a greater reliance than usual on contract staff to cover vacancies for extended periods. Furthermore, contract staff were also used to cover resource intensive pieces of work, including 3 significant Development Plans. Whilst planning application numbers have decreased from preceding years, work associated with the Development Plans along with work on applications submitted to the state government, for which no fees are collected, meant the statutory planning workload remained high.
Decision making Council planning decisions upheld at VCAT [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	80.00%	66.67%	100.00%	60.00%	Only five planning matters were taken to VCAT. Of the two decisions that were overturned, one related to a planning application associated with a Development Plan, where the final outcome was reached through agreement between all parties, including Council.

Waste Management					
Service standard Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	4.61	5.50	5.33	4.20	The number of missing garbage and recycling bins has significantly decreased compared to the previous year, falling from 731 to 580 bins. This is due to improved management of service with the waste contractor.



Governance and Management Checklist 2025-26

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

	Governance and Management Items	Assessment
1	Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act. Date of adoption: 29/06/2022
2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation. Date of commencement: 03/02/2024
3	Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act. Date of adoption: 14/10/2025
4	Asset Plan (plan that sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 9 of the Act. Date of adoption: 14/10/2025
5	Revenue and Rating Plan (plan setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act. Date of adoption: 27/05/2025
6	Annual budget (plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 94 of the Act. Date of adoption: 23/06/2026
7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation Date of commencement: 25/10/2023
8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date of commencement: 25/10/2023
9	Municipal emergency management planning (Participation in meetings of the Municipal Emergency Management Planning Committee.)	Municipal Emergency Management Planning Committee (MEMPC) meetings attended by one or more representatives of Council (other than the chairperson of the MEMPC) during the financial year. Four MEMPC meetings were attended by two or more representatives of Council (other than the chairperson of the MEMPC) during the previous financial year on the following dates: 01/09/2025, 01/12/2025, 02/03/2026 and 15/06/2026.
10	Procurement policy (policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Adopted in accordance with section 108 of the Act. Date of commencement: 24/07/2024

11	Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation was adopted on 18/12/2025 Date of commencement: 18/12/2025
12	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation Date of commencement: 03/02/2026
13	Complaint policy (Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints.)	Policy developed in accordance with section 107 of the Act. Date of commencement: 24/07/2024
14	Workforce plan (Plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation.)	Plan developed in accordance with section 46 of the Act. Date of commencement: 23/12/2021
15	Payment of rates and charges hardship policy (Policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates.)	Current policy in operation Date of commencement: 24/07/2020 Assistance to Rates Debtors Policy.
16	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation Date of commencement: 25/10/2023
17	Audit and Risk Committee (advisory committee of Council under section 53 and 54 of the Act)	Established in accordance with section 53 of the Act. Date of commencement: 25/02/2025
18	Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged Date of engagement: 05/08/2024 Date of engagement of current provider.
19	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Current framework in operation Date of adoption: 28/10/2025 Presented at a meeting of Council in accordance with section 98 of the Act.
20	Council Plan report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Date of current report: 12/09/2025 Reports presented to Council on 09/12/2025, 24/02/2026 and 26/05/2026.
21	Quarterly budget reports (quarterly reports to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)	Quarterly reports presented to Council in accordance with section 97(1) of the Act. Date of report: 09/12/2025 Reports presented to Council on 09/12/2025, 24/02/2026 and 26/05/2026.
22	Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Risk reports prepared and presented Dates of reports: 11/06/2026 Workshopped with EMT on 02/04/2026, workshopped with Councillors on 14/04/2026 and presented as a draft EMT report that has been endorsed on 11/06/2026.
23	Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act)	Presented at a meeting of Council in accordance with section 98 of the Act on 28/10/2025.
24	Annual report (annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements)	Annual report presented at a meeting of Council in accordance with section 100 of the Act. Date of presentation: 10/28/2025

25	Councillor Code of Conduct (Code setting out the standards of conduct to be followed by Councillors and other matters.)	Code of conduct reviewed and adopted in accordance with section 139 of the Act. Date reviewed and adopted: 11/11/2024 All Councillors took an oath of office on 11/11/2024 which included the following statement 'I will abide by the Model Councillor Code of Conduct and uphold the standards of conduct set out in the Model Councillor Code of Conduct.
26	Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 11(7) of the Act. and a register kept in accordance with sections 11(8) and 47(7) of the Act. Date of review: 25/03/2025 S5 Instrument and S6 Instrument reviewed at Council Meetings 25/03/2025, 26/08/2025 and 28/04/2026. Instruments published on Council's website and register of Instruments kept in Council systems being RelianSys and Content Manager.
27	Meeting procedures (Governance Rules governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act. Date rules adopted: 24/03/2026



Andrew Tenni
Chief Executive Officer
Dated: 20/10/2025



Cr Jason Schram
Mayor
Dated: 20/10/2025

Performance and Financial Statements

Audited statements




Rail
OLD BEECHY
Trail
GELLIE
Most loads were timber and produce from the Otways brought down from the ridge connecting Beech Forest to Crowes. From Gellibrand at 247 feet (75 m) above sea level, these heavily laden trains had to climb back up to 891 feet (272 m) at Coram before descending to Colac at 444 feet (133 m).
A single NA locomotive could only haul 80 tons over this section. To avoid the expense of coupling two NAs, with two train crews, for this section, a more powerful Garratt locomotive was introduced in 1926. Garratts were articulated locomotives that could negotiate the tight curves and were able to haul 250 tons up the 1 in 37 grades.
Gellibrand became the railhead for traffic to Carlisle River and Lardner's Track, as well as centre of a vigorous timber and fruit trade. Outward loadings were substantial between 1911 and 1950.
Gradients on Colac - Beech Forest - Crowes Railway Line.
Weatherboards for War Service Homes Commission were planed in the Gellibrand station yard from 1920 to 1923. The timber came from mills at Beech Forest.
and piles were brought in by four tramways between 1914-1930.
OLD BEECHY

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Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

Azam Mahmood CPA
Principal Accounting Officer
Dated: 13/10/2026

In our opinion, the accompanying performance statement of the Colac Otway Shire Council for the year ended 30 June 2026 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity. At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify this performance statement in its final form.

Cr Jason Schram
Councillor
Dated: 13/10/26

Cr Phil Howard
Councillor
Dated: 13/10/26

Andrew Tenni
Chief Executive Officer
Dated: 13/10/26.

Independent Auditor's Report

Victorian Auditor-General's Office

To the Councillors of Colac Otway Shire Council

Opinion	I have audited the accompanying performance statement of Colac Otway Shire Council (the council) which comprises the: • description of municipality for the year ended 30 June 2026 • service performance indicators for the year ended 30 June 2026 • financial performance indicators for the year ended 30 June 2026 • sustainable capacity indicators for the year ended 30 June 2026 • notes to the accounts • certification of the performance statement. In my opinion, the performance statement of Colac Otway Shire Council in respect of the year ended 30 June 2026 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the performance statement	The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

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Auditor's responsibilities for the audit of the performance statement	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement. As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control • evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation. I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
19 October 2026

Travis Derricott
as delegate for the Auditor-General of Victoria

Section 1. Description of municipality

Colac Otway Shire is situated about 160 kilometres south-west of the Melbourne CBD and approximately an hour's drive to the large regional cities of Geelong to the east, Ballarat to the north and Warrnambool to the west.

Colac Otway Shire has a unique and precious natural environment containing some of the most picturesque scenery in the State. A large proportion is Forest Park and National Park but it also includes beaches, rugged coastline, rainforests, waterfalls, volcanic lakes and craters.

The municipality offers a great lifestyle, being ideally located for those looking for a rural idyll within a comfortable commuting distance to major centres.

The five major industry sectors include:

- Manufacturing
- Healthcare and Social Assistance
- Agriculture, Forestry and Fishing
- Retail Trade
- Tourism.

Colac Otway Shire Council provides many high-quality services and facilities across a wide range of areas from community services, environmental management, customer services, health and wellbeing, family and children's services, open spaces, waste management, tourism, parks and gardens; to business development, planning for appropriate development and ensuring accountability for Council' budget.

Section 2. Service performance indicators

For the year ended 30 June 2026

	Results					
	2023	2024	2025	2026		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities ***Utilisation*** *Utilisation of aquatic facilities* [Number of visits to aquatic facilities / Municipal population]	4.64	6.44	7.27	N/A	7.32	The increase in the utilisation aligns with an increase in membership growth. This can be attributed in part to a significant upgrade to gym equipment along with new and revised programming.
Animal Management ***Health and safety*** *Animal management prosecutions* [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	00.00%	00.00%	100.00%	N/A	00.00%	There were no animal management prosecutions in 2025-26.

Food Safety ***Health and safety*** *Critical and major non-compliance outcome notifications* *[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100*	100.00%	95.24%	90.91%	N/A	95.24%	Environmental health officers have worked with proprietors to rectify all critical and major non-compliances in a timely manner. 1 premises was unable to be followed up due to temporary closure of operation.
Governance ***Satisfaction*** *Satisfaction with community consultation and engagement (community satisfaction rating out of 100 with the consultation and engagement efforts of Council)*	47.00	48.00	47.00	55	51	This increase is a result of the proactive work Council has been doing to improve community consultation and engagement practices. Council will continue to focus on improving community consultation and engagement practices.
Libraries ***Participation*** *Library membership* *[percentage of the population that are registered library members] x100*	New	24.21%	26.94%	N/A	28.37%	There has been a 4.9% increase in active members with registered activity compared to the same period last year.
Maternal and Child Health (MCH) ***Participation*** *Participation 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*	76.62%	76.46%	78.06%	N/A	76.60%	The number of children participating in the MCH service has remained steady.

Participation *Participation in the MCH service by Aboriginal children* *[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*	85.71%	84.44%	67.50%	N/A	77.78%	The increase in participation is due to the proactive follow up to ensure continued engagement with the service.
Roads ***Condition*** *Sealed local roads below the intervention level* *(percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)*	97.70%	98.54%	99.30%	100%	99.31%	There have been some minor changes in roads condition for 2025-26. The result remains high and is generally comparable to the results in the previous three years.
Statutory Planning ***Service standard*** *Planning applications decided within the relevant required time* *(percentage of planning application decisions made within the relevant required time)*	76.94%	62.54%	56.51%	85.00%	63.50%	Service improvements were implemented which has seen a small improvement in results, however not to the anticipated service level. Vacancies in key roles during 2025-26 for extended periods, notably Manager Planning and Building and Statutory Planning Coordinator, significantly reduced Council's resourcing and capacity in the planning area.
Waste Management ***Waste diversion*** *Kerbside collection waste diverted from landfill* *[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100*	57.15%	52.12%	52.36%	54.00%	47.94%	The rate of waste diversion from landfill has reduced from 2024-25, and is below the target, partially due to the impact of reduced glass collection arising from the State Container Deposit Scheme. The result is also impacted by the significant waste collected as a result of the January 2026 flood at Wye River which was unable to be recycled.

Section 3. Financial performance indicators

For the year ended 30 June 2026

	2023	2024	2025	2026		2027	2028	2029	2030	Material Variations and Comments
Dimension / ***Indicator*** / *Measure* [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Efficiency ***Revenue level*** *Expenses per property assessment* [Total expenses / Number of property assessments]	$3,825.47	$4,088.50	$4,381.80	$4,103.00	$4,306.0	$4,368.78	$4,564.86	$4,770.22	$4,961.50	
Revenue level *Average rate per property assessment* [Sum of all general rates and municipal charges / Number of property assessments]	$1,871.96	$1,960.60	$2,022.79	N/A	$2,091.12	$2,143.64	$2,206.34	$2,270.66	$2,336.53	
Liquidity ***Working capital*** *Current assets compared to current liabilities* [Current assets / Current liabilities] x100	243.91%	229.32%	320.21%	156.73%	327.38%	227.75%	251.00%	268.10%	212.84%	The working capital ratio of 327.38% exceeded the budget target of 156.73% due to higher cash and investment balances at year end. This primarily reflects reserve holdings, unspent grant funding and the timing of capital expenditure, resulting in a strong liquidity position and sufficient resources to meet current obligations.
Unrestricted cash *Unrestricted cash compared to current liabilities* [Unrestricted cash / Current liabilities] x100	64.42%	48.65%	135.42%	N/A	139.22%	NA	NA	NA	NA	
Obligations ***Loans and borrowings*** *Loans and borrowings compared to rates* [Interest bearing loans and borrowings / Rate revenue] x100	0.00%	0.00%	0.00%	N/A	0.00%	NA	NA	NA	NA	
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	1.86%	0.00%	0.00%	N/A	0.00%	NA	NA	NA	NA	
Indebtedness *Non-current liabilities compared to own source revenue* [Non-current liabilities / Own source revenue] x100	10.98%	10.11%	20.16%	N/A	18.87%	19.52%	18.18%	17.50%	12.99%	

Asset renewal and upgrade *Asset renewal and upgrade compared to depreciation* [Asset renewal and asset upgrade expense / Asset depreciation] x100	74.11%	75.08%	89.53%	70.11%	85.01%	146.63%	63.53%	62.52%	87.65%	The ratio of 85.01% exceeded the budget target of 70.11%, reflecting higher investment in asset renewal and upgrade activities during the year. Although renewal and upgrade expenditure remained below annual depreciation, the result represents an improvement on prior years and supports the ongoing sustainability of Council's asset base. The 2026-27 forecast incorporates new capital renewal and upgrade projects, alongside projects carried forward from prior years, whereas the outer forecast years comprise only new renewal and upgrade projects.
Operating position ***Adjusted underlying result*** *Adjusted underlying surplus (or deficit)* [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	1.85%	-17.36%	-8.04%	N/A	-3.07%	-22.27%	-6.17%	-7.57%	-8.45%	The Adjusted Underlying Deficit Ration improved from -8.04% to -3.07% in 2025-26, representing a substantial reduction in Council's underlying operating deficit. This demonstrates continued progress in strengthening Council's underlying financial position. The ratio excludes capital grants and non-monetary contributions and therefore reflects Council's underlying operating performance rather than total revenue received during the year.
Stability ***Rates concentration*** *Rates compared to adjusted underlying revenue* [Rate revenue / Adjusted underlying revenue] x100	54.10%	63.72%	57.47%	64.14%	58.26%	69.67%	62.47%	62.67%	62.87%	
Rates effort *Rates compared to property values* [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.29%	0.29%	0.30%	N/A	0.32%	0.34%	0.36%	0.38%	0.39%	

Section 4. Sustainable capacity indicators

For the year ended 30 June 2026

Results

	2023	2024	2025	2026	Comment
Indicator / *Measure* [Formula]	Actual	Actual	Actual	Actual	
Population *Expenses per head of municipal population*	$2,764.44	$2,949.31	$3,155.29	$3,132.24	
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	$19,268.12	$20,920.40	$22,270.72	$28,853.84	This reflects additional assets transferred to Council through subdivision developments, as well as higher replacement costs, which increased the fair value of existing assets.
Population density per length of road [Municipal population / Kilometres of local roads]	13.63	13.63	13.69	13.63	
Own-source revenue *Own-source revenue per head of municipal population* [Own-source revenue / Municipal population]	$1,999.37	$2,084.14	$2,117.62	$2,293.17	
Recurrent grants *Recurrent grants per head of municipal population* [Recurrent grants / Municipal population]	$674.75	$246.89	$769.51	$641.86	Recurrent grants per head of municipal population decreased by 16.59% compared to the previous year. This result is primarily due to the timing of Federal Assistance Grant payments, with a larger amount of funding received and recognised in 2024/25 than in 2025/26. The variation reflects the timing of grant receipts between financial years rather than a significant change in Council's underlying recurrent grant funding.
Disadvantage *Relative Socio-Economic Disadvantage* [Index of Relative Socio-Economic Disadvantage by decile]	3.00	3.00	3.00	3.00	

Workforce turnover *Percentage of staff turnover* [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	19.81%	19.40%	19.25%	17.6%	

Section 5. Notes to the accounts

5.1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g., Australian Bureau of Statistics or the Council's satisfaction survey provider).

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by *the Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2026-27 to 2029-30 by the council's financial plan.

The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

5.2. Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the *Food Act 1984* , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the *Food Act 1984*
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities

own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

5.3. Other Matters

Extensive capital works were undertaken to improve infrastructure.

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Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020,* the *Local Government (Planning and Reporting) Regulations 2020,* the Australian Accounting Standards and other mandatory professional reporting requirements.

Azam Mahmood CPA
Principal Accounting Officer

Dated : 13/10/2026
Colac

In our opinion, the accompanying financial statements present fairly the financial transactions of the Colac Otway Shire Council for the year ended 30 June 2026 and the financial position of the Council as at that date.

At the date of signing, we are not aware of any circumstances that would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.

Cr Jason Schram
Councillor

Dated : 13/10/2026
Colac

Cr Phil Howard
Councillor

Dated : 13/10/2026
Colac

Andrew Tenni
Chief Executive Officer

Dated : 13/10/2026
Colac

Independent Auditor's Report

Victorian Auditor-General's Office

To the Councillors of Colac Otway Shire Council

Opinion	I have audited the financial report of Colac Otway Shire Council (the council) which comprises the: • balance sheet as at 30 June 2026 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including material accounting policy information • certification of the financial statements. In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2026 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the financial report	The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Travis Derricott
as delegate for the Auditor-General of Victoria

MELBOURNE
19 October 2026

Comprehensive Income Statement
For the Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Income/revenue			
Rates and charges	3.1	39,351	37,454
Statutory fees and fines		1,158	935
User fees	3.2	8,520	8,305
Grants - operating	3.3	15,701	16,447
Grants - capital	3.3	9,553	5,662
Contributions - monetary	3.4	974	267
Contributions - non monetary	3.4	4,092	2,845
Net gain / (or loss) on disposal of property, infrastructure, plant and equipment		(109)	(1,695)
Share of net profits of associates and joint ventures		-	25
Other income		2,009	2,199
Total income/revenue		**81,249**	**72,444**
Expenses			
Employee costs	4.1	26,283	25,525
Materials and services	4.2	25,267	28,065
Depreciation	4.3	15,895	15,240
Depreciation - right of use assets		93	101
Allowance for impairment losses		8	-
Finance costs - leases		-	32
Other expenses	4.4	2,018	1,400
Total expenses		**69,564**	**70,363**
Surplus for the year		**11,685**	**2,081**
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain	9.1	138,486	31,188
Total other comprehensive income		**138,486**	**31,188**
Total comprehensive result		**150,171**	**33,269**

The above comprehensive income statement should be read in conjunction with the accompanying notes.

Balance Sheet
As at 30 June 2026

	Note	2026 $'000	2025 $'000
Assets			
Current assets			
Cash and cash equivalents	5.1	20,473	16,767
Trade and other receivables	5.1	4,809	4,607
Other financial assets	5.1	21,000	17,000
Inventories		232	218
Prepayments		944	368
Other assets		687	688
Total current assets		**48,145**	**39,648**
Non-current assets			
Trade and other receivables	5.1	44	42
Property, infrastructure, plant and equipment	6.1	704,354	560,176
Investments in associates, joint arrangements and subsidiaries	6.2	243	243
Right-of-use assets	5.6	2,688	2,781
Total non-current assets		**707,329**	**563,242**
Total assets		**755,474**	**602,890**
Liabilities			
Current liabilities			
Trade and other payables	5.2	4,878	3,606
Trust funds and deposits		1,967	705
Contract and other liabilities	5.2	3,115	3,431
Provisions	5.3	4,746	4,641
Total current liabilities		**14,706**	**12,383**
Non-current liabilities			
Provisions	5.3	9,608	9,518
Total non-current liabilities		**9,608**	**9,518**
Total liabilities		**24,314**	**21,901**
Net assets		**731,160**	**580,989**
Equity			
Accumulated surplus		141,499	134,693
Reserves	9.1	589,661	446,296
Total Equity		**731,160**	**580,989**

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the Year Ended 30 June 2026

2026	Note	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year		580,989	134,693	418,315	27,981
Surplus for the year		11,685	11,685	-	-
Net asset revaluation gain	9.1	138,486	-	138,486	-
Transfers to other reserves	9.1	-	(26,164)	-	26,164
Transfers from other reserves	9.1	-	21,285	-	(21,285)
Balance at end of the financial year		**731,160**	**141,499**	**556,801**	**32,860**

2025		Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year		547,720	138,919	387,127	21,674
Surplus for the year		2,081	2,081	-	-
Net asset revaluation gain	9.1	31,188	-	31,188	-
Transfers to other reserves	9.1	-	(24,346)	-	24,346
Transfers from other reserves	9.1	-	18,039	-	(18,039)
Balance at end of the financial year		**580,989**	**134,693**	**418,315**	**27,981**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
For the Year Ended 30 June 2026

	Note	2026 Inflows/ (Outflows) $'000	2025 Inflows/ (Outflows) $'000
Cash flows from operating activities			
Rates and charges		39,014	36,454
Statutory fees and fines		1,158	935
User fees		8,539	8,265
Grants - operating		16,201	16,236
Grants - capital		8,886	4,877
Contributions - monetary		974	267
Interest received		1,383	1,440
Trust funds and deposits taken/(paid)		1,260	(291)
Other receipts		626	758
Net GST refund		14	266
Employee costs		(26,199)	(25,377)
Materials and services		(26,547)	(25,984)
Net cash provided by operating activities	9.2	**25,309**	**17,847**
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(18,138)	(13,727)
Proceeds from sale of property, infrastructure, plant and equipment		535	267
Payments for investments		(25,000)	(24,000)
Proceeds from sale of investments		21,000	21,000
Net cash used in investing activities		**(21,603)**	**(16,460)**
Cash flows from financing activities			
Interest paid - lease liability		-	(42)
Net cash used in financing activities		**-**	**(42)**
Net increase in cash and cash equivalents		3,706	1,345
Cash and cash equivalents at the beginning of the financial year		16,767	15,422
Cash and cash equivalents at the end of the financial year		**20,473**	**16,767**
Financing arrangements	5.4		

The above statement of cash flows should be read in conjunction with the accompanying notes.

Statement of Capital Works
For the Year Ended 30 June 2026

	2026 $'000	2025 $'000
Property		
Buildings	1,870	1,758
Total buildings	**1,870**	**1,758**
Plant and equipment		
Plant, machinery and equipment	2,467	1,776
Fixtures, fittings and furniture	15	10
Computers and telecommunications	246	367
Total plant and equipment	**2,728**	**2,153**
Infrastructure		
Roads	7,275	7,533
Bridges	193	-
Footpaths and cycleways	463	358
Drainage	4,448	521
Other infrastructure	1,161	1,404
Total infrastructure	**13,540**	**9,816**
Total capital works expenditure	**18,138**	**13,727**
Represented by:		
New asset expenditure	4,626	83
Asset renewal expenditure	12,450	11,972
Asset upgrade expenditure	1,062	1,672
Total capital works expenditure	**18,138**	**13,727**

The above statement of capital works should be read in conjunction with the accompanying notes.

Note 1 Overview

Introduction

The Colac Otway Shire Council was established by an Order of the Governor in Council on 23 September 1994 and is a body corporate. The Council's main office is located at 2-6 Rae Street Colac Victoria 3250.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020* , and the *Local Government (Planning and Reporting) Regulations 2020* .

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Accounting policy information

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Note 1 Overview

1.1 Basis of accounting (cont'd)

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.3)
- the determination of landfill provisions (refer to Note 5.3)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with AASB 16 *Leases* , of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.6)
- other areas requiring judgements.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

1.2 Impact of other external events

Council has considered ongoing external events that have contributed to volatility in international markets, disrupted global supply chains and increased inflationary pressure, including the risk that they may cause significant changes in the carrying values of assets and liabilities in the next financial year, and has concluded that there is no material impact on the 2025-26 financial report that requires additional disclosure.

Note 2 Analysis of our results

2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or $500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020* .

2.1.1 Income/Revenue and expenditure

	Budget 2026 $'000	Actual 2026 $'000	Variance $'000	Variance %	Ref
Income/Revenue					
Rates and charges	38,748	39,351	**603**	**2**	
Statutory fees and charges	1,003	1,158	**155**	**15**	
User fees and charges	9,242	8,520	**(722)**	**(8)**	
Grants - Operating	10,281	15,701	**5,420**	**53**	**1**
Grants - Capital	2,725	9,553	**6,828**	**251**	**2**
Contributions - monetary	25	974	**949**	**3,796**	**3**
Contributions - non-monetary	-	4,092	**4,092**	**100**	**4**
Net (loss) on disposal of property, infrastructure, plant and equipment	-	(109)	**(109)**	**100**	
Share of net (loss) of associates	(100)	-	**100**	**(100)**	
Other income	1,175	2,009	**834**	**71**	**5**
Total income/revenue	**63,099**	**81,249**	**18,150**	**29**	
Expenses					
Employee costs	26,538	26,283	**255**	**1**	
Materials and services	22,284	25,267	**(2,983)**	**(13)**	**6**
Depreciation	15,538	15,895	**(357)**	**(2)**	
Depreciation - right of use assets	101	93	**8**	**8**	
Borrowing costs	14	-	**14**	**100**	
Allowance for impairment losses	5	8	**(3)**	**(60)**	
Finance costs - leases	-	-	**-**	**-**	
Other expenses	1,801	2,018	**(217)**	**(12)**	
Total expenses	**66,281**	**69,564**	**(3,283)**	**(5)**	
Surplus/(deficit) for the year	**(3,182)**	**11,685**	**14,867**		

Note 2 Analysis of our results

2.1 Performance against budget (cont'd)

2.1.1 Income/revenue and expenditure (cont'd)

(i) Explanation of material variations

Var	Item	Explanation
1	Grants - Operating	The variance is driven by timing differences in the receipt of grant funding, including the early receipt of the 2026 and 2027 Financial Assistance Grants $3.11m, together with the recognition of Operating Project Income for carried forward projects $2.24m that were originally budgeted in previous financial years.
2	Grants - Capital	Increased capital grants were predominantly driven by income recognised from completed carried forward projects originally budgeted in prior years, including the Elliminyt Wetlands project $2.3m and Landslip Rectification Works $2.85m.
3	Contributions - monetary	Increased monetary contributions primarily driven by developer contributions received for Public Open Space projects, including Lakeside $108k and Clearwater $392k.
4	Contributions - non-monetary	Developer Contributed Assets were received relating to new Subdivision Infrastructure, Roads, Drainage and Footpath Assets, not budgeted due to the difficulty in estimating the quantity and value of Contributed Assets Council may receive during the year.
5	Other income	Key variances in other income primarily due to higher than budgeted interest on investments of $220k and higher than budgeted revenue from Infrastructure supervision and checking fees.
6	Materials and services	Key variances in materials and services include higher than budgeted consultant expenditure relating to carried forward operating projects ($1.81m) that were originally budgeted in prior years, higher contractor costs due to staff vacancies and operating projects ($880k), and higher legal costs ($135k). This was partially offset by a favourable variance in subscriptions and memberships ($124k).

Note 2 Analysis of our results

2.1 Performance against budget (cont'd)

2.1.2 Capital works

	Budget 2026 $'000	Actual 2026 $'000	Variance $'000	Variance %	Ref
Property					
Buildings	1,081	1,870	**789**	**73**	**1**
Total buildings	**1,081**	**1,870**	**789**	**73**	
Plant and equipment					
Plant, machinery and equipment	2,152	2,467	**315**	**15**	
Fixtures, fittings and furniture	-	15	**15**	**100**	
Computers and telecommunications	40	246	**206**	**515**	
Total plant and equipment	**2,192**	**2,728**	**536**	**24**	
Infrastructure					
Roads	6,265	7,275	**1,010**	**16**	**2**
Bridges	610	193	**(417)**	**(68)**	
Footpaths and cycleways	375	463	**88**	**23**	
Drainage	40	4,448	**4,408**	**11,020**	**3**
Other infrastructure	330	1,161	**831**	**252**	**4**
Total infrastructure	**7,620**	**13,540**	**5,920**	**78**	
Total capital works expenditure	**10,893**	**18,138**	**7,245**	**67**	
Represented by:					
New asset expenditure	200	4,626	**4,426**		
Asset renewal expenditure	10,372	12,450	**2,078**		
Asset upgrade expenditure	321	1,062	**741**		
Total capital works expenditure	**10,893**	**18,138**	**7,245**		

Note 2 Analysis of our results

2.1 Performance against budget (cont'd)

2.1.2 Capital works (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	The variance is mainly due to completed renewal projects and increased expenditure relating to carried forward projects originally budgeted in prior years, including the Colac Caravan Park Upgrade $500k and Forrest Caravan Park Wastewater Upgrade $274k.
2	Roads	The variance is primarily due to the completion of renewal projects, increased expenditure on carried forward projects originally budgeted in prior years, and new TAC-funded safety initiatives. Projects include wombat crossings and speed humps in Armstrong Street, Hart Street and Pound Road, Colac $172k, and Pascoe Street, Apollo Bay $325k.
3	Drainage	The variance is primarily attributable to the Elliminyt Wetlands project $4.4m, which was carried forward and completed in 2025-26, having originally been budgeted in previous financial years.
4	Other Infrastructure	The variance is primarily due to the completion of carried forward renewal projects originally budgeted in prior years, including retaining walls $411k, lighting upgrades at Irrewillipe Recreation Reserve $106k, and Colac Fountain restorations $140k.

Note 2 Analysis of our results

2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Chief Executive Office

Chief Executive Office provides efficient, effective and proactive support services to the Mayor and Councillors. Chief Executive Office provides effective governance oversight of the organisation. Service areas include Customer Service, Risk Management, Communications, Corporate Planning and Strategic Focus.

Corporate Services

Corporate Services provides support services across Council to enable the delivery of policy commitments, council vision and mission. The provision of these services includes financial services, digital information and technology, property, procurement and contract management. People and culture management provides support, including Occupational Health and Safety and payroll to the organisation.

Community and Economy

Community and Economy provides high quality community focused programs, activities and services. Community and Economy is comprised of aged care, family services, healthy and active communities, developing and maintaining Council's buildings, and is responsible for community engagement processes. Economy services includes business development and investment attraction, supporting local festivals and events and advocating on behalf of the community for major events, tourism and cultural opportunities. The planning services area includes urban growth and town development, along with strategic land use planning.

Infrastructure and Environment

Infrastructure and Environment is responsible for delivery of capital works and managing existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community including buildings, roads, footpaths, parks and drains. The Division also provides services related to engineering, environment, waste management and landfill rehabilitation, environmental health, emergency management, and operation of the Colac Aerodrome and Colac Regional Saleyards.

Note 2 Analysis of our results

2.2.2 Summary of income/revenue, expenses, assets and capital expenses by program

2026	Income/ revenue	Expenses	Surplus/ (Deficit)	Grants included in income/ revenue	Total assets
	$'000	$'000	$'000	$'000	$'000
Chief Executive Office	273	4,780	(4,507)	-	2,931
Corporate Services	63,291	23,763	39,528	12,438	61,931
Community and Economy	9,891	19,233	(9,342)	1,201	27,112
Infrastructure and Environment	7,794	21,787	(13,994)	11,614	663,500
	81,249	69,564	11,685	25,254	755,474

2025	Income/ revenue	Expenses	Surplus/ (Deficit)	Grants included in income/ revenue	Total assets
	$'000	$'000	$'000	$'000	$'000
Chief Executive Office	97	4,400	(4,303)	-	2,917
Corporate Services	55,635	28,682	26,953	13,701	53,487
Community and Economy	9,611	17,830	(8,219)	2,437	26,984
Infrastructure and Environment	7,101	19,451	(12,350)	5,971	519,502
	72,444	70,363	2,081	22,109	602,890

Note 3	**Funding for the delivery of our services**	**2026**	**2025**
3.1	**Rates and charges**	**$'000**	**$'000**

Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its value of the land plus buildings and other improvements.

The valuation base used to calculate general rates for 2025/26 was $12,079 million (2024/25 $12,426 million).

General rates residential	19,960	18,758
General rates farm / rural	6,631	7,293
General rates commercial / industrial	3,882	3,237
Municipal charge	3,307	3,194
Garbage charge	4,796	4,341
Interest on rates and charges	344	351
Special rates and charges	22	22
Revenue in lieu of rates	409	258
Total rates and charges	**39,351**	**37,454**

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2025 and the valuation was first applied in the rating year commencing 1 July 2025.

Annual rates and charges are recognised as income when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

Note 3 Funding for the delivery of our services (cont'd)	2026	2025
3.2 User fees	**$'000**	**$'000**
Aged services fees	4,796	4,402
Leisure centre fees	1,608	1,623
Colac livestock selling centre fees	494	720
Parking, animal control and local laws fees	313	330
Visitor information centre fees	156	178
Waste disposal fees	415	339
Council properties fees and rental	184	135
Other fees and charges	446	515
Childrens programs	108	62
Total user fees	**8,520**	**8,305**
User fees by timing of revenue recognition		
User fees recognised over time	108	62
User fees recognised at a point in time	8,412	8,243
Total user fees	**8,520**	**8,305**

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

3.3 Funding from other levels of government

Grants were received in respect of the following :

Summary of grants		
Commonwealth funded grants	18,987	18,331
State funded grants	6,267	3,779
Total grants received	**25,254**	**22,110**

Note 3	Funding for the delivery of our services (cont'd)	2026	2025
3.3	Funding from other levels of government (cont'd)	$'000	$'000
	(a) Operating Grants		
	Recurrent - Commonwealth Government		
	Financial assistance grant - untied base grant	7,600	8,233
	Financial assistance grant - local roads	4,768	5,215
	Aged and disability services	-	40
	Family and community services	266	265
	Diesel rebate scheme	70	253
	Public health	3	3
	Recurrent - State Government		
	Aged and disability services	4	1,095
	Maternal and child health	486	468
	Public health	37	161
	Environment and protection services	47	48
	Economic development	73	71
	Recreation and culture	95	117
	Total recurrent operating grants	**13,449**	**15,969**
	Non-recurrent - Commonwealth Government		
	Family and community services	-	7
	Non-recurrent - State Government		
	Aged and disability services	-	10
	Economic development	1,167	76
	Family and community services	2	6
	Strategic planning	1	63
	Emergency management	357	-
	Public health	178	105
	Recreation and culture	128	96
	Environment	419	115
	Total non-recurrent operating grants	**2,252**	**478**
	Total operating grants	**15,701**	**16,447**

Note 3	Funding for the delivery of our services (cont'd)	2026	2025
3.3	Funding from other levels of government (cont'd)	$'000	$'000
	(b) Capital Grants		
	Recurrent - Commonwealth Government		
	Roads to recovery	806	1,191
	Total recurrent capital grants	**806**	**1,191**
	Non-recurrent - Commonwealth Government		
	Roads	1,588	911
	Bridges	-	69
	Recreation and culture	207	311
	Buildings	253	900
	Drainage	577	162
	Footpaths and cycleways	-	411
	Environment and protection services	2,848	358
	Non-recurrent - State Government		
	Recreation and culture	121	467
	Port of Apollo Bay - Breakwall Remediation Project	-	420
	Roads	818	4
	Buildings	-	117
	Drainage	-	164
	Environment and protection services	2,278	-
	Footpaths and cycleways	57	176
	Total non-recurrent capital grants	**8,747**	**4,471**
	Total capital grants	**9,553**	**5,662**

(c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15 Revenue from Contracts with Customers* . When both these conditions are satisfied, the Council:
- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the point in time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income of Not-for-Profit Entities* .

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of unspent grants.

Note 3	Funding for the delivery of our services (cont'd)	2026	2025
3.3	Funding from other levels of government (cont'd)	$'000	$'000
	(d) Unspent grants received on condition that they be spent in a specific manner		
	Operating		
	Balance at start of year	1,347	1,660
	Received during the financial year and remained unspent at balance date	2,901	1,054
	Received in prior years and spent during the financial year	(2,545)	(1,367)
	Balance at year end	**1,703**	**1,347**
	Capital		
	Balance at start of year	2,079	2,864
	Received during the financial year and remained unspent at balance date	1,550	754
	Received in prior years and spent during the financial year	(2,217)	(1,539)
	Balance at year end	**1,412**	**2,079**

Unspent grants are determined and disclosed on a cash basis.

3.4 Contributions

Monetary	974	267
Non-monetary	4,092	2,845
Total contributions	**5,066**	**3,112**

Contributions of non monetary assets were received in relation to the following asset classes.

Drainage	2,263	1,104
Roads	1,365	1,339
Footpath	464	402
Total non-monetary contributions	**4,092**	**2,845**

Monetary and non monetary contributions are recognised as income at their fair value when Council obtains control over the contributed asset.

Note 4 The cost of delivering services	**2026**	**2025**
4.1 (a) Employee costs	**$'000**	**$'000**
Wages and salaries	17,899	17,286
Employee leave	2,437	2,644
Superannuation	2,690	2,491
Casual staff	1,329	1,380
Sick leave	851	726
WorkCover	810	722
Fringe benefits tax	150	181
Other employee benefits	117	95
Total employee costs	**26,283**	**25,525**

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	39	68
	39	**68**
Employer contributions payable at reporting date.	8	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,077	1,010
Employer contributions - other funds	1,574	1,413
	2,651	**2,423**
Employer contributions payable at reporting date.	290	-

Total superannuation costs	**2,690**	**2,491**

Contributions made exclude amounts accrued at balance date.

Most employees in the group are members of various accumulation funds including Vision Super, and other industry and retail funds. As of 30 June 2026, there were 4 employees in the defined benefit funds.

For 30 June 2026 the Vested Benefits Index (VBI) for the defined benefits fund is 116.9% and in a good financial position, and therefore it is expected that there will be no change to the Defined Benefit category's funding arrangements from prior years.

In the unlikely event that the Fund Actuary determines there is a shortfall, the Fund's participating employers would be required to make an employer contribution to cover the shortfall. It is anticipated any shortfall in subsequent years would be immaterial to the Council.

Note 4 The cost of delivering services (cont'd)	**2026**	**2025**
4.2 Materials and services	**$'000**	**$'000**
Contract Payments	11,458	10,829
Landfill rehabilitation	179	4,268
Materials	3,794	4,056
Subscriptions and memberships	2,813	2,643
Expensed Capital Works	-	461
Consultants	2,752	1,347
Utilities	1,170	1,212
Agency staff	857	1,268
Plant and equipment maintenance	478	255
Insurances	891	875
Legal costs	356	308
Training costs	470	464
Other	13	16
Hire costs	34	62
Permits	2	1
Total materials and services	**25,267**	**28,065**

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

4.3 Depreciation

Property	2,466	2,337
Plant and equipment	2,218	1,805
Infrastructure	11,211	11,098
Total depreciation	**15,895**	**15,240**

Refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.

4.4 Other expenses

Community grants and donations	787	706
Councillors' allowances	361	332
Emergency Management Operations	196	9
Rates and charges written off	49	41
Fire services levy	110	79
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	68	67
Auditors' remuneration - Internal audit	32	33
Animal registration levy	25	22
Royalties and commissions	6	8
Other	384	103
Total other expenses	**2,018**	**1,400**

Note 5 Investing in and financing our operations	2026	2025
5.1 Financial assets	$'000	$'000
(a) Cash and cash equivalents		
Cash on hand	4	3
Cash at bank	20,469	16,764
Total cash and cash equivalents	**20,473**	**16,767**
(b) Other financial assets		
Current		
Term deposits	21,000	17,000
Total other financial assets	**21,000**	**17,000**
Total cash and cash equivalents and other financial assets	**41,473**	**33,767**

Cash and cash equivalents include cash on hand and cash at bank.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Other financial assets include term deposits and those with original maturity dates of 3 to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

Note 5 Investing in and financing our operations (cont'd)	2026	2025
5.1 Financial assets (cont'd)	$'000	$'000
(c) Trade and other receivables		
Current		
Statutory receivables		
Rates Debtor	3,773	3,350
Government operating grants	-	144
Net GST receivable	10	24
Parking infringement debtor	122	114
Other infringements	206	186
Allowance for expected credit loss - infringements	(33)	(26)
Non-statutory receivables		
Other debtors	749	829
Allowance for expected credit loss - other debtors	(18)	(14)
Total current trade and other receivables	4,809	4,607
Non-current		
Statutory receivables		
Special Charge Scheme Debtor	44	42
Total non-current trade and other receivables	44	42
Total trade and other receivables	**4,853**	**4,649**

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

Note 5 Investing in and financing our operations (cont'd)	2026	2025
5.2 Payables, trust funds and deposits and contract and other liabilities	$ '000	$ '000
(a) Trade and other payables		
Current		
Non-statutory payables		
Trade payables	4,071	2,427
Accrued expenses	807	1,179
Total current trade and other payables	**4,878**	**3,606**
(b) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance - operating	1,703	1,347
Grants received in advance - capital	1,412	2,079
Other	-	5
Total contract liabilities	**3,115**	**3,431**

Contract liabilities
Contract liabilities reflect consideration received in advance from customers in respect of grants received in advance. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Note 5 Investing in and financing our operations (cont'd)

5.3 Provisions

	Employee	Landfill restoration	Total
2026	**$ '000**	**$ '000**	**$ '000**
Balance at beginning of the financial year	5,081	9,078	14,159
Additional provisions	1,888	319	2,207
Amounts used	(1,647)	(141)	(1,788)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(245)	21	(224)
Balance at the end of the financial year	**5,077**	**9,277**	**14,354**
Provisions - current	**4,605**	**141**	**4,746**
Provisions - non-current	**472**	**9,136**	**9,608**
2025			
Balance at beginning of the financial year	4,967	4,923	9,890
Additional provisions	1,687	4,405	6,092
Amounts used	(1,581)	(137)	(1,718)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	8	(113)	(104)
Balance at the end of the financial year	**5,081**	**9,078**	**14,159**
Provisions - current	**4,507**	**134**	**4,641**
Provisions - non-current	**574**	**8,944**	**9,518**

Note 5 Investing in and financing our operations (cont'd)	2026	2025
5.3 Provisions (cont'd)	$'000	$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,486	1,400
Long service leave	332	193
Time in lieu	166	150
	1,984	**1,743**
Current provisions expected to be wholly settled after 12 months		
Annual leave	329	549
Long service leave	2,292	2,215
	2,621	**2,764**
Total current employee provisions	**4,605**	**4,507**
Non-current		
Long service leave	472	574
Total non-current employee provisions	**472**	**574**
Aggregate carrying amount of employee provisions:		
Current	4,605	4,507
Non-current	472	574
Total aggregate carrying amount of employee	**5,077**	**5,081**

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:
- nominal value if the Council expects to wholly settle the liability within 12 months.
- present value if the Council does not expect to wholly settle within 12 months.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

Key assumptions:		
- discount rate	4.74%	4.20%
- index rate	4.15%	4.25%

Note 5	Investing in and financing our operations (cont'd)	2026	2025
5.3	**Provisions (cont'd)**	**$'000**	**$'000**
	(b) Landfill restoration		
	Current	141	134
	Non-current	9,136	8,944
		9,277	**9,078**

Council is obligated to restore various landfill sites to a particular standard, including Alvie, Birregurra, Barwon Downs, Forrest, Gellibrand, Colac (Wilson Street and Bruce Street), Beeac, Cressy and Marengo. The forecast life of the sites are based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.
Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.
Change in EPA requirements has resulted in an increase in associated costs, and an increase in provisions.

Key assumptions:		
- discount rate	5.04%	3.87%
- index rate (CPI)	3.70%	2.10%

Note 5 Investing in and financing our operations (cont'd)	**2026**	**2025**
5.4 Financing arrangements	**$'000**	**$'000**
The Council has the following funding arrangements in place as at 30 June 2026.		
Business Card Facility (balance cleared monthly)	50	50
Total facilities	50	50
Used facilities	-	-
Unused facilities	**50**	**50**

5.5 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

(a) Commitments for expenditure

2026	**Not later than 1 year**	**Later than 1 year and not later than 2 years**	**Later than 2 years and not later than 5 years**	**Later than 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Operating					
Garbage collection & Recycling	6,097	2,323	-	-	8,420
Open space management	252	174	-	-	426
Consultancies	294	32	-	-	326
Management of Parking enforcement and car parks	52	-	-	-	52
Cleaning contracts for council buildings	889	125	-	-	1,014
Information Technology	324	269	256	-	849
Total	**7,908**	**2,923**	**256**	**-**	**11,087**
Capital					
Roads	3,156	-	-	-	3,156
Drainage	39	-	-	-	39
Infrastructure	900	249	258	-	1,407
Total	**4,095**	**249**	**258**	**-**	**4,602**

Note 5 Investing in and financing our operations (cont'd)

5.5 Commitments

2025	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Operating					
Garbage Collection & Recycling	5,832	6,080	2,157	-	14,069
Consultancies	424	121	30		575
Cleaning contracts for council buildings	955	975	410	-	2,340
Information Technology	584	139	38		761
Total	**7,795**	**7,316**	**2,635**	**-**	**17,745**
Capital					
Roads	914	-	-	-	914
Drainage	35	-	-	-	35
Infrastructure	5,051	171	10	-	5,232
Total	**6,000**	**171**	**10**	**-**	**6,181**

5.6 Leases

At inception of a contract, Council would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- Council has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- Council has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Note 5 Investing in and financing our operations (cont'd)

5.6 Leases (cont'd)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Under *AASB 16 Leases* , Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Right-of-Use Assets	Land and Buildings	Plant and Equipment	Total
	$'000	**$'000**	**$'000**
Balance at 1 July 2025	2,753	27	2,780
Additions	-	-	-
Depreciation charge	(83)	(9)	(92)
Balance at 30 June 2026	**2,670**	**18**	**2,688**

The Colac Regional Library facility was reclassified at 1 July 2021 from land and buildings to a right-of-use asset and amortised following a review of the joint user agreement between Council and the Minister for Education.

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2025	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	Carrying amount 30 June 2026
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Property	148,800	-	-	-	(2,466)	(15)	-	2,058	148,377
Plant and equipment	7,610	-	-	-	(2,218)	(191)	-	3,026	8,227
Infrastructure	396,018	-	4,092	138,486	(11,211)	(438)	-	16,094	543,041
Work in progress	7,749	18,138	-	-	-	-	-	(21,178)	4,709
	560,176	18,138	4,092	138,486	(15,895)	(644)	-	-	704,354

Summary of Work in Progress	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	$'000	$'000	$'000	$'000	$'000
Property	2,031	1,816	-	(3,018)	829
Plant and equipment	456	3,127	-	(3,392)	191
Infrastructure	5,262	13,195	-	(14,768)	3,689
Total	7,749	18,138	-	(21,178)	4,709

(a) Property

	Land - specialised	Land - non-specialised	Land under roads	Total Land & Land Improvements	Buildings - specialised	Buildings - non-specialised	Total Buildings	Work In Progress	Total Property
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At fair value 1 July 2025	12,145	50,874	521	**63,539**	84,495	38,131	**122,626**	2,031	**188,196**
Accumulated depreciation at 1 July 2025	-	-	-	**-**	(27,623)	(9,742)	**(37,365)**	-	**(37,365)**
	12,145	50,874	521	**63,539**	56,872	28,389	**85,261**	2,031	**150,831**
Movements in fair value									
Additions	-	-	-	**-**	-	-	**-**	1,816	**1,816**
Disposal	-	-	-	**-**	-	(16)	**(16)**	-	**(16)**
Transfers	-	-		**-**	352	1,706	**2,058**	(3,018)	**(960)**
	-	-	-	**-**	352	1,690	**2,042**	(1,202)	**840**
Movements in accumulated depreciation									
Depreciation	-	-	-	**-**	(1,571)	(895)	**(2,466)**	-	**(2,466)**
Accumulated depreciation of disposals	-	-	-	**-**	-	1	**1**	-	**1**
	-	-	-	**-**	(1,571)	(894)	**(2,465)**	**-**	**(2,465)**
At fair value 30 June 2026	12,145	50,874	521	**63,539**	84,847	39,821	**124,668**	829	**189,036**
Accumulated depreciation at 30 June 2026	-	-	-	**-**	(29,194)	(10,636)	**(39,830)**	-	**(39,830)**
Carrying amount	**12,145**	**50,874**	**521**	**63,539**	**55,653**	**29,184**	**84,838**	**829**	**149,206**

Note 6 Assets we manage

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Work in Progress	Total plant and equipment
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
At fair value 1 July 2025	16,608	8,448	2,823	456	**28,336**
Accumulated depreciation at 1 July 2025	(11,365)	(6,837)	(2,069)	-	**(20,271)**
	5,243	1,611	755	456	**8,065**
Movements in fair value					
Additions	-	-	-	3,127	**3,127**
Disposal	(6,495)	(4)	-	-	**(6,499)**
Transfers	2,316	451	259	(3,392)	**(366)**
	(4,179)	447	259	(265)	**(3,737)**
Movements in accumulated depreciation					
Depreciation	(1,270)	(547)	(401)	-	**(2,218)**
Accumulated depreciation of disposals	6,304	4	-	-	**6,308**
	5,034	(543)	(401)	-	**4,090**
At fair value 30 June 2026	12,429	8,895	3,082	191	**24,597**
Accumulated depreciation at 30 June 2026	(6,331)	(7,380)	(2,470)		**(16,181)**
Carrying amount	**6,099**	**1,515**	**613**	**191**	**8,417**

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Other Infrastructure	Work In Progress	Total Infrastructure
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At fair value 1 July 2025	352,852	59,971	46,360	70,876	34,130	5,262	**569,450**
Accumulated depreciation at 1 July 2025	(94,610)	(25,693)	(12,114)	(27,472)	(8,282)	-	**(168,170)**
	258,242	34,278	34,246	43,404	25,848	5,262	**401,280**
Movements in fair value							
Additions	-	-	-	-	-	13,195	**13,196**
Contributions	1,365	-	464	2,263	-	-	**4,092**
Revaluation	259,010	-	-	-	-	-	**259,010**
Disposal	(659)	(80)	-	-	(36)	-	**(774)**
Transfers	6,614	337	1,033	4,111	4,000	(14,768)	**1,326**
	266,330	257	1,497	6,374	3,964	(1,573)	**276,850**
Movements in accumulated depreciation							
Depreciation	(7,788)	(775)	(679)	(731)	(1,238)	-	**(11,211)**
Revaluation movement	(120,524)	-	-	-	-	-	**(120,524)**
Accumulated depreciation of disposals	270	49	-	-	16	-	**336**
	(128,042)	(725)	(679)	(731)	(1,222)	-	**(131,399)**
At fair value 30 June 2026	619,182	60,229	47,857	77,250	38,095	3,689	**846,301**
Accumulated depreciation at 30 June 2026	(222,651)	(26,419)	(12,793)	(28,203)	(9,504)	-	**(299,570)**
Carrying amount	396,530	33,811	35,063	49,048	28,591	3,689	**546,731**

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont'd)

Acquisition

Initial measurement

Council initially measures its property, infrastructure, plant and equipment assets at cost. The cost of an acquired asset is the fair value of the consideration that Council has provided at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Asset recognition thresholds and depreciation periods	Depreciation Period	Threshold Limit $'000
Land		
land	-	-
land under roads	-	-
land improvements	-	5
Buildings		
heritage buildings	90 - 180 years	10
buildings	10 - 120 years	10
shelters	10 - 90 years	10
building improvements	10 - 180 years	10
leasehold improvements	10 - 180 years	10
Plant and Equipment		
Furniture		
art work	0 - 100 years	4
indoor furniture	5 - 30 years	4
Plant		
heritage plant and equipment	-	10
fixed plant, machinery and equipment	3 - 50 years	10
fleet (vehicles)	3 - 30 years	10
major plant	3 - 50 years	10
minor plant	3 - 10 years	4

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont'd)

	Depreciation Period	Threshold Limit $'000
Asset recognition thresholds and depreciation periods		
Equipment		
appliances	3 - 60 years	4
fixed equipment / fixtures and fittings	5 - 55 years	4
computers and telecommunications	3 - 21 years	4
leased plant and equipment	-	4
Infrastructure		
Roads		
road and tarmac formation and earthworks	-	10
road and tarmac pavements	10 - 100 years	10
road and tarmac seals	10 - 80 years	10
road and tarmac kerb, channel and minor culverts	45 - 80 years	2.5
footpaths and cycleways	15 - 50 years	2.5
Bridges		
bridges deck	10 - 90 years	10
bridges substructure	10 - 90 years	10
bridges major culverts	50 - 90 years	10
Drainage		
open drainage network	10 - 100 years	10
pit and pipe network	40 - 100 years	10
water retention structures	80 - 100 years	10
Other Infrastructure		
gardens and landscaping	5 - 50 years	10
playing surfaces	10 - 50 years	10
retaining structures	10 - 70 years	10
other structures	25 - 100 years	10
aerodromes	25 - 100 years	10
playgrounds	10 - 50 years	10
sports ancillaries	10 - 40 years	4
fences and barriers	10 - 40 years	4
surfaces	10 - 60 years	10
signs & signposts	10 - 40 years	4
guard rails	10 - 40 years	5
lighting & electrical	10 - 40 years	4
irrigation	10 - 60 years	4
public art and monuments	10 - 70 years	4
outdoor furniture and accessories (e.g. bins, drinking fountains, fitness equipment, bike racks)	10 - 40 years	4
Intangible assets		
software	5 years	4

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont'd)

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of land and buildings

An Indexed based valuation was conducted in 2024-25, for the buildings class of assets, by Azura Keys Pty Ltd - Robert Uebergang (BE (Civil); BSc (Geol); Dip URP; IPWEA Professional Certificate in Asset Management Planning; IPWEA Professional Certificate in Infrastructure Financial Management; Registered Professional Engineer Victoria (PE0005344); Registered Professional Engineer of Queensland (RPEQ 20728). This valuation was based on an indexation amount of + 8.50 percent. This amount represents the average change in the Non- Residential Building Construction Index (Class 3020, ABS, Victoria) of 2.90% and the application of changes in AASB13 being an increase in building unit rates of 5.60%. This indexation had a result of increasing building assets by $6.72 million. This class is next scheduled for full revaluation in the 2027-28 year.

A valuation of land under roads was undertaken as at 31 March 2024 utilising an average indexation in line with the land asset class be applied from the revaluation process from that year consider to be a reasonable basis for its fair value.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement. Revaluation for land and buildings will be undertaken in the 2027/2028 year.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont'd)

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2026 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land	-	50,874	-	31/03/2024	Full
Specialised land / land under roads	-	-	12,666	31/03/2024	Indexed
Buildings	-	29,184	55,653	31/03/2025	Indexed
Total	-	80,058	68,319		

Valuation of other infrastructure

A full valuation of other infrastructure assets was carried out at 31st March 2025 by independent valuers Rapid Map Services Pty Ltd and Azura Keys Pty Ltd - Robert Uebergang (BE (Civil); BSc (Geol); Dip URP; IPWEA Professional Certificate in Asset Management Planning; IPWEA Professional Certificate in Infrastructure Financial Management; Registered Professional Engineer Victoria (PE0005344); Registered Professional Engineer of Queensland (RPEQ 20728). A full valuation of Bridge assets was undertaken by Tasman Associates Pty Ltd - Michael Littlefair B Eng. Civil (RPEQ 33377), NER registration Number 642767.

Revaluations on footpaths and drainage assets where undertaken by Azura Keys Pty Ltd - Robert Uebergang (BE (Civil); BSc (Geol); Dip URP; IPWEA Professional Certificate in Asset Management Planning; IPWEA Professional Certificate in Infrastructure Financial Management; Registered Professional Engineer Victoria (PE0005344); Registered Professional Engineer of Queensland (RPEQ 20728) as at 30/6/2023. Footpaths and Drainage are to be revalued in 2026-27 year.

A full revaluation for roads was undertaken as at 31st March 2026 by independant valuers Shepherd Services - Steven Forbes (BE (Civil); BSc (Geol); Dip URP; IPWEA Professional Certificate in Asset Management Planning; Registered Professional Engineer of Queensland (RPEQ 27665).

The asset revaluations undertaken through 2025-26 had the impact of increasing the Roads class by $138.49 million . The date and type of the current valuation for infrastructure is detailed in the below table.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2026 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	396,530	31/03/2026	Full
Bridges	-	-	33,811	31/03/2025	Full
Footpaths and cycleways	-	-	35,063	30/06/2023	Full
Drainage	-	-	49,048	30/06/2023	Full
Other infrastructure	-	-	28,591	31/03/2025	Full
Total	-	-	543,043		

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont'd)

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from $217 to $12,695 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 years to 180 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 5 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2026	2025
Reconciliation of specialised land	**$'000**	**$'000**
Land under roads	521	521
Parks and reserves	12,145	12,145
Total specialised land	**12,666**	**12,666**

Note 6 Assets we manage	**2026**	**2025**
6.2 Investments in associates, joint arrangements and subsidiaries	**$'000**	**$'000**

(a) Investments in associates

Investments in associates accounted for by the equity method are:

- Geelong Regional Library Corporation

Geelong Regional Library Corporation

Background

At the 1 July 2021 the Council transitioned to the Geelong Regional Library Corporation by agreement with 5 member councils, the results of this are shown below.

The Geelong Regional Library Corporation is a corporation owned by 5 councils: Borough of Queenscliff, City of Greater Geelong, Colac Otway Shire, Golden Plains Shire and Surf Coast Shire. Colac Otway Shire has a 1.36% equity interest.

Fair value of Council's investment in Geelong Regional Library	**243**	**243**
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated deficit at start of year	(1)	(1)
Council's share of accumulated deficit at end of year	**(1)**	**(1)**
Movement in carrying value of specific investment		
Carrying value of investment at start of year	243	218
Change in equity share due to population change	-	25
Carrying value of investment at end of year	**243**	**243**

Significant restrictions

The associate is not required to repay dividends, loans or advances to Council.

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Note 6 Assets we manage	2026	2025
6.2 Investments in associates, joint arrangements and subsidiaries	$'000	$'000

(b) Joint operations

Colac Community Library and Learning Centre

Background

The Colac Community Library and Learning Centre is a joint operation between the Colac Otway Shire and Victorian Department of Education and Early Childhood Development and the Colac Secondary College, which results in Colac Otway Shire legally contributing 50% of the assets.
The operation's purpose is to construct and operate a joint use library facility.
Council's commitment to the venture is limited to providing a contribution to the construction and fitout costs. Council's share is 50% of costs.

Council accounts for its interests in the joint operation by applying the proportionate consolidation method and by combining Council's share of each of the assets, liabilities, incomes and expenses of the jointly controlled entity with similar items line by line in council's financial statements.

Council's share of accumulated surplus/(deficit)

Council is not entitled to a share of any accumulated surplus or deficit.

Council's share of reserves

Council is not entitled to a share of any reserves.

Movement in carrying value of specific investment

Carrying value of investment at start of year	2,460	2,535
Depreciation/Amortisation	(75)	(75)
Carrying value of investment at end of year	**2,385**	**2,460**

Council's share of expenditure commitments

Council is not exposed to any further expenditure commitments.

Council's share of contingent liabilities and contingent assets

There are no known contingencies outstanding as at 30 June 2026.

Significant restrictions

The joint venture is not required to repay dividends, loans or advances to Council.

Note 7 People and relationships	2026	2025
7.1 Council and key management remuneration	No.	No.

(a) Related Parties

Parent entity

Colac Otway Shire Council is the parent entity.

Associates

Interests in associates are detailed in Note 6.2.

(b) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Colac Otway Shire Council. The Councillors, Chief Executive Officer and General Managers are deemed KMP.

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors

Councillor Jason Schram - Mayor	(01/07/25 to 30/06/26)
Councillor Phil Howard - Deputy Mayor	(01/07/25 to 30/06/26)
Councillor Charlie Buchanan	(01/07/25 to 30/06/26)
Councillor Chris Potter	(01/07/25 to 30/06/26)
Councillor Chrissy De Deugd	(01/07/25 to 30/06/26)
Councillor Mick McCrickard	(01/07/25 to 30/06/26)
Councillor Zoe Hudgell	(01/07/25 to 30/06/26)

Chief Executive Officer and other Key Management Personnel

Chief Executive Officer - Andrew Tenni	(01/07/25 to 30/06/26)
General Manager Infrastructure and Environment - Doug McNeill	(01/07/25 to 30/06/26)
General Manager Community and Economy - Ian Seuren	(01/07/25 to 30/06/26)
General Manager Corporate Services - Emma Lowes	(05/01/26 to 30/06/26)
General Manager Corporate Services - David Butterfield	(17/11/25 to 02/01/26)
General Manager Corporate Services - Danny Milincic	(27/10/25 to 14/11/25)
General Manager Corporate Services - Rikk Price	(26/09/25 to 24/10/25)
General Manger Corporate Services - Martin Cutter	(16/07/25 to 25/09/25)
Manager Customer and Communications - Steve O'Dowd	(01/07/25 to 30/06/26)
Executive Officer Governance - Anita Craven	(01/07/25 to 30/06/26)

Total Number of Councillors	7	13
Total of Chief Executive Officer and other Key Management Personnel	10	4
Total Number of Key Management Personnel	**17**	**17**

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Note 7	People and relationships	2026	2025
7.1	**Council and key management remuneration (cont'd)**	**$'000**	**$'000**

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

Total remuneration of Key Management Personnel was as follows:		
Short-term employee benefits	1,532	1,257
Other long-term employee benefits	(4)	(147)
Post-employment benefits	138	136
Termination benefits	21	15
Total	**1,686**	**1,261**

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
$0 - $9,999	-	1
$10,000 - $19,999	-	4
$20,000 - $29,999	-	3
$30,000 - $39,999	5	3
$40,000 - $49,999	-	1
$60,000 - $69,999	2	-
$70,000 - $79,999	-	1
$110,000 - $119,999	3	-
$120,000 - $129,999	1	-
$160,000 - $169,999	-	1
$190,000 - $199,999	3	-
$220,000 - $229,999	1	1
$240,000 - $249,999	-	1
$250,000 - $259,999	1	-
$270,000 - $279,999	-	1
$330,000 - $339,000	1	-
Total	**17**	**17**

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds $170,000 and who report directly to a member of the KMP.

Total remuneration of other senior staff was as follows:		
Short-term employee benefits	1,366	1,001
Other long-term employee benefits	191	24
Post-employment benefits	151	105
Total	**1,708**	**1,130**

Note 7 People and relationships

7.1 Council and key management remuneration (cont'd)

The number of other senior staff are shown below in their relevant income bands:

Income Range:	2026 No.	2025 No.
$170,000 - $179,999	-	1
$180,000 - $189,999	1	2
$190,000 - $199,999	2	3
$200,000 - $209,999	1	-
$210,000 - $219,999	1	-
$230,000 - $239,000	2	-
$240,000 - $249,999	1	-
Total	**8**	**6**

7.2 Related party disclosure

(a) Transactions with related parties

The following is the aggregate amount of transactions with Investments in associates.	$'000	$'000
Payments made to Geelong Regional Library Corporation	885	859

All transactions Council enter into with related parties are undertaken on commercial terms, within Council Policy.

(b) Outstanding balances with related parties

At the end of period, Council had no outstanding balances with related parties.

(c) Loans to/from related parties

There are no loans in existence at balance date that have been made, guaranteed or secured by the Council to any related parties.

(d) Commitments to/from related parties

There are no commitments in existence at balance date that have been made, guaranteed or secured by the Council to a related party.

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

(a) Contingent assets

Contingent assets are:

- possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council. At balance date Council has no contingent Assets

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
    - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
    - the amount of the obligation cannot be measured with sufficient reliability.

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Aging Well Service

In September of 2021 the method by which the Federal government funds Council's Aging well service (previously known as Older Persons & Ability Support Services) changed from an instalment in advance model to that of monthly reimbursement of individual plans. At the time of change to the funding method, several Aging Well accounts were in surplus. This surplus is reported to the Federal Government on a monthly basis and has reduced over time as participating members draw down on their funds or leave the scheme. At balance date, these unspent funds were $198,917.

(c) Guarantees for loans to other entities

Council has no guarantees in place for loans to other entities.

Note 8 Managing uncertainties (cont'd)

8.2 Australian accounting standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period. Council assesses the impact of these new standards.

The Australian Accounting Standards Board (AASB) has issued AASB 18 *Presentation and Disclosure in Financial Statements* . When applicable AASB 18 supersedes AASB 101 *Presentation of Financial Statements* . AASB 18 aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. It is expected to result in presentation and disclosure changes, primarily to Council's Comprehensive Income Statement. AASB 18 is expected to first apply to Council for the 2028-29 financial year.

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Note 8 Managing uncertainties (cont'd)

8.3 Financial instruments (cont'd)

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020* . Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any allowance for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

Note 8 Managing uncertainties (cont'd)

8.3 Financial instruments (cont'd)

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 2.50% and -2.50% in market interest rates (AUD) from year-end rates of 3.85%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Note 8 Managing uncertainties (cont'd)

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 *Fair value measurement* , aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Note 8 Managing uncertainties (cont'd)

8.4 Fair value measurement (cont'd)

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced Council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class	**Revaluation frequency**
Land	1 to 3 years
Buildings	1 to 3 years
Roads	1 to 3 years
Footpaths and cycleways	1 to 3 years
Bridges	1 to 3 years
Drainage	1 to 3 years
Other infrastructure	1 to 3 years

Where the assets are revalued, the revaluation increases are credited directly to the asset revaluation reserve except to the extent that an increase reverses a prior year decrease for that class of asset that had been recognised as an expense in which case the increase is recognised as revenue up to the amount of the expense. Revaluation decreases are recognised as an expense except where prior increases are included in the asset revaluation reserve for that class of asset in which case the decrease is taken to the reserve to the extent of the remaining increases. Within the same class of assets, revaluation increases and decreases within the year are offset.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset. The impairment policy above does not apply to Council's property, infrastructure, specialised buildings and other non-current physical assets subsequently measured at fair value. These are primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity. Their recoverable amount is expected to be materially the same as fair value determined under *AASB 13 Fair Value Measurement* , with the consequence that *AASB 136 Impairment of Assets* does not apply to such assets that are regularly revalued.

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Note 9 Other matters

9.1 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
(a) Asset revaluation reserves	**$'000**	**$'000**	**$'000**
2026			
Property			
Land	56,037	-	56,037
Buildings	59,593	-	59,593
	115,630	-	115,630
Plant and Equipment			
Fixed plant, furniture and equipment	293	-	293
	293	-	293
Infrastructure			
Roads	199,232	138,486	337,716
Bridges	31,368	-	31,368
Footpaths and cycleways	21,058	-	21,059
Kerb and channelling	11,619	-	11,620
Other Infrastructure	16,451	-	16,451
Drainage	22,664	-	22,664
	302,392	138,486	440,878
Total asset revaluation reserves	**418,315**	**138,486**	**556,801**
2025			
Property			
Land	56,037	-	56,037
Buildings	52,866	6,727	59,593
	108,903	6,727	115,630
Plant and Equipment			
Fixed plant, furniture and equipment	293	-	293
	293	-	293
Infrastructure			
Roads	199,232	-	199,232
Bridges	21,649	9,719	31,368
Footpaths and cycleways	21,058	-	21,058
Kerb and channelling	11,619	-	11,619
Other Infrastructure	1,709	14,742	16,451
Drainage	22,664	-	22,664
	277,931	24,461	302,392
Total asset revaluation reserves	**387,127**	**31,188**	**418,315**

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Note 9 Other matters (cont'd)

9.1 Reserves (cont'd)

(b) Other reserves	**Balance at beginning of reporting period $'000**	**Transfer from accumulated surplus $'000**	**Transfer to accumulated surplus $'000**	**Balance at end of reporting period $'000**
2026				
Carried Forward Projects	8,678	11,047	(8,678)	11,047
Waste Management	2,071	75	(70)	2,076
Long Service Leave	2,822	3,062	(2,906)	2,978
Landfill rehabilitation (Alvie)	886	464	(55)	1,295
Recreational lands	2,059	909	(65)	2,903
Colac livestock selling centre	140	494	(634)	-
Rehabilitation	1,070	-	(85)	985
Plant replacement	3,228	2,289	(2,348)	3,169
Tirrengower Drainage Scheme	74	23	(15)	82
Water Saving Urban Design	88	-	-	88
Strategic Projects	2,236	-	(1,800)	436
Financial Assistance Grants received in advance	4,629	7,801	(4,629)	7,801
Total Other reserves	**27,981**	**26,164**	**(21,285)**	**32,860**
2025				
Carried Forward Projects	7,045	8,678	(7,045)	8,678
Port of Apollo Bay	819	-	(819)	-
Waste Management	1,704	4,785	(4,418)	2,071
Long Service Leave	2,934	2,982	(3,094)	2,822
Landfill rehabilitation (Alvie)	978	-	(92)	886
Recreational lands	1,830	229	-	2,059
Colac livestock selling centre	99	721	(680)	140
Rehabilitation	1,115	-	(45)	1,070
Plant replacement	2,752	2,297	(1,821)	3,228
Tirrengower Drainage Scheme	76	22	(24)	74
Water Saving Urban Design	85	3	-	88
Strategic Projects	2,236	-	-	2,236
Financial Assistance Grants received in advance	-	4,629	-	4,629
Total Other reserves	**21,672**	**24,346**	**(18,038)**	**27,981**

Note 9 Other matters (cont'd)

9.1 Reserves (cont'd)

Purposes for Reserves

Carried forward projects reserve

This reserve is to recognise the funds allocated and received in prior financial periods that are committed to unfinished projects. This includes grants received in advance for specific projects and funds allocated from prior financial years for projects that are still incomplete at the end of the current financial year.

Port of Apollo Bay reserve

These funds are bound by an agreement with the Department of Transport concerning the operations of the Port of Apollo Bay and are the value of cash assets owed.

Waste Management reserve

This reserve was set up as a source of funding the replacement of kerbside bins. All funds in this reserve are collected from the waste collection service charge and are to be used only in connection with the waste collection service.

Long service leave reserve

The purpose of this reserve is to ensure that the nominal long service leave balances owing to employees are maintained.

Landfill rehabilitation (Alvie) reserve

This reserve relates to the funds required to restore the Alvie landfill. The rehabilitation reserve will continue to grow until the Alvie landfill closes, at which time, the funds will be utilised to meet this obligation.

Recreational lands reserve

Statutory reserve to be used for the development of recreational reserves and public open space.

Colac livestock selling centre reserve

This reserve is for the purpose of funding works at the Colac Livestock Selling Centre and all funds are derived from any surplus made from the operations of the Colac Livestock Selling Centre.

Rehabilitation reserve

This reserve is to fund the rehabilitation of the various waste disposal sites across the Colac Otway Shire.

Plant replacement reserve

This reserve is to fund the replacement of Council's plant at the end of their useful lives. Inflows to the reserve accrue out of any plant operating surplus with the funds then being used for the changeover of plant.

Tirrengower Drainage Scheme reserve

These funds are collected via a special rate and must be expended against the purpose of the drainage scheme at Tirrengower.

Water Saving Urban Design reserve

The purpose of this reserve is for the construction of future water quality infrastructure.

Note 9	**Other matters (cont'd)**	**2026**	**2025**
9.1	**Reserves (cont'd)**	**$'000**	**$'000**

Strategic Projects Reserve

The purpose of this reserve is for strategic projects and acquisitions of new or expanded assets that are of an intergenerational nature.

Financial Assistance Grants received in advance

The purpose of this reserve is to set aside any Commonwealth Financial Assistance Grant funding received in advance of its intended allocation.

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

Surplus for the year	11,685	2,081
Non-cash adjustments:		
Landfill rehabilitation movement	199	4,155
Depreciation	15,988	15,341
Finance costs	-	32
Share of net profits of associate	-	(25)
Loss on disposal of property, infrastructure, plant and equipment	109	1,695
Contributions - non monetary assets	(4,092)	(2,845)
Change in assets and liabilities:		
Increase in trade and other receivables	(203)	(676)
Increase in prepayments	(577)	(257)
Decrease in accrued income	-	145
(Decrease)/increase in trade and other payables	1,218	(488)
Decrease in contract and other liabilities	(261)	(1,093)
Increase in inventories	(14)	(41)
(Decrease)/Increase in trust funds & deposits	1,260	(291)
(Decrease)/Increase in employee provisions	(4)	114
Net cash provided by operating activities	**25,309**	**17,847**

Note 10 Change in accounting policy

There have been no changes to accounting policies in the 2025-26 year.



Colac Otway
SHIRE

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Colac Customer Service Centre
2-6 Rae Street, Colac
Open: Monday - Friday 8:30am - 5pm

Apollo Bay Customer Service Centre
100 Great Ocean Road, Apollo Bay
Open: 7-days a week, 9am - 5pm

For callers who have a hearing, speech or communication impairment, and for text telephone or modem callers, use our National Relay Service on 133677

Item: 7.3

Endorsement of Project for 2026-27 Road Sealing Program

OFFICER	Kanishka Gunasekara
GENERAL MANAGER	Doug McNeill
DIVISION	Infrastructure and Environment
ATTACHMENTS	Nil

1. PURPOSE

To nominate a gravel road to seal under the 2026-27 Road Sealing Program.

2. EXECUTIVE SUMMARY

Council allocated $474,000 in the 2026-27 budget for a Road Sealing Program. Following adoption of the Road Upgrade Policy, eligible unsealed roads were assessed against the policy's evidence-based criteria to identify the highest-priority candidates.

A 727m section of Harris Road between Sinclair Street South and Irrewillipe Road ranked first, scoring 72.67 out of 100. The road services a growing residential area at Elliminyt, carries approximately 144 vehicles per day and requires regular maintenance because of pavement deterioration. Its assessment was also supported by lifecycle cost benefits, existing traffic volumes and future growth potential.

The preliminary estimate to reconstruct and seal the full section of Harris Road is $703,154, exceeding the available budget by $229,000. Geotechnical investigations and detailed design are required to confirm the pavement treatment and refine the funding requirement. If the allocated funding is insufficient, the scope of the project will be scaled to fit within the approved funding (ie defer part of the project to a future time), prioritising the section closest to Elliminyt.

3. RECOMMENDATION

That Council:

1. ***Notes the options for sealing gravel roads assessed against the 2026-27 Road Upgrade Policy and that the 727m section of Harris Road between Sinclair Street South and Irrewillipe Road was the highest-ranked.***
2. ***Endorses Harris Road as the preferred project for further investigation, geotechnical testing and detailed design, based on its highest ranking against the criteria outlined in Council's Road Upgrade Policy.***
3. ***Notes the preliminary estimated cost of $703,154 exceeds the available 2026-27 budget allocation of $474,000 and that the final scope of the road to be sealed will be scaled to fit within the budget allocation.***

4. KEY INFORMATION

Council manages approximately 1,061 kilometres of unsealed roads supporting rural communities, agriculture, tourism and emergency access. Requests for road sealing have increased due to concerns about dust, safety, maintenance, wet-weather access and residential amenity.

Council adopted the Road Upgrade Policy on 25 August 2026 following public exhibition and consideration of community submissions. The policy establishes a clear, transparent and evidence-based framework for assessing and prioritising upgrades to unsealed roads across the municipality.

Council allocated $474,000 in the 2026-27 budget to seal an unsealed road without nominating a project as the Road Upgrade Policy was still in draft at the time. Officers have now assessed eligible roads against the Road Upgrade Policy criteria of:

- Traffic volume
- Properties serviced
- Lifecycle cost benefit
- Recorded crash history and verified safety risks
- Road hierarchy
- Future growth potential
- Traffic diversion risks

Figure 1 presents the top 20 unsealed road candidates identified through the prioritisation matrix.

A 727m section of Harris Road between Sinclair Street South and Irrewillipe Road ranked first, scoring 72.67 out of 100. The aerial image below identifies the location.



Figure 1: Harris Road: 727 m unsealed road section identified as the top-ranked project in the Road Upgrade Priority List

PRIORITY NUMBER	ROAD NAME	FROM STREET	TO STREET	LOCALITY	SEGMENT ID	LENGTH	COST OF UPGRADE	SCORE
1	Harris Road	Change of Seal	Change of Seal	Elliminyt	16887	727	$ 703,154	72.67
2	Back Larpent Road	Larpent Road	375 Back Larpent Road	Larpent	16300	1692	$ 1,636,502	58.33
3	Cants Road	Aireys Street	Neale Street	Elliminyt	16830	317	$ 306,602	58.33
4	Cants Road	Pound Road	Aireys Street	Elliminyt	16827	500	$ 483,600	57.83
5	Cants Road	Hearn Street	Pound Road	Colac	16823	418	$ 404,290	57.83
6	Karingal Drive	Dunoon Road	31 Karingal Drive	Wye River	19751	470	$ 454,584	57.33
7	Carlisle Gellibrand Road	Carlisle Gellibrand Road	Carlisle Gellibrand Road	Carlisle River	17342	2000	$ 1,934,400	57.33
8	Forest Street South	Change of Seal	Shorts Road	Elliminyt	18728	1647	$ 1,592,978	57.33
9	Barham River Road	Change of Seal	1088 Barham River Road	Apollo Bay	16543	2580	$ 2,495,376	56.33
10	Maggios Road	Maggios Road	Colac Lavers Hill Road (South Junction)	Barongarook	18874	1209	$ 1,169,345	56.33
11	Creamery Road	Birregurra Forrest Road	James Road	Barwon Downs	21804	1390	$ 1,344,408	56.33
12	Binns Road	Great Ocean Road	Binns Road	Glenaire	24323	2500	$ 2,418,000	56.33
13	Bull Hill Road	Kawarren East Road	Campiglis Road	Kawarren	16610	1282	$ 1,239,950	55.33
14	Pierces Road	Weering School Road	155 Pierces Road	Weering	21229	1860	$ 1,798,992	55.33
15	Barham River Road	1088 Barham River Road	1145 Barham River Road	Apollo Bay	16546	550	$ 531,960	55.33
16	Carlisle Gellibrand Road	Carlisle Gellibrand Road	Change of Seal	Carlisle River	17315	2445	$ 2,364,804	55.33
17	Carlisle Gellibrand Road	Bunker Hill Track	Carlisle Gellibrand Road	Carlisle River	17336	2000	$ 1,934,400	55.33
18	Carlisle Gellibrand Road	Carlisle Gellibrand Road	Carlisle Gellibrand Road	Carlisle River	17339	2000	$ 1,934,400	55.33
19	Kaanglang Road	245 Kaanglang Road	Lake Elizabeth Track	Barramunga	19805	1452	$ 1,404,374	54.33

Choice of Road

Harris Road is the preferred option, scoring 72.7 out of 100. This is above Black Larpent Road at 58.3 and three Cants Road sections scoring between 57 and 58. Harris Road services a growing residential area at Elliminyt. Its strongest assessment factors were:

- The long-term benefit of upgrading the road relative to the ongoing cost of annual maintenance over its service life.
- Existing traffic volumes.
- Future growth potential within the surrounding area.

Although few dwellings abut this section of road, Council has received regular complaints from an adjoining owner about dust and poor road condition associated with traffic, including trucks, using the route from rural areas south-west of Colac into Elliminyt. Harris Road carries approximately 144 vehicles per day, and Council's road maintenance teams regularly attend the site because of pavement deterioration.

Black Larpent Road, the second-ranked candidate, has an estimated construction cost of $1.64 million, significantly above the available budget. The identified Cants Road sections would fit within the budget and would also address regular resident complaints about dust-related health and amenity impacts.



Figure 3: Back Larpent Road 1.69 km of unsealed road identified as the second-highest priority project in the Road Upgrade Priority List

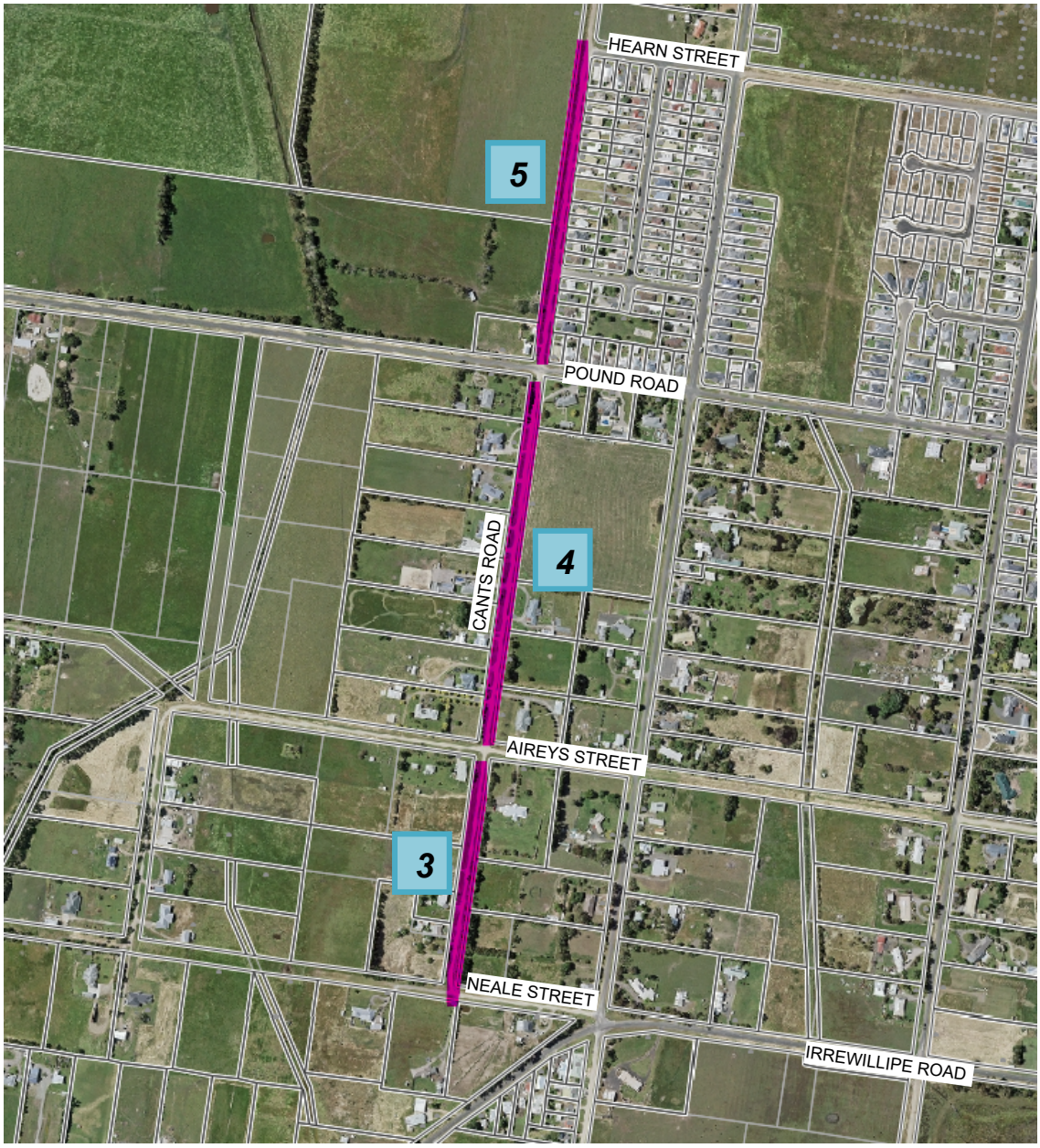


Figure 4: Cants Road unsealed road sections ranked 3rd, 4th, and 5th in the Road Upgrade Priority List.

Budget Consideration

The preliminary Harris Road estimate of $703,154 exceeds the available budget by $229,000. It assumes a conservative pavement depth and includes an initial seal followed by a final seal 12 months later. Geotechnical investigations are required to confirm pavement depth and treatment. The funding requirement will be refined after geotechnical investigations and detailed road design. Should the final project cost exceed the allocated amount, the length of road to be sealed would be scaled to meet the available budget, prioritising the section closest to Elliminyt. There is no guarantee of funding for this program beyond the current year.

5. CONSIDERATIONS

Overarching Governance Principles (s(9)(2) *LGA 2020*)

Council has recently endorsed a Road Upgrade Policy to support the sealing of unsealed roads and the widening of urban and rural roads. The policy seeks to progressively enhance the level of service provided to the community through a combination of Council funding and, where appropriate, community co-contributions, while maintaining Council's long-term financial sustainability. The decision to endorse a specific project using allocated budget funding is being made in a public meeting to ensure transparency.

Policies and Relevant Law (s(9)(2)(a) *LGA 2020*)

The Road Upgrade Policy is most relevant to this report and has been used to guide the assessment and recommendation.

Environmental and Sustainability Implications (s(9)(2)(c) *LGA 2020*

Sealing an unsealed road will improve the safety and environmental issues related to dust generated from gravel roads.

Community Engagement (s56 *LGA 2020 and Council's Community Engagement Policy*)

Extensive community engagement was undertaken during the development of the Road Upgrade Policy. Engagement on the current decision is not required as the policy criteria is being used to guide decision making.

Public Transparency (s58 *LGA 2020)*

The selection of road(s) for sealing will be considered and determined by Council at a public Council Meeting, ensuring the decision-making process is transparent and publicly accountable.

Alignment to Plans and Strategies

Alignment to Council Plan 2025-2029:
Theme 1 - PLACE
1.3 - Make it safe and easy to get around the Shire

Theme 2 - PEOPLE
3.2 - Make well-informed, transparent decisions for the betterment of the community through best-practice governance

Financial Management (s101 *Local Government Act 2020)*

Council has allocated $474,000 in the 2026-27 budget for the Road Sealing Program but has not yet allocated the funds to a particular project. It is unknown whether funding for sealing unsealed roads will be allocated in future years.

Service Performance (s106 *Local Government Act 2020)*

The proposed project will enhance the level of service provided to the community through improved road conditions, reduced dust emissions, and the resulting benefits to public health, safety, and local amenity. Sealing will reduce the annual maintenance cost to Council responding to dust, pot holes and corrugations on this road.

Risk Assessment

Not Applicable.

Communication/Implementation

Council's decision will be promoted publicly following the Council meeting.

Human Rights Charter

No Impact.

Officer General or Material Interest

No officer declared an interest under the *Local Government Act 2020* in the preparation of this report.

Options

Option 1 – Endorse Harris Road as the preferred option for sealing under the 2026-27 Road Sealing Program
This option is recommended by officers because Harris Road was the highest-ranked eligible candidate under the Road Upgrade Policy. Further investigation, geotechnical testing and detailed design will confirm the appropriate pavement treatment, refine the estimated cost and determine whether the full length can be sealed or whether the length is reduced to fit the budget.

Option 2 – Endorse an alternative road for the 2026-27 Road Sealing Program
This option is not recommended by officers as it would depart from the evidence-based prioritisation undertaken under the Road Upgrade Policy. Although other candidates may be deliverable within the current budget, they ranked lower than Harris Road.

Option 3 – Do not endorse a road for sealing in the 2026-27 Road Sealing Program
This option is not recommended by officers because it would delay the delivery of an unsealed road sealing project and create a significant risk that the project would not be completed within the 2026-27 financial year.

Item: 7.4

Award of Contract 2714 – Sealed Road Major Patching Program

OFFICER	Samandeep Kaur
GENERAL MANAGER	Doug McNeill
DIVISION	Infrastructure and Environment
ATTACHMENTS	Nil

1. PURPOSE

To consider the award of Contract 2714 relating to Council's Sealed Road Major Patching Program.

2. EXECUTIVE SUMMARY

Council has identified roads requiring significant patching to prevent deterioration of underlying pavement layers through its 2026–27 Major Patch Program. A Request for Tender (RFT) to deliver this program was advertised from 14 August to 9 September 2026 and seven submissions were received.

The recommended tenderer provided a high-quality submission demonstrating good value for money, good understanding of the project requirements, adequate experience on similar projects and availability of suitable plant and resources to carry out the works under contract. The recommended contractor has carried out similar roadworks in the past and demonstrated the capability to undertake the works within the available budget.

Authorisation to sought from Council to award the contract to the recommended tenderer.

3. RECOMMENDATION

That Council:

1. ***Awards Contract 2714 – Sealed Road Major Patching Program to Tenderer No.7 (as listed in the confidential attachment to this report).***
2. ***Authorises the Chief Executive Officer to sign the contract following award of Contract 2714 – Sealed Road Major Patching Program.***
3. ***Authorises the Chief Executive Officer to perform all roles of the Principal.***
4. ***Nominates the General Manager Community and Economy to the role of Superintendent for the Contract and the Project Manager to the role of Superintendent's Representative.***
5. ***Notes the unsuccessful tenderers will be advised of the outcome of the tender process and the successful tenderer and the contract price will be listed on Council's website.***

4. KEY INFORMATION

Council's annual Sealed Road Major Patching program ensures that a continuous investment in Council's sealed road network is achieved in an affordable and practicable manner aligned with Council's Asset Plan.

The identified sections of pavement of sealed roads in the 2026-27 program are currently in poor condition. These sections have been selected for renewal having reached the condition based intervention level for the pavement and to ensure that a safe and reliable level of service can be provided for the local community and visitors.

A Request for Tender for the works was advertised on 14 August 2026 and the tender period closed on 9 September 2026. Seven submissions were received.

The Tender Evaluation Panel (TEP) Report has been provided as a confidential attachment to this report.

It is standard practice to conduct a financial viability assessment prior to awarding contracts of significant value. The recommended tenderer has achieved a successful Financial Assessment outcome, indicating a sound financial capacity to deliver the contract.

The Major Patching works are scheduled to commence in November 2026. Project completion is anticipated by the end of February 2027.

5. CONSIDERATIONS

Overarching Governance Principles (s(9)(2) *LGA 2020*)

This report's recommendations focus on delivering best value outcomes for the community and aligns with the Governance Principles. The tender process competitively tested the market to produce a suitable supplier which is within the project budget.

Policies and Relevant Law (s(9)(2)(a) *LGA 2020*)

This report complies with the *Local Government Act 2020* as well as Council's Procurement Policy.

Environmental and Sustainability Implications (s(9)(2)(c) *LGA 2020*

Not applicable.

Community Engagement (s56 *LGA 2020 and Council's Community Engagement Policy*)

Local businesses and residents in the area will be informed of the upcoming works as required and any traffic management requirements associated with the project.

Public Transparency (s58 *LGA 2020)*

The contract for the Sealed Road Major Patching Program is being considered in an open Council meeting, and the relevant contract details will be published on Council's website.

Alignment to Plans and Strategies

Alignment to Council Plan 2025-2029:
Theme 1 - PLACE
1.3 - Make it safe and easy to get around the Shire

Theme 2 - PEOPLE
3.2 - Make well-informed, transparent decisions for the betterment of the community through best-practice governance

Financial Management (s101 *Local Government Act 2020)*

The works to be carried out have been identified within the Sealed Road Major Patching Program and are included in the 2026-27 capital works budget.

Service Performance (s106 *Local Government Act 2020)*

These works have been identified in Council's Major Patching Program as necessary to maintain an acceptable level of service performance. Project management of the works will be funded within the project allocation.

Risk Assessment

The contractor will be responsible for the provision of all the necessary plans and resources to ensure safety during construction. This is a standard industry practice for road reconstruction. Road closures will be subject to the endorsement of the contractor's Traffic Management Plan and communication and consultation with stakeholders including residents are clear requirements of this contract. The protection of existing services and assets will be ensured and communication with service authorities will be the responsibility of the contractor.

Communication/Implementation

Internal communication will be managed by the Superintendent, or their Representative and external communication shall be undertaken by the contractor in accordance with the specification requirements, including pre-commencement notification by letter drops as required and further communications during construction and at practical completion.

Details of the awarded contract will be communicated on Council's web site.

Human Rights Charter

No impact.

Officer General or Material Interest

No officer declared an interest under the *Local Government Act 2020* in the preparation of this report.

Options

Option 1 – Award Contract 2714 to the recommended tenderer

This option is recommended by officers as the contractor has been assessed through Council's procurement process as providing the best value for money. The confidential evaluation report outlines this assessment.

Option 2 – Do not award the contract and re-tender or select alterative tenderer

This option is not recommended by officers as the proposal submitted by the preferred contractor is assessed as providing best value for money, and the works need to be completed to improve the condition of the roads. Any delays would likely result in works not being completed this financial year.

Item: 7.5

Award of Contract 2704 - Building Surveying & Inspection Services

OFFICER	Bláithín Butler
GENERAL MANAGER	Ian Seuren
DIVISION	Community and Economy
ATTACHMENTS	Nil

1. PURPOSE

To seek Council approval to award the Building Surveying and Inspection Services contract to the preferred tenderer and ensure continuity of this statutory service.

2. EXECUTIVE SUMMARY

Council's current contract for the provision of Building Services expires on 15 November 2026 and cannot be extended further. Council is required to maintain these statutory services.

An open tender process was undertaken in accordance with Council's Procurement Policy, with one submission received. Following evaluation, the tenderer's 1.2 FTE service model is recommended as it will provide the required Municipal Building Surveyor, Building Surveyor and Building Inspector functions within the approved budget. No material change to the scope of Council's statutory building functions is proposed.

It is recommended that Council award the contract to Tenderer 1 for an initial three-year term, with options for two further one-year extensions, subject to finalisation of the contract documentation and completion of standard due diligence requirements.

3. RECOMMENDATION

That Council:

1. ***Awards RFT 2704 Building Surveying & Inspection Services to Tenderer 1 for the tendered price, as per the confidential attachment to this report.***
2. ***Notes that the award is subject to finalisation of contract documentation and completion of standard due diligence requirements.***
3. ***Authorises the Chief Executive Officer to execute the contract subject to finalisation of contract documentation and completion of standard due diligence requirements.***
4. ***Authorises the General Manager Community and Economy to administer the contract, including contract variations in accordance with the contract conditions and Council's delegations.***
5. ***Notes that any unsuccessful tenderers will be advised of the outcome of the tender process and the successful tenderer and the contract price will be listed on Council's website.***

4. KEY INFORMATION

Council has a statutory responsibility under the *Building Act* 1993 to administer and enforce building regulations within the shire. These responsibilities include issuing building permits (a function that can also be done by private building surveyors), carrying out building inspections, and undertaking compliance and enforcement.

An integral and crucial part of the building compliance and building enforcement role and functions of a municipal council in Victoria is carried out by the statutory office of the Municipal Building Surveyor ('MBS').

To promote and protect public safety within a municipality, the MBS and their delegates have powers to enter and inspect buildings, land and Places of Public Entertainment (PoPEs); issue building notices, building orders, and emergency orders; require action be taken or work to be carried out; require buildings be evacuated and vacated; apply to a Court for injunction, and other things deemed appropriate. Non-compliance may result in the issue of infringements, prosecution or other enforcement action. In addition, there is a need to collaborate with, and report to, statutory bodies such as the Building and Plumbing Commission and the Building Appeals Board.

The current contract for the provision of these services expires on 15 November 2026 and cannot be further extended. An open tender process has therefore been undertaken in accordance with Council's Procurement Policy.

The tender period has closed, with only one submission received. The detailed Evaluation Report is a confidential attachment to this Council report.

To ensure all functions can continue to be undertaken efficiently, the Procurement Plan sought the following (to be covered by 1.4 FTE):

- Municipal Building Surveyor (MBS) – Building Surveyor Unlimited (no conditions)
- Building Surveyor Unlimited or Building Surveyor Limited (no more than 2000m^2 floor area or no more than a rise in storeys of 3)
- Building Inspector Unlimited (no conditions)

Tender submissions reflected a significant increase in market rates for the provision of building services compared to those assumed when the Procurement Plan was prepared. In response, officers reviewed current service demand, workload trends and statutory requirements to confirm the level of resourcing necessary to maintain service delivery.

The review determined that a 1.2 FTE service model is sufficient to meet Council's statutory obligations and operational requirements. This reflects both a reduction in current service demand and the ability to deliver the required functions through a more streamlined resourcing arrangement.

Accordingly, the Evaluation Panel identified the 1.2 FTE model as the preferred option. The Panel considered that this model provides an appropriate balance between statutory compliance, service delivery, operational flexibility and financial sustainability, while accommodating prevailing market rates for specialised building services.

The recommended service model will provide the required Municipal Building Surveyor, Building Surveyor and Building Inspector functions within the available budget. All current statutory building services will continue to be delivered, including building inspections, compliance and enforcement activities, assessment of Places of Public Entertainment applications, report and consent applications, building notices and orders, swimming pool and spa registration requirements, and Essential Safety Measure assessments.

Building permits are expected to continue to be issued predominantly by private building surveyors, consistent with current practice. No material change to the scope or standard of Council's statutory building services is proposed under the contract. The Evaluation Panel is satisfied that the recommended service model will enable Council to continue meeting its legislative obligations while maintaining an appropriate level of service to the community.

5. CONSIDERATIONS

Overarching Governance Principles (s(9)(2) *LGA 2020*)

Engaging a suitably qualified and experienced contractor will enable Council to meet its statutory obligations under the Building Act 1993 and support the delivery of regulatory services in accordance with relevant legislation. The procurement process has been undertaken in accordance with Council's Procurement Policy, supporting transparent and accountable decision-making.

Policies and Relevant Law (s(9)(2)(a) *LGA 2020*)

- Building Act 1993
- Local Government Act 2020
- Colac Otway Shire Council Procurement Policy

The recommended contract supports Council's obligations under the Building Act 1993 and has been procured in accordance with Council's Procurement Policy.

Environmental and Sustainability Implications (s(9)(2)(c) *LGA 2020*

The provision of building services has regard to environmental and sustainability impacts or risks, and how they will be managed.

Community Engagement (s56 *LGA 2020 and Council's Community Engagement Policy*)

Community engagement was not undertaken as this report relates to the procurement of a contractor to deliver an existing statutory Council service. The procurement process was conducted through an open public tender.

Public Transparency (s58 *LGA 2020)*

The contract will be awarded in line with Council's Procurement Policy following a tender process. In accordance with Council's Procurement Policy and transparency requirements, details of the successful tenderer and contract value will be published on Council's website following contract execution.

Alignment to Plans and Strategies

Alignment to Council Plan 2025-2029:

THEME 1 – Place
1.2 - Enhance our community and social spaces and collaborate with communities to deliver healthy and climate resilient environments.

THEME 2 – PEOPLE
3.1 - Elevate the efficiency and effectiveness of our Council.
3.2 - Make well informed, transparent decisions for the betterment of our community through best practice governance.
3.3 - Build and maintain effective working relationships with all levels of government.
3.4 - Communicate and engage positively and clearly with the community.

Financial Management (s101 *Local Government Act 2020)*

The contract will be managed through Council's established financial management, procurement and contract management processes. Sufficient budget has been allocated within Council's adopted budget for the provision of these services. The recommended contract provides a compliant and cost-effective mechanism for Council to continue delivering its statutory building functions.

Service Performance (s106 *Local Government Act 2020)*

The contract includes defined performance and reporting requirements to support the effective delivery of Council's building surveying and inspection services. Service performance is monitored throughout the contract term, with reporting provided to relevant regulatory authorities, including the Building and Plumbing Commission, where required.

Risk Assessment

Failure to maintain the provision of building surveying and inspection services would prevent Council from meeting its statutory obligations under the Building Act 1993. This would impact Council's ability to undertake building compliance, enforcement and regulatory functions, creating legal, operational and community safety risks.

Delivery of these functions requires appropriately qualified and registered practitioners, including the appointment of a Municipal Building Surveyor. The proposed contract is therefore essential to maintaining service continuity and supporting Council's ongoing compliance with its legislative responsibilities.

Communication/Implementation

Following the Council decision, all tenderers will be advised of the outcome of the procurement process. Subject to contract execution, the successful tenderer will commence service delivery in accordance with the contract requirements. Details of the awarded contract will be published on Council's website in accordance with Council's procurement and transparency obligations.

Human Rights Charter

No impact.

Officer General or Material Interest

No officer declared an interest under the *Local Government Act* 2020 in the preparation of this report.

Options

Option 1 – Award the contract to Tenderer 1 for an initial three-year term, with options for two further one-year extensions
This option is recommended as it will support continuity of Council's statutory building services within the approved budget. The extension options provide Council with flexibility to continue the arrangement, subject to satisfactory contract performance.

Option 2 – Award the contract to Tenderer 1 for a three-year term without extension options
This option is not recommended as it would require Council to undertake a new procurement process at the end of the initial term, irrespective of contractor performance, and provides less flexibility than the recommended option.

Option 3 – Do not award the contract
This option is not recommended as Council requires appropriately qualified and registered practitioners to deliver its statutory building functions, and the existing contract cannot be extended beyond 15 November 2026.

Item: 7.6

Property Disposal - 10 Glenn Street, Warrion

OFFICER	Matthew Pope
GENERAL MANAGER	Emma Lowes
DIVISION	Corporate Services
ATTACHMENTS	Nil

1. PURPOSE

To seek Council approval to give public notice of its intention to dispose of the Council-owned property at 10 Glenn Street, Warrion.

2. EXECUTIVE SUMMARY

10 Glenn Street, Warrion has been reviewed by Council's Property team and assessed as ready to progress through the potential disposal process. The property is zoned Township Zone and has an independent market valuation of $125,000.

Initial community engagement was undertaken through a local drop-in session. Four local residents attended and supported the sale of the property.

Having regard to the property review, independent valuation and community feedback, officers recommend that Council commence the statutory disposal process by giving public notice of its intention to sell the property. This step does not itself approve a sale. Following public notice and community engagement, a further report would be presented to Council to consider submissions and determine whether to proceed with disposal.

3. RECOMMENDATION

That Council:

1. ***Determines that 10 Glenn Street, Warrion is surplus to Council's current strategic, operational, service delivery and demonstrated community requirements.***
2. ***Gives public notice of its intention to dispose of 10 Glenn Street, Warrion in accordance with section 114 of the Local Government Act 2020.***
3. ***Undertakes community engagement in accordance with Council's Community Engagement Policy.***
4. ***Receives a further report following the public notice and engagement process to consider submissions and determine whether to proceed with disposal.***

4. KEY INFORMATION

Property overview

The property is located at 10 Glenn Street, Warrion, has a site area of 1,619 m² and is zoned Township Zone. It has been assessed by Council officers as ready to progress to the next stage of the potential disposal process.



Aerial view of property

Independent valuation

An independent valuation has assessed the property at $125,000. Any disposal process would need to comply with the valuation requirements applying at the time of the transaction, including the requirement that the valuation be no more than six months old.

Community engagement

Officers conducted a community drop-in session. Four local residents attended and supported the sale of the property. The residents requested that any sale proceeds be directed to improvements at the local cricket ground. The allocation of any proceeds would be considered separately through Council's financial and budget processes and is not determined by this report.

Assessment against the Acquisition and Disposal of Council Property Policy

The property review has not identified a current strategic, operational, service delivery or community need requiring the property to remain in Council ownership. The property has therefore been assessed as suitable to progress to public notice under Council's Acquisition and Disposal of Council Property Policy. Public notice and further community engagement will provide an additional opportunity for affected community members to identify any relevant use, need or concern before Council makes a final decision.

Proposed disposal pathway

If Council approves the recommendation, officers will publish notice of Council's intention to dispose of the property and undertake community engagement in accordance with section 114 of the Local Government Act 2020 and Council's Community Engagement Policy. Submissions and feedback will be reported to Council before any final disposal decision is made.

5. CONSIDERATIONS

Overarching Governance Principles (s(9)(2) *LGA 2020*)

The proposal supports lawful, transparent and evidence-based decision-making by considering Council's policy framework, statutory requirements, an independent property valuation and community feedback. Progressing to public notice provides a transparent process for testing whether there is any community or strategic reason to retain the property before Council makes a final decision. The proposal also supports Council's ongoing financial viability by reviewing an asset that has not been identified as required for a current Council purpose.

Policies and Relevant Law (s(9)(2)(a) *LGA 2020*)

Section 114 of the Local Government Act 2020 requires Council, before selling or exchanging land, to publish notice of its intention at least four weeks before the transaction, undertake community engagement in accordance with its Community Engagement Policy, and obtain a valuation from a suitably qualified or experienced person. The valuation must be made not more than six months before the land transaction.

The proposal is consistent with Council Policy 4.3 - Acquisition and Disposal of Council Property, which provides a fair, compliant and transparent framework for the disposal of Council-owned property and includes criteria for determining whether a property is surplus to Council's requirements.

Environmental and Sustainability Implications (s(9)(2)(c) *LGA 2020*

No specific environmental or sustainability implications have been identified at this stage. Any future use or development of the property would remain subject to applicable planning, building and environmental requirements.

Community Engagement (s56 *LGA 2020 and Council's Community Engagement Policy*)

Initial community engagement has been undertaken through a drop-in session, attended by four local residents who supported sale of the property and requested that sale proceeds be used for improvements to the nearby cricket ground. If Council resolves to give public notice, further engagement will be undertaken in accordance with section 114 and Council's Community Engagement Policy. Feedback received will inform Council's subsequent decision on whether to dispose of the property.

Public Transparency (s58 *LGA 2020)*

The proposal supports public transparency by presenting the property assessment, valuation and community feedback through a public Council report. The proposed public notice process will provide accessible information about the intended disposal and an opportunity for affected community members to provide feedback before a final decision is made.

Alignment to Plans and Strategies

Alignment to Council Plan 2025-2029:
Theme 2 - PEOPLE
3.1 - Elevate the efficiency and effectiveness of our Council

Council's 2026-27 Annual Action Plan includes action item 3.1.4 - Council Explore opportunities to dispose of surplus Council land and/or assets. This action will be measured as follows:

- Identification and assessment of surplus land and/or assets completed.
- Disposal opportunities documented and progressed in line with Council policy and governance requirements.

Financial Management (s101 *Local Government Act 2020)*

The property has been independently valued at $125,000. Progressing the disposal process may enable Council to realise value from an asset assessed as surplus to requirements and reduce future ownership and management obligations. Any sale proceeds would be considered in accordance with Council's financial policies, budget processes and relevant statutory requirements.

Service Performance (s106 *Local Government Act 2020)*

Not applicable.

Risk Assessment

Key risks include community expectations regarding the use of any sale proceeds, the possibility that further engagement identifies a reason to retain the property, and the need to ensure the valuation remains current at the time of the transaction. These risks are addressed by clearly separating the disposal decision from future budget decisions, undertaking statutory public notice and engagement, returning submissions to Council, and obtaining an updated valuation if required.

Communication/Implementation

Subject to Council approval, officers will prepare and publish the statutory public notice, undertake community engagement, respond to enquiries and prepare a further report to Council summarising submissions and recommending the next step.

Human Rights Charter

No impact identified.

Officer General or Material Interest

No officer declared an interest under the Local Government Act 2020 in the preparation of this report.

Options

Option 1 – Give public notice of Council's intention to dispose of 10 Glenn Street, Warrion
This option is recommended by officers. It progresses the statutory disposal process while preserving Council's ability to consider community submissions before deciding whether to sell the property. It is consistent with the current property assessment and the informal community feedback received.

Option 2 – Retain the property in Council ownership
This option is not recommended by officers. It would mean that Council's ownership and management responsibilities continue on a property that has been identified as surplus. No current strategic, operational, service delivery or demonstrated community requirement for retention has been identified through the review to date.

Item: 7.7

Property Disposal - 280 Barongarook Road, Barongarook

OFFICER	Matthew Pope
GENERAL MANAGER	Emma Lowes
DIVISION	Corporate Services
ATTACHMENTS	Nil

1. PURPOSE

To seek Council approval to give public notice of its intention to dispose of the Council-owned property at 280 Barongarook Road, Barongarook.

2. EXECUTIVE SUMMARY

280 Barongarook Road, Barongarook has been reviewed by Council's Property team and assessed as ready to progress through the potential disposal process. The property is zoned Farming Zone and has an independent market valuation of $200,000.

Informal community consultation was undertaken, with approximately ten people attending. One attendee expressed interest in purchasing the property. Most feedback related to the potential loss of access to the existing hall and toilet facilities if the property were sold, particularly because the facilities are used in connection with the AKD Otway Trail Run. It was also mentioned that the site was utilised as a community meeting point.

There is currently no Community Asset Committee overseeing the site and no interest was expressed in establishing one. Attendees also advised that limited funding opportunities would make the facility difficult to operate and maintain and that any future committee would likely require ongoing financial support from Council.

Having regard to the property review, independent valuation and community feedback, officers recommend that Council commence the statutory disposal process by giving public notice of Council's intention to sell the property. This step does not itself approve a sale. It would provide a further opportunity to test the identified community-use considerations before a final decision is made.

A subsequent report would return to Council with the outcomes of public notice and community engagement.

3. RECOMMENDATION

That Council:

1. ***Determines that 280 Barongarook Road, Barongarook is surplus to Council's current strategic, operational, service delivery and demonstrated community requirements.***
2. ***Gives public notice of its intention to dispose of 280 Barongarook Road, Barongarook in accordance with section 114 of the Local Government Act 2020.***
3. ***Undertakes community engagement in accordance with Council's Community Engagement Policy.***
4. ***Receives a further report following the public notice and engagement process to consider submissions and determine whether to proceed with disposal.***

4. KEY INFORMATION

Property overview

The property at 280 Barongarook Road, Barongarook comprises a 2,129 m² site zoned Farming Zone and includes a hall, public toilet amenities and two bitumen-sealed tennis courts. The Property team has assessed the property as ready to progress to the next stage of the potential disposal process.



Aerial view of the property

Independent valuation

An independent valuation has assessed the property at $200,000. Any disposal process would need to comply with the valuation requirements applying at the time of the transaction, including the requirement that the valuation be no more than six months old.

Community use and engagement

Approximately ten people attended the informal community consultation. Overall, attendees expressed a negative view towards the potential disposal of the property, although one attendee expressed interest in purchasing the property. Most feedback concerned the potential loss of access to the hall and toilet facilities, as well as community meeting point if the property were sold. Attendees identified these facilities as important to the annual AKD Otway Trail Run.

No Community Asset Committee currently oversees the site, and no interest was expressed in establishing one. Attendees advised that limited funding opportunities would make it difficult to operate and maintain the facility and that a future committee would likely require ongoing Council financial support.

Assessment against the Acquisition and Disposal of Council Property Policy

The property has been identified by Council's Property team as ready to progress toward potential disposal. The property review has not identified a current strategic, operational, or service delivery need that requires the property to remain in Council ownership.

However, based on the initial community consultation undertaken, there is a need to further assess the community need of the property. These considerations should be tested through the statutory public notice and engagement process.

The property is being proposed to progress to public notice under Council's Acquisition and Disposal of Council Property Policy. Public notice and further community engagement will provide an additional opportunity for affected community members to identify any relevant use, need or concern before Council makes a final decision.

Proposed disposal pathway

If Council approves the recommendation, officers will publish notice of Council's intention to dispose of the property and undertake community engagement in accordance with section 114 of the Local Government Act 2020 and Council's Community Engagement Policy. Submissions and feedback, including any proposal concerning continued access to the hall and toilet facilities, will be reported to Council before a final disposal decision is made.

5. CONSIDERATIONS

Overarching Governance Principles (s(9)(2) *LGA 2020*)

The proposal supports lawful, transparent and evidence-based decision-making by considering Council's policy framework, statutory requirements, an independent valuation and community feedback. Progressing to public notice provides a transparent means of assessing the community-use considerations associated with the hall and toilet facilities before Council makes a final decision. The process also supports Council's ongoing financial viability by reviewing whether continued ownership and potential financial support are justified by the property's demonstrated community benefit.

Policies and Relevant Law (s(9)(2)(a) *LGA 2020*)

Section 114 of the Local Government Act 2020 requires Council, before selling or exchanging land, to publish notice of its intention at least four weeks before the transaction, undertake community engagement in accordance with its Community Engagement Policy, and obtain a

valuation from a suitably qualified or experienced person. The valuation must be made not more than six months before the land transaction.

The proposal is consistent with Council Policy 4.3 - Acquisition and Disposal of Council Property, which establishes a fair, compliant and transparent framework for disposal and requires consideration of whether Council land is needed for a current or future strategic, operational, service delivery, recreational, environmental or community purpose.

Environmental and Sustainability Implications (s(9)(2)(c) *LGA 2020*

No specific environmental or sustainability implications have been identified in the available property information. Any future use or development would remain subject to applicable planning, building and environmental requirements.

Community Engagement (s56 *LGA 2020 and Council's Community Engagement Policy*)

Initial consultation was attended by approximately ten people. One attendee expressed interest in purchasing the property, while most feedback concerned the potential loss of access to the hall and toilet facilities, which attendees identified as important to the annual AKD Otway Trail Run. No interest was expressed in establishing a Community Asset Committee. If Council resolves to give public notice, further engagement will seek broader feedback and inform Council's subsequent decision on whether disposal should proceed.

Public Transparency (s58 *LGA 2020)*

The proposal supports public transparency by presenting the valuation, community feedback and relevant property-management considerations through a public Council report. The public notice process will provide accessible information about the intended disposal and an opportunity for affected community members and users to provide feedback before a final decision is made.

Alignment to Plans and Strategies

Alignment to Council Plan 2025-2029:
Theme 2 - PEOPLE
3.1 - Elevate the efficiency and effectiveness of our Council

Council's 2026-27 Annual Action Plan includes action item 3.1.4 - Council Explore opportunities to dispose of surplus Council land and/or assets. This action will be measured as follows:

- Identification and assessment of surplus land and/or assets completed.
- Disposal opportunities documented and progressed in line with Council policy and governance requirements.

Financial Management (s101 *Local Government Act 2020)*

The property has been independently valued at $200,000. Disposal may realise value from the asset and reduce future ownership, maintenance, insurance and compliance obligations. Retention may involve continuing costs and based on community feedback, potential ongoing financial support if a community management arrangement were pursued. Any transaction would require a valuation current at the relevant time, and any sale proceeds would be managed through Council's financial policies and budget processes.

Service Performance (s106 *Local Government Act 2020)*

The public notice and engagement process will assist Council to understand whether the hall and toilet facilities support a continuing community or event-related service need and whether that need warrants retaining the property or considering an alternative arrangement.

Risk Assessment

Key risks include loss of community access to the hall and toilet facilities, impacts on the AKD Otway Trail Run, ongoing costs if Council retains the property, community expectations concerning the property's future, and the need to maintain a current valuation. These risks will be managed through further public notice and engagement, explicit consideration of community-use impacts in the subsequent Council report, and an updated valuation if required.

Communication/Implementation

Subject to Council approval, officers will prepare and publish the statutory public notice, undertake community engagement, respond to enquiries and prepare a further Council report summarising submissions and addressing the future of the hall and toilet facilities.

Human Rights Charter

No impact identified.

Officer General or Material Interest

No officer declared an interest under the Local Government Act 2020 in the preparation of this report.

Options

Option 1 – Give public notice of Council's intention to dispose of 280 Barongarook Road, Barongarook (recommended)
This option progresses the statutory process without committing Council to a sale. It allows the broader community to comment on the proposal and provides an opportunity to examine the identified need for hall and toilet access before Council makes a final decision.

Option 2 – Retain the property in Council ownership
This option would preserve the existing facilities and access arrangements but would continue Council ownership, operating and maintenance responsibilities. There is currently no Community Asset Committee for the site, no interest has been expressed in establishing one, and community feedback indicates that ongoing Council financial support may be required.

Colac Otway
SHIRE

Item: 7.8

Governance Report - Monthly

OFFICER	Matilda Hardy-Smith / Belinda Rocka
CHIEF EXECUTIVE OFFICER	Andrew Tenni
DIVISION	Executive
ATTACHMENTS	1. For Council Resolution - Instrument of Authorisation - Planning and Environment Act - Steven Lionakis [**7.8.1** - 1 page] 2. Unconfirmed - Audit and Risk Committee Meeting Minutes - 29 September 2026 [**7.8.2** - 10 pages] 3. Informal Meeting of Councillors - 22 September 2026 Council Meeting Preparation [**7.8.3** - 2 pages] 4. Informal Meeting of Councillors - Councillor Briefing 6 October 2026 [**7.8.4** - 3 pages] 5. Informal Meeting of Councillors - Councillor Briefing 13 October 2026 [**7.8.5** - 2 pages] 6. Informal Meeting of Councillors - Planning Committee Preparation 13 Oct 2026 [**7.8.6** - 2 pages] 7. Informal Meeting of Councillors - Pre Council Meeting Preparation - 13 October 2026 [**7.8.7** - 2 pages] 8. Informal Meeting of Councillors - Councillor Briefing 20 October 2026 [**7.8.8** - 3 pages]

1. PURPOSE

The purpose of this report is to provide Council with a clear and transparent overview of governance practices in alignment with the principles of public transparency and the requirements of the *Local Government Act 2020*.

2. EXECUTIVE SUMMARY

The Governance practices being reported on in this report are:

- Appointment of Steven Lionakis as an Authorised Officer pursuant to section 147(4) of the *Planning and Environment Act 1987* (refer Attachment 1)
- 29 September 2026 Audit and Risk Committee Meeting unconfirmed minutes.
- Reappointment of Chair of the Audit and Risk Committee meeting
- Appointing members to the Warrion Public Hall Community Asset Committee and the Stonyford Hall Community Asset Committee and revocation of members from the Birregurra Public Hall Community Asset Committee.
- Informal meetings of Councillors Records: 22 September 2026 to 20 October 2026

3. RECOMMENDATION

That Council:

1. ***Appoints Steven Lionakis as an Authorised Officer pursuant to section 147(4) of the Planning and Environment Act 1987 (Attachment 1).***
    a. ***Authorises the use of the common seal in accordance with Colac Otway Shire Council's Governance Local Law No 4 – 2020.***
    b. ***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 the instrument.***
    c. ***Authorises the Chief Executive Officer to revoke the Instrument of Authorisation from the date Steven Lionakis ceases their employment with Colac Otway Shire Council.***
2. ***Add membership for Wendy Parker to the Warrion Public Hall Community Asset Committee.***
3. ***Add membership for Sue Pike to the Stonyford Hall Community Asset Committee.***
4. ***Revokes membership for Simon Oldfield, Fiona Branschied and Linda McCormack to the Birregurra Public Hall Community Asset Committee and thanks them for their service to the committee.***
5. ***That Council receives for information the Colac Otway Shire Council Audit and Risk Committee unconfirmed minutes dated 29 September 2026 (Attachment 2).***
6. ***That Council notes the Colac Otway Shire Council Audit and Risk Committee Chair John Gavens was reappointed at the 29 September 2026 Audit and Risk Committee meeting.***
7. ***Notes the Informal Meeting of Councillors records for the period of 22 September 2026 to 20 October 2026.***

4. KEY INFORMATION

Council has introduced this monthly Governance Report, to provide Council with a clear and transparent overview of governance practices in alignment with the principles of public transparency and the requirements of the *Local Government Act 2020*.

Instrument of Appointment and Authorisation – Steven Lionakis

Steven Lionakis commences as Interim Coordinator Statutory Planner on 2 November 2026. To fulfill this function Steven requires authorisation under the Act.

The Act sets out procedures for preparing and amending the Victoria Planning Provisions and planning schemes. It also sets out the process for obtaining permits under schemes, settling disputes, enforcing compliance with planning schemes and permits, and other administrative procedures.

Various staff members within Council's Planning team are required to undertake assessments, give advice, or investigate various issues in relation to the Act. To undertake these assessments legally, particularly during issues of noncompliance, authorisation under the Act is required.

The officer nominated to be appointed as an Authorised Officer under the Act has been employed to fulfil specific roles and responsibilities as documented in their position description. Their experience and capabilities that enable them to fulfil their duties have been assessed through the recruitment process, and accordingly they are deemed to be suitable for appointment as an Authorised Officer.

Legal advice recommends authorised officers be appointed by Council using an instrument to address specific authorisation provisions of s 147(4) of the Act versus the broader authorisations of section 224 of the *Local Government Act 1989*.

Update to Community Asset Committees

Colac Otway Shire Council is currently supported by 20 Community Asset Committees (CACs), which have been appointed to manage a range of public halls, recreation reserves, and sporting facilities across the municipality.

In accordance with Section 65 of the *Local Government Act 2020*, Council is requested to approve changes to the membership of various Community Asset Committees (CAC). These changes include the revocation of existing memberships and the appointment of new members, ensuring continued community representation and effective local governance of Council-managed facilities.

For committee memberships appointed by Council resolution prior to 27 November 2024, revocation of membership must also occur via Council resolution. For appointments made since 27 November 2024, memberships are considered to cease upon the resignation of the member. However, the authority to appoint and revoke committee memberships may be delegated to the Chief Executive Officer to enable a more efficient and timely administrative process.

This report seeks for Council to add Wendy Parker to the Warrion Public Hall Community Asset Committee and Sue Pike to the Stonyford Hall Community Asset Committee. This report also seeks to revoke membership for Simon Oldfield, Fiona Branschied and Linda McCormack to the Birregurra Public Hall Community Asset Committee.

Audit and Risk Committee Meeting Unconfirmed Minutes 29 September 2026

The Audit and Risk Committee Charter (adopted by Council on 25 February 2025), requires that the draft minutes of each meeting be presented to the next practicable Council meeting.

The Audit and Risk Committee (ARC) play an important role in providing oversight of Colac Otway Shire Council's governance, risk management, internal control practices, internal and external audit functions. This oversight mechanism also serves to provide confidence in the integrity of these practices.

Section 53(1) of the *Local Government Act 2020* stipulates that a Council must establish an ARC. The Colac Otway Shire ARC consists of two Councillors and four independent members. The ARC meets at least four times per year.

The ARC Charter states that the draft minutes of Committee meetings will be prepared and circulated to Committee members within ten working days of each meeting. These draft minutes will then be presented as 'unconfirmed minutes' to the next practicable Council meeting to ensure that Council receives the Committee's advice in a timely manner.

If the ARC determines that changes are required to the unconfirmed minutes (i.e changes other than minor administrative changes), then the final minutes will be re-presented to Council.

The ARC will confirm any unconfirmed minutes at its next meeting.

The unconfirmed minutes of the Audit and Risk Committee held on 29 September 2026 are presented at Attachment 2.

Reappointment of Chair of the Audit and Risk Committee

Appointment of the Chair of the Audit and Risk Committee is governed by the Audit and Risk Committee Charter.

Clauses 5.2.1 and 5.2.2 of the Charter state:

5.2.1 The Chairperson will be an independent member and will be elected by the Committee annually

5.2.2 The Chair must not exceed any two-year continuous period

At the 29 September 2026 Audit and Risk Committee meeting independent member John Gavens was elected to be reappointed as Chair of the Audit and Risk Committee. This will be John's second term as Chair.

Informal Meetings of Councillor Records

The Colac Otway Shire Governance Rules require that records of informal meetings of Councillors which meet the following criteria:

If there is a meeting of Councillors that:

- *Is scheduled or planned for the purpose of discussing the business if Council or briefing Councillors*
- *Is attended by at eats on member of Council staff*
- *Is not a Council meeting, Delegated Committee meeting or Community Asset Committee meeting*

be tabled at the next convenient meeting of Council and recorded in the minutes of that Council meeting.

All relevant meetings have been recorded and documented, as attached.

The following Informal Meetings of Councillors have been held and are attached to this report.

Council Meeting Preparation	***22 September 2026***
Councillor Briefing	***6 October 2026***
Councillor Briefing	***13 October 2026***
Planning Committee Preparation	***13 October 2026***
Council Meeting Preparation	***13 October 2026***
Councillor Briefing	***20 October 2026***

5. CONSIDERATIONS

Overarching Governance Principles (s(9)(2) *LGA 2020*)

(i) the transparency of Council decisions, actions and information is to be ensured.

Policies and Relevant Law (s(9)(2)(a) *LGA 2020*)

Local Government Act 2020 (Vic).

Environmental and Sustainability Implications (s(9)(2)(c) *LGA 2020*

Not applicable.

Community Engagement (s56 *LGA 2020 and Council's Community Engagement Policy*)

Not applicable.

Public Transparency (s58 *LGA 2020)*

Council information must be understandable and accessible to members of the municipal community and public awareness of the availability of Council information must be facilitated.

Alignment to Plans and Strategies

Alignment to Council Plan 2025-2029:
Theme 2 - PEOPLE
3.1 - Elevate the efficiency and effectiveness of our Council
3.2 - Make well-informed, transparent decisions for the betterment of the community through best-practice governance

Financial Management (s101 *Local Government Act 2020)*

Not applicable.

Service Performance (s106 *Local Government Act 2020)*

Not applicable.

Risk Assessment

Not applicable.

Communication/Implementation

A letter will be sent to revoked CAC members thanking them for their service.

Human Rights Charter

No impact.

Officer General or Material Interest

No officer declared an interest under the *Local Government Act 2020* in the preparation of this report.

Options

Option 1 – Adopt the officers recommendation.
This option is recommended by officers as authorisation under the *Planning Act* is required for Planning staff to perform their role, it updates Community Asset Committee memberships and notes the relevant Informal Meeting of Councillors records.

Option 2 – Not adopt the officers recommendation.
This option is not recommended by officers as planning staff require authorisation under the Pla*nning Act* to perform their role. In addition, this option is not recommended as members of Community Asset Committees are volunteers in our community and perform valuable work to maintain Councils assets.

Colac Otway Shire Council

Instrument of Appointment and Authorisation

(*Planning and Environment Act 1987*)

In this instrument "**officer**" means -

Steven Lionakis

By this instrument of appointment and authorisation Colac Otway Shire Council -

1. under s 147(4) of the *Planning and Environment Act 1987* – authorises the officer to carry out the duties or functions and to exercise the powers of an authorised officer under the *Planning and Environment Act 1987*; and

2. under s 313 of the *Local Government Act 2020* authorises the officer either generally or in a particular case to institute proceedings for offences against the Acts and regulations described in this instrument.

It is declared that this instrument -

- comes into force immediately upon its execution;
- remains in force until varied or revoked.

This instrument is authorised by a resolution of the Colac Otway Shire Council on 27 October 2026.

The COMMON SEAL of Colac Otway Shire)

Council was hereunto affixed in accordance)

with Local Law 4)

……
Chief Executive Officer

This……day of……20…….

Colac Otway SHIRE

AUDIT AND RISK COMMITTEE MEETING

MINUTES

Tuesday 29 September 2026

at 10:00 AM

by videoconference

COLAC OTWAY SHIRE AUDIT AND RISK COMMITTEE MEETING

Tuesday 29 September 2026

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COLAC OTWAY SHIRE AUDIT AND RISK COMMITTEE MEETING

MINUTES of the ***AUDIT AND RISK COMMITTEE MEETING OF THE COLAC OTWAY SHIRE*** held at by videoconference on Tuesday 29 September 2026 at 9:00 AM.

MINUTES

1 DECLARATION OF OPENING OF MEETING

2 PRESENT

Cr Jason Schram
Cr Phil Howard
John Gavens (Chair)
Melissa Field
Richard Trigg
John Sutherland
Andrew Tenni, Chief Executive Officer
Emma Lowes, General Manager Corporate Services
Heidi Taylor, Acting General Manager Community and Economy
Doug McNeill, General Manager Infrastructure and Operations
Anita Craven, Executive Officer Governance
Azam Mahmood, Manager Financial Services
Belinda Rocka, Governance Officer
Nick Bell - External Auditor

Guest - Kanishka Gunasekara, Manager Assets and Engineering

3 APOLOGIES

Ian Seuren, Shivam Goel, Andrew Zavitzanos and Mark Cervantes

4 DECLARATIONS OF INTEREST

John Gavens, item 7.6 recommendation item 1

5 CONFIRMATION OF MINUTES

That the Audit and Risk Committee confirm the minutes from the Audit and Risk Committee Meeting held on 13 August 2026.

6 BUSINESS ARISING FROM THE PREVIOUS MEETING

Nil

Item: 7.1

Financial Reporting: Review Annual Financial Statement 2025-26 (CR 4.1.4)

OFFICER	Azam Mahmood
GENERAL MANAGER	Emma Lowes
DIVISION	Corporate Services
ATTACHMENTS	1. 2025-26 - Colac Otway Shire Financial Statements [**7.1.1** - 57 pages] 2. 2025-26 - Final Management Letter [**7.1.2** - 13 pages] 3. 2025-26 - Closing Report [**7.1.3** - 26 pages]

RECOMMENDATION

That the Audit and Risk Committee recommends that Council:

1. ***Approves in principle the 2025-26 Financial Statements for Colac Otway Shire Council, subject to any changes that are recommended or agreed by the Auditor in accordance with Section 98(2) of the Local Government Act 2020.***
2. ***Makes provision, that if there is any significant change prior to certification of the 2025-26 Colac Otway Shire Council Financial Statements they be referred back to the Audit and Risk Committee for information.***
3. ***Note the receipt of the closing report and management letter and the external auditors positive comments in relation to the audit process.***

RESOLVED UNANIMOUSLY

Note, Cr Jason Schram left the meeting at 10.26am and returned at 10.28am.

Item: 7.2

Financial Reporting: Draft Performance Statement 2025-26 and LGPRF (CR 4.1.4)

OFFICER	Belinda Rocka
CHIEF EXECUTIVE OFFICER	Andrew Tenni
DIVISION	Executive
ATTACHMENTS	1. Draft - Performance Statement 2025-26 [**7.2.1** - 16 pages] 2. Report of Operations Statement 2025-26 [**7.2.2** - 9 pages] 3. Governance and Management Checklist 2025-26 [**7.2.3** - 4 pages]

RECOMMENDATION

That the Audit and Risk Committee:

1. ***Recommends that Council approves in principle the draft 2025-26 Performance Statement (Attachment 1) for Colac Otway Shire Council, subject to any changes that are recommended or agreed by the Auditor in accordance with Section 98 (2) of the Local Government Act 2020.***
2. ***Notes that if there is any significant change prior to certification of the 2025-26 Colac Otway Shire Council Performance Statement, they be referred to the Audit and Risk Committee for information, and***
3. ***Notes the Report of Operations (Attachment 2) and Governance and Management Checklist (Attachment 3) completed in line with the Local Government Performance Reporting Framework.***

RESOLVED UNANIMOUSLY

Item: 7.3

Internal Control Environment: Impact of fuel crisis on unit rates used for Infrastructure Asset Revaluation

OFFICER	Kanishka Gunasekara
GENERAL MANAGER	Doug McNeill
DIVISION	Infrastructure and Environment
ATTACHMENTS	Nil

RECOMMENDATION

That the Audit and Risk Committee:

1. ***Notes the assessment of the impact of the fuel crisis on infrastructure construction costs and the unit rates used for Council's infrastructure asset valuations.***
2. ***Notes that Council did not experience significant project cost increases or delays attributable to the fuel crisis during the period reviewed and that there was no material impact on the unit rates applied in the 2025–26 infrastructure asset valuations.***
3. ***Notes that Council will continue to monitor relevant Australian Bureau of Statistics indices and contract rates and reassess infrastructure asset unit rates by the end of 2026 to determine whether any adjustment is required in future asset revaluations.***

RESOLVED UNANIMOUSLY

Item: 7.4

Internal Audit: Ratification of Asset Management - Infrastructure MAPP

OFFICER	Anita Craven
CHIEF EXECUTIVE OFFICER	Andrew Tenni
DIVISION	Executive
ATTACHMENTS	1. Colac Otway Asset Management - Infrastructure MAP Final - GM Signed [**7.4.1** - 5 pages]

RECOMMENDATION

That the Audit and Risk Committee endorse the Asset Management - Infrastructure Internal Audit MAP (Attachment 1).

RESOLVED UNANIMOUSLY

Item: 7.5

Compliance Management: WorkSafe Notice Apollo Bay Transfer Station - Verbal Update

OFFICER	Doug McNeill
GENERAL MANAGER	Doug McNeill
DIVISION	Infrastructure and Environment
ATTACHMENTS	Nil

RECOMMENDATION

That the Audit and Risk Committee notes the verbal updated provided in regard to the WorkSafe Notices issued to Wheelie Waste – Apollo Bay Transfer Station.

RESOLVED UNANIMOUSLY

Item: 7.6

Committee Membership: Chairperson appointment and reappointment of independent members (CR 5.2.1)

OFFICER	Anita Craven
CHIEF EXECUTIVE OFFICER	Andrew Tenni
DIVISION	Executive
ATTACHMENTS	Nil

John Gavens left the meeting due to his declared conflict of interest for item 1 below. Melissa Field took over chair of the meeting.

RECOMMENDATION

That the Audit and Risk Committee:

1. ***Appoint John Gavens as the Chairperson of the Audit and Risk Committee for a period of 12 months, commencing on 1 October 2026, and advise Council at the next Council meeting of this appointment.***
2. ***Notes Council reappointed John Gavens and Richard Trigg as Independent Audit and Risk Committee members at the Council meeting 25 August 2026 for a further three years, commencing on 1 December 2026.***

RESOLVED UNANIMOUSLY

This meeting was declared closed at 11.11am

CONFIRED AND SIGNED

……..CHAIR

Colac Otway SHIRE

Informal Meeting of Councillors Record

Pre-Council Meeting Preparation

Date: 22 September 2026

Time: 11.30am

Meeting Location: Meeting Rooms 1 and 2, COPACC

Invitees:
Cr Jason Schram, Cr Phil Howard, Cr Chris Potter, Cr Zoe Hudgell, Cr Mick McCrickard, Cr Chrissy De Deugd, Cr Charlie Buchanan, Andrew Tenni, Doug McNeill, Heidi Taylor, Emma Lowes, Anita Craven
Attendees:
Cr Jason Schram, Cr Chris Potter, Cr Zoe Hudgell, Cr Mick McCrickard, Cr Chrissy De Deugd, Andrew Tenni, Doug McNeill, Heidi Taylor, Emma Lowes, Anita Craven, Kanishka Gunasekara, Matthew Pope, Dora Novak, Brendan Walsh, Stephen Parker
External attendees:
Nil
Apologies:
Cr Buchanan and Cr Phil Howard (Leave of Absence)
Absent:

Meeting Commenced at: 11.30am

Declarations of Interest:

Name	Type of Disclosure	Item	Reason
Andrew Tenni (CEO)	Material	Item 2.1 – Chief Executive Officer Employment Matters	The item discusses matters that materially affect their employment.

Pre Council Meeting Preparation – 22 September 2026 (continued)		
Time	**Item**	**Attendees**
11.30am	Discussion on Bluewater Leisure Centre – Service Review	Brendan Walsh Stephen Parker
11.49am	Break *Cr Schram left the room at 11.49am, returned at 11.53am*	
	Agenda Review – 22 September 2026 Council Meeting	
11.54am	Item 7.1 - Proposal to Amend S173 Agreement - Pascoe Street Car Park Management	
12.04pm	Item 7.2 - Proposal to enter into a Grazing Licence - 20 Ocean Park Drive, Marengo	Matthew Pope
12.06pm	Item 7.4 - Endorsement of Project for Footpath Upgrade Program 2026-27	Kanishka Gunasekara
12.09pm	Item 7.3 - Outcome of Review of Resource Recovery and Waste Management Strategy	Dora Novak
12.10pm	7.5 - S6 Instrument of Delegation - Council to Members of Council Staff - Biannual Update	
12.11pm	Item 7.6 - Governance Report - Monthly	
12.12pm	Discussion on Closed Session Item – CEO Employment Matters	
12.14pm	General Business	
12.23pm	Meeting Closed	

Colac Otway SHIRE

Informal Meeting of Councillors Record

Councillor Briefing

Date: 6 October 2026

Time: 10.00am

Meeting Location: Meeting Rooms 1 and 2, COPACC

Invitees:
Cr Jason Schram, Cr Phil Howard, Cr Chris Potter, Cr Zoe Hudgell, Cr Mick McCrickard, Cr Chrissy De Deugd, Cr Charlie Buchanan, Andrew Tenni, Doug McNeill, Heidi Taylor, Emma Lowes, Anita Craven
Attendees:
Cr Jason Schram, Cr Phil Howard, Cr Chris Potter, Cr Zoe Hudgell, Cr Mick McCrickard, Cr Chrissy De Deugd, Cr Charlie Buchanan, Andrew Tenni, Doug McNeill, Heidi Taylor, Emma Lowes, Anita Craven, Blaithin Butler, Suk Gurung, Azam Mahmood, Belinda Rocka, Stephen Parker, Mikael Blyth, Morgan Eldridge, Kevin Young, Kanishka Gunasekara
External attendees:
Representatives from Urbis, Deakin University and FormFlow: Nat Anson, Adelaide Smith, Matt Dingle
Apologies:
Ian Seuren
Absent:
Nil

Meeting Commenced at: 10am

Declarations of Interest: NIL

Council Briefing Meeting – 6 October 2026 (continued)		
Time	**Item**	**Attendees**
10.01am	Item 1.1 - Colac Otway Adaptable Precincts Projects - Update from Project Partners	Nat Anson, Adelaide Smith, Matt Dingle (externals) Blaithin Butler, Suk Gurung
10.39am	Break *Cr McCrickard left the meeting at 10.40am*	
10.41am	Item 1.2 - Endorsement and Certification of In-principle Financial Statements and Performance Statement 2025-26	Azam Mahmood, Belinda Rocka
10.57am	Item 1.4 - Bluewater Electrification - Update and Options *Cr Hudgell left the room at 11.09am, returned 11.10am*	Stephen Parker, Mikael Blyth
11.22am	Item 1.3 - Bluewater Roof Replacement	Stephen Parker, Mikael Blyth
11.44am	Item 1.5 - Bluewater Leisure Centre Roof Replacement and Electrification Projects – Procurement Strategy and Delivery Options *Cr McCrickard returned to the meeting at 11.52am*	Stephen Parker, Mikael Blyth
11.53am	Item 1.6 - Colac East Industrial Precinct - Update to Feasibility Work *Cr Potter left the meeting at 11.54am*	Heidi Taylor
12.04pm	Item 1.7 - Population Attraction Marketing Video Series *Cr De Deugd left the room at 12.14pm, returned 12.18pm*	Morgan Eldridge
12.30pm	Lunch	
1.00pm	Item 1.8 - Dogs on Leash Review *Cr Potter returned to the meeting at 1.02pm*	Kevin Young
1.12pm	Break	
1.18pm	Item 1.9 - Update on Landslips	Kanishka Gunasekara

Council Briefing Meeting – 6 October 2026 (continued)		
1.31pm	General Business	
1.36pm	Meeting Closed	

Colac Otway SHIRE

Informal Meeting of Councillors Record

Councillor Briefing

Date: 13 October 2026

Time: 10.00am

Meeting Location: Meeting Rooms 1 and 2, COPACC

Invitees:
Cr Jason Schram, Cr Phil Howard, Cr Chris Potter, Cr Zoe Hudgell, Cr Mick McCrickard, Cr Chrissy De Deugd, Cr Charlie Buchanan, Andrew Tenni, Doug McNeill, Heidi Taylor, Emma Lowes, Anita Craven
Attendees:
Cr Jason Schram, Cr Phil Howard, Cr Chris Potter, Cr Zoe Hudgell, Cr Mick McCrickard, Cr Charlie Buchanan, Andrew Tenni, Doug McNeill, Heidi Taylor, Emma Lowes, Anita Craven, Matthew Pope, Blaithin Butler, Erin Sonego
External attendees:
Sally Conway – Conway Planning
Apologies:
Ian Seuren& Cr De Deugd
Absent:

Meeting Commenced at: 10.01am

Declarations of Interest:

Name	Type of Disclosure	Item	Reason
Doug McNeill	General	Item 1.4 - Draft Apollo Bay, Marengo and Skenes Creek Structure Plan - For Exhibition	Owns a property that resides on the border of the structure plan.

Council Briefing Meeting – 13 October 2026 (continued)		
Time	**Item**	**Attendees**
10.02am	Item 1.1 – Property Lease and Licence Update	Matthew Pope
10.37am	Item 1.2 – Proposed Vesting of the Beeac War Memorial Land to Council – 53A Main Street, Beeac	Matthew Pope, Blaithin Butler
10.52am	Item 1.3 – Barham River Flood Study *Cr Hudgell left the room at 10.52am, returned at 10.54am* *Cr McCrickard left the room at 10.53am, returned at 11.05am*	Blaithin Butler Sally Conway (external) Erin Sonego
11.08am	Item 1.4 – Draft Apollo Bay, Marengo and Skenes Creek Structure Plan - For Exhibition	Blaithin Butler Sally Conway (external) Erin Sonego
11.33am	Item 1.5 – VicSmart Planning Scheme Amendment *Cr Potter left the room at 11.33am, returned 11.35am*	Blaithin Butler Erin Sonego
11.38am	Item 1.6 – RFT 2704 – Building Surveying & Inspection Services	Blaithin Butler
FIO	Item 1.7 – Gender Equity Update	
11.45am	Meeting Closed	

Colac Otway SHIRE

Informal Meeting of Councillors Record

Pre-Planning Meeting Preparation

Date: 13 October 2026

Time: 11.45am

Meeting Location: Meeting Rooms 1 and 2, COPACC

Invitees:
Cr Jason Schram, Cr Phil Howard, Cr Chris Potter, Cr Zoe Hudgell, Cr Mick McCrickard, Cr Chrissy De Deugd, Cr Charlie Buchanan, Andrew Tenni, Doug McNeill, Heidi Taylor, Emma Lowes, Anita Craven
Attendees:
Cr Jason Schram, Cr Phil Howard, Cr Chris Potter, Cr Zoe Hudgell, Cr Mick McCrickard, Cr Charlie Buchanan, Andrew Tenni, Doug McNeill, Heidi Taylor, Emma Lowes, Anita Craven, Blaithin Butler
External attendees:
Nil
Apologies:
Ian Seuren and Cr De Deugd
Absent:

Meeting Commenced at: 11.45am

Declarations of Interest: NIL

Pre Planning Committee Preparation – 13 October 2026 (continued)		
Time	**Item**	**Attendees**
11.45am	Item 4.1 - PP110/2026-1 - 1195 Larpent Road LARPENT - Construction of a Dwelling (FZ) and Creation of Access	Blaithin Butler
11.47am	Item 4.2 - PP102/2026-1 - 225 McDonnells Road OMBERSLEY - Construction of a Replacement Dwelling (FZ)	Blaithin Butler
11.48am	Item 4.3 - PP140/2026-1 - 20 Gellibrand Valley Road GELLIBRAND - Construction of Replacement Dwelling	Blaithin Butler
11.50am	Meeting Closed	

Colac Otway SHIRE

Informal Meeting of Councillors Record

Pre-Council Meeting Preparation

Date: 13 October 2026

Time: 11.53am

Meeting Location: Meeting Rooms 1 and 2, COPACC

Invitees:
Cr Jason Schram, Cr Phil Howard, Cr Chris Potter, Cr Zoe Hudgell, Cr Mick McCrickard, Cr Chrissy De Deugd, Cr Charlie Buchanan, Andrew Tenni, Doug McNeill, Heidi Taylor, Emma Lowes, Anita Craven
Attendees:
Cr Jason Schram, Cr Phil Howard, Cr Chris Potter, Cr Zoe Hudgell, Cr Mick McCrickard, Cr Charlie Buchanan, Andrew Tenni, Doug McNeill, Heidi Taylor, Emma Lowes, Anita Craven, Azam Mahmood
External attendees:
Nil
Apologies:
Ian Seuren and Cr De Deugd
Absent:

Meeting Commenced at: 11.53am

Declarations of Interest: NIL

Pre Council Meeting Preparation – 13 October 2026 (continued)		
Time	**Item**	**Attendees**
11.53am	Item 7.1 - Endorsement and Certification of In-principle Financial Statements and Performance Statement 2025-26	Azam Mahmood
11.57am	Meeting Closed	

Colac Otway SHIRE

Informal Meeting of Councillors Record

Councillor Briefing

Date: 20 October 2026

Time: 10.00am

Meeting Location: Meeting Rooms 1 and 2, COPACC

Invitees:
Cr Jason Schram, Cr Phil Howard, Cr Chris Potter, Cr Zoe Hudgell, Cr Mick McCrickard, Cr Chrissy De Deugd, Cr Charlie Buchanan, Doug McNeill, Heidi Taylor, Emma Lowes, Anita Craven
Attendees:
Cr Jason Schram, Cr Phil Howard, Cr Chris Potter, Cr Zoe Hudgell, Cr Mick McCrickard, Cr Chrissy De Deugd, Cr Charlie Buchanan, Doug McNeill, Mikael Blyth, Heidi Taylor, Emma Lowes, Anita Craven, Blaithin Butler, Stephanie Rankin, Kanishka Gunasekara, Suk Gurung, Ian Williams, Matthew Pope, Azam Mahmood, Matilda Hardy-Smith
External attendees:
Anne-Marie Cade Sally Conway – Conway Planning Kristen Wilkes and Leah Bell - CoFutures
Apologies:
Andrew Tenni & Ian Seuren
Absent:

Meeting Commenced at: 10.00am

Declarations of Interest:

Name	Type of Disclosure	Item	Reason
Cr Schram	Material	Item 1.4 - Mooleric Road Quarry - Proposed Conditions	Does work for the applicant and for an objector to the application.

Council Briefing Meeting – 20 October 2026 (continued)		
Time	**Item**	**Attendees**
10am	Item 1.1 – Councillors Professional Development - Conflict Navigation & Resetting Group Dynamics	Anne-Marie Cade
12pm	Lunch	
12.30pm	Item 1.2 - Annual Report 2025-26	Stephanie Rankin
12.39pm	Item 1.3 - Draft Apollo Bay, Marengo and Skenes Creek Structure Plan	Blaithin Butler, Sally Conway – Conway Planning (videoconference), Kristen Wilkes and Leah Bell – CoFutures (videoconference)
1.03pm	Item 1.4 - Mooleric Road Quarry - Proposed Conditions *Cr Schram declared a COI and left the meeting at 1.03pm* *Cr De Deugd left the room at 1.24pm*	Blaithin Butler, Suk Gurung, Ian Williams, Kanishka Gunasekara, Doug McNeill (videoconference)
1.26pm	Item 1.5 - Award of Contract 2714 – Sealed Road Major Patching Program *Cr Schram returned to the meeting at 1.26pm* *Cr De Deugd returned to the room at 1.32pm*	Kanishka Gunasekara, Doug McNeill (videoconference)
1.34pm	Item 1.6 - Property Disposal - 80a Hart St, Colac	Matthew Pope
1.40pm	Item 1.7 - Property Rationalisation Update *Cr Hudgell left the room at 1.41pm, returned 1.42pm*	Matthew Pope
1.49pm	Item 1.8 - Community Engagement Policy - Public Exhibition Outcomes	Matilda Hardy-Smith
2.12pm	Item 1.9 - Rating and Revenue Plan - Public Exhibition Outcomes	Azam Mahmood
2.22pm	General Business	

Council Briefing Meeting – 20 October 2026 (continued)		
2.36pm	Meeting Closed	

Item: 7.9

Delegation of Authority for Community Asset Committee Membership Appointments and Revocations to the Chief Executive Officer

OFFICER	Belinda Rocka
CHIEF EXECUTIVE OFFICER	Andrew Tenni
DIVISION	Executive
ATTACHMENTS	Nil

1. PURPOSE

To delegate authority to the Chief Executive Officer to appoint and revoke Community Asset Committee membership.

2. EXECUTIVE SUMMARY

Council currently manages 20 Community Asset Committees (CACs), comprising of 184 committee members, across the Shire. CAC membership changes regularly, and new member appointments are currently made by Council resolution.

For members appointed to a CAC after 27 November 2024, membership ends when the member resigns. For members appointed before this date, resignation still requires a Council resolution.

This report proposes to delegate this authority to the CEO, which will streamline the appointment and resignation process, reduce administrative burden, and improve efficiency for Council.

3. RECOMMENDATION

That Council:

1. ***Delegate authority to the Chief Executive Officer to appoint new members to Community Asset Committees and revoke the membership of Community Asset Committee members upon resignation.***
2. ***Notes that regular updates on Community Asset Committee membership will be provided to Councillors via the monthly Governance Report to Council.***

4. KEY INFORMATION

Colac Otway Shire Council is currently supported by 20 Community Asset Committees (CACs), which have been appointed to manage a range of public halls, recreation reserves, and sporting facilities across the municipality.

In accordance with Section 65 of the *Local Government Act 2020*, Council establishes a CAC for the purpose of managing a community asset in the Shire. Currently Council is requested to approve changes to the membership of various CACs. These changes include the revocation of existing memberships and the appointment of new members.

For committee memberships appointed by Council resolution prior to 27 November 2024, revocation of membership occurred via Council resolution. For appointments made since 27 November 2024, memberships are considered to cease upon the resignation of the member.

However, the authority to appoint and revoke committee memberships may be delegated to the Chief Executive Officer to enable a more efficient and timely administrative process. This report seeks to provide this delegation to the CEO, which will streamline the appointment and resignation process, reduce administrative burden, and improve efficiency for Council.

If this recommendation is approved by Council, a short update will be provided in the monthly Governance report to Council to keep Councillors, and the public, informed of CAC memberships.

5. CONSIDERATIONS

Overarching Governance Principles (s(9)(2) *LGA 2020*)

The transparency of Council decisions will be maintained and by making these changes the best outcome for the community is being maintained.

Policies and Relevant Law (s(9)(2)(a) *LGA 2020*)

Local Government Act 2020 section 11(1)(b)

Environmental and Sustainability Implications (s(9)(2)(c) *LGA 2020*

Not applicable.

Community Engagement (s56 *LGA 2020 and Council's Community Engagement Policy*)

Not applicable.

Public Transparency (s58 *LGA 2020)*

Appointments and revocation of committee members will be published in the monthly Governance report.

Alignment to Plans and Strategies

Alignment to Council Plan 2025-2029:
Theme 2 - PEOPLE
3.2 - Make well-informed, transparent decisions for the betterment of the community through best-practice governance

Financial Management (s101 *Local Government Act 2020)*

Not applicable.

Service Performance (s106 *Local Government Act 2020)*

Not applicable.

Risk Assessment

Not applicable.

Communication/Implementation

Not applicable.

Human Rights Charter

No impact.

Officer General or Material Interest

No officer declared an interest under the *Local Government Act 2020* in the preparation of this report.

Options

Option 1 – Delegate authority to the Chief Executive Officer to appoint and revoke CAC memberships
This option is recommended by officers as delegating authority to the Chief Executive Officer will streamline the appointment and resignation process, reduce administrative burden, and improve efficiency for Council.

Option 2 – Retain current process and appointment and revocation of committee members
This option is not recommended by officers as delegating authority to the Chief Executive Officer will streamline the appointment and resignation process, reduce administrative burden, and improve efficiency for Council.

Item: 8.1

Internal Arbitration Process - Determination and Statement of Reasons for Decision

OFFICER	Anita Craven
CHIEF EXECUTIVE OFFICER	Andrew Tenni
DIVISION	Executive
ATTACHMENTS	1. IA P 2026 15&16 Decision [**8.1.1** - 13 pages]

1. PURPOSE

To table the outcome of the Internal Arbitration Process – Determination and Statement of Reasons for Decision for Potter and Schram (IAP 2026-15) and De Deugd and Schram (IAP 2026-16) (**Attachment 1**) in accordance with s147(4) of the Local Government Act 2020 (Act).

2. EXECUTIVE SUMMARY

The Internal Arbitration Determination and Reasons for Decision for Potter and Schram (IAP 2026-15) and De Deugd and Schram (IAP 2026-16) was received by the Colac Otway Shire's Councillor Conduct Officer on 14 October 2026.

S147(4) of the Act prescribes that the Determination and Statement of Reasons for Decision must be tabled at the next Council meeting after the decision is received.

4. KEY INFORMATION

On 30 July 2026, Councillor Potter and on the 29 July Councillor De Deugd made applications for an internal arbitration process to make a finding of misconduct against Cr Schram under s143 of the Act.

On 19 August 2026 and the 20 August 2026, the Principal Councillor Conduct Registrar accepted the two applications and appointed the same independent Arbiter to hear the matters as per s144A of the Act.

On 14 October 2026, the Colac Otway Shire Councillor Conduct Officer received the Determination and Statement of Reasons for Decision of the Internal Arbitration of

Potter and Schram (IAP 2026-15) and De Deugd and Schram (IAP 2026-16).

S147(4) of the Act states that a copy of the arbiter's decision and statement of reasons received by Council must be tabled at and recorded in the minutes of either:

a. A Council meeting specified by the arbiter; or
b. If no Council meeting is specified by the arbiter, the next Council meeting after the Council receives a copy of the decision and statement.

The Determination and Statement of Reasons for Decision of the Internal Arbitration of Potter and Schram (IAP 2026-15) and De Deugd and Schram (IAP 2026-16) (**Attachment 1**) is presented for tabling at the Council meeting dated 27 October 2026 in accordance with the Act.

5. CONSIDERATIONS

Overarching Governance Principles (s(9)(2) *LGA 2020*)

- Council decisions are to be made and actions taken in accordance with the relevant law
- the transparency of Council decisions, actions and information is to be ensured

Policies and Relevant Law (s(9)(2)(a) *LGA 2020*)

Local Government Act 2020

Environmental and Sustainability Implications (s(9)(2)(c) *LGA 2020*

Not applicable.

Community Engagement (s56 *LGA 2020 and Council's Community Engagement Policy*)

Not applicable.

Public Transparency (s58 *LGA 2020)*

This report is being tabled as per Section S147(4) of the Local Government Act 2020.

Alignment to Plans and Strategies

Alignment to Council Plan 2021-2025:
Theme 2 - PEOPLE
3.2 - Make well-informed, transparent decisions for the betterment of the community through best-practice governance

Financial Management (s101 *Local Government Act 2020)*

The financial and resourcing cost of internal arbitration can be met by the existing operational budget.

Council is required to meet the costs associated with the internal arbitration process, including the arbiter's fee. The registrar has set the fees to be paid to arbiters at $1,076 per day. At the time of writing this report, the arbiters fees have not yet been issued.

Service Performance (s106 *Local Government Act 2020)*

Not applicable.

Risk Assessment

Failure to table this matter at the next Council meeting after receiving the decision would result in a breach of the Act.

Communication/Implementation

Not applicable.

Human Rights Charter

No impact.

Officer General or Material Interest

No officer declared an interest under the *Local Government Act 2020* in the preparation of this report.

IN THE MATTER OF APPLICATIONS FOR AN INTERNAL ARBITRATION PROCESS

COLAC OTWAY SHIRE

IAP 2026-15

Applicant: Councillor Christopher Potter

Respondent: Councillor Jason Schram

-AND-

IAP 2026-16

Applicant: Councillor Christina de Deugd

Respondent: Councillor Jason Schram

HEARING PURSUANT TO DIVISION 5 OF PART 6 OF THE *LOCAL GOVERNMENT ACT 2020*

Date of hearing: Monday, 5 October 2026

Place of hearing: Colac Otway Performing Arts and Cultural Centre, 95-97 Gellibrand Street, Colac

Arbiter: Simon Heath

DECISION:

Councillor Potter and Councillor de Deugd have made separate Applications for an Internal Arbitration Process seeking a finding of misconduct against Councillor Schram. Both seek a finding in relation an alleged breach of Clause 2 of the Model Councillor Code of Conduct by Councillor Schram in an email he sent on 1 May 2026.

I find that the email constitutes a breach of that Clause by Councillor Schram and, as such, I make a finding of misconduct against him.

I direct that Councillor Schram make a written apology to Councillor Potter and Councillor de Deugd for that breach.

In the apology, Councillor Schram should acknowledge that his email failed to treat Councillor Potter and Councillor de Deugd with "dignity, fairness, objectivity, courtesy and respect", particularly by falsely stating that they had "misled or lied to the public" in relation to Council's consideration of a proposed lease for the Colac Otway Performing Arts and Cultural Centre. Councillor Schram should also apologise for the distress the email caused them, as well as unreservedly withdrawing any suggestion of improper conduct on their part.

I also direct that the apology be read aloud by Councillor Schram at the Council meeting on Tuesday, 24 November 2026. Should that meeting not proceed, the apology is to be read at the first Council meeting after that date.

In addition, Councillor de Deugd seeks a finding of misconduct against Councillor Schram in relation to an alleged breach of Clause 3 of the Model Councillor Code of Conduct in emails he sent on 22 June 2026.

I find that Councillor Schram has not breached that Clause and therefore make no further finding of misconduct against him.

STATEMENT OF REASONS

The Applications

1. Councillor Potter's 'Application for an Internal Arbitration Process' is dated 30 July 2026 **(Potter Application)**.

2. Councillor de Deugd's 'Application for an internal Arbitration Process' is dated 29 July 2026 **(de Deugd Application)**.

3. The Potter Application and the de Deugd Application seek findings of misconduct against Councillor Schram in relation to alleged breaches of the 'Model Councillor Code of Conduct' **(Code)**.

4. Councillor Potter and Councillor de Deugd allege that Councillor Schram breached the Code by reason of an email dated 1 May 2026 headed "Councillor Duties" **(email)**. The email was sent to five of six Councillors, the Chief Executive Officer **(CEO)** and a Director of the Colac Otway Shire **(Council)**.

5. The email was as follows:

"I am writing this email in my duty as Mayor. Under sections (sic) 18 of the local government act (e) promote behaviour among Councillors that is consistent with the Model Councillor Code of Conduct; and (f) assist Councillors to understand their role; This section of the act also has the following point, (3) To avoid doubt, reasonable steps taken by a Mayor carried out in a reasonable manner to perform their role in accordance with subsection (1)(e) or (f) is not bullying.
It was very disappointing that some Councillors at Tuesdays (sic) meeting either deliberately or by failure to read briefing papers, attend briefings, or just didn't listen in briefings, misled or lied to the public with comments made in the chamber.
The staff at the Colac Otway Shire have been offended by Councillors stating incorrect and just plain wrong information.
It is a councillors (sic) role to inform the public with facts not lies or wrong assumptions.
I am referring to the statements made by at least two Councillors that the Council was not given detailed information and modelling if the management of the cinema and theatre was to be run by Council. At the request of Council the staff spent many hours preparing realistic modelling and presented a detailed briefing to Council with expenditures and costs and the reasons for the assumptions. To help those navigate the briefing papers that may still be having trouble accessing or understanding information provided to make the best decisions, it is in the Council folder on COPACC dated February 17th 2026.

If a Councillor does not read the briefing papers, does not attend briefings or doesn't understand anything it does not mean the information wasn't provided. It is your obligation as a Councillor to catch up, ask questions or ask for help.

It does not give you the right to spread misinformation to the public, drum up fear or bring the Council into disrepute for your failures to perform your role as a Councillor properly.

The facts are, we have had many briefings over the past 18 months on Council regarding COPACC. From going out for EOI and not getting any positive responses to continue the cinemas service to then going out for EOI to not only run the cinema but also the bookings for theatre shows based on repeated feedback from the community and the organisation that the bookings and theatre side of things had become unworkable for the community. We were given ample opportunity to ask questions, attend briefings and read pages of information on many scenarios for the management of COPACC. We asked for things to go into the EOI which would form part of the lease and we went out to the public with the details of the lease. How the company will run their business to best suit them to get the best out of increasing offerings and foot traffic into COPACC are not lease conditions, And Councillors should not be involved in telling them how to run it. We endorsed the EOI and conditions and made changes based on feedback. Again this information was provided in papers and reports.

If the intent of any Councillor is to deliberately spread false information about Council, Councillors or staff and breech (sic) the code of conduct and local government act I will not hesitate to start a code of conduct proceeding.

This includes meeting with local individuals or groups and telling them the same misinformation. This has also occurred with this topic that Councillors weren't presented the information requested nor knowing what is in the lease. Completely false and misleading to stir up negative reactions against Council.

I have no problem with the way Councillors vote. But if the talk is false and misleading, I will cut it off in the future. I feel an apology should come from the Councillors who said we were never presented modelling if we were to run the entire COPACC facility. This should go via the CEO to the staff that spent many hours on the work at the request of Councillors.

I would encourage you to read the monitors report about revisiting directions of Council and performing your duties to best serve the community. It seems there is still elements of the past embedded or creeping into this Council that needs to change. I would hope the verbal spread of misinformation within the community also stop. I would encourage those that don't read briefing papers to start to perform your duty more by start reading the information provided.

I will also note that staff are entitled to bring code of conduct complaints against Councillors. I hope those can reflect on their behaviour at the meeting and improve in the future. The staff that provided Councillors with the information requested are unsure of why a Councillor would publicly state they were not given that information. It was disappointing. I would suspect certain motives, but the proof I have is the statements at the meeting and access to the same information you all have. The only Councillor that did not have access to any of this information was Cr (named) because of the COI.

In conclusion, some of you really need to do better, read the briefing papers, ask more questions if you don't attend briefings and don't publicly state wrong and misleading information."

6. Councillor Potter and Councillor de Deugd allege that the email constitutes a breach of Clause 2(1) of the Code, which relates to *'Behaviours'*. Omitting the irrelevant parts that Clause provides that:

   "A Councillor must treat others. Including other Councillors, members of Council staff and members of the public, with dignity, fairness, objectivity, courtesy and respect, including by-
   (a) not engaging in demeaning, abusive, obscene or threatening behaviour..." and,
   (b) not engaging in behaviour that intentionally causes perpetuates stigma, stereotyping, prejudice or aggression against a person or class of person..."

7. The de Deugd Application contains an additional allegation that Councillor Schram breached Clause 3 of the Code by failing to comply with Council's Governance Rules when responding to email requests by Councillor de Deugd on 22 June 2026 to be able to attend Council meetings remotely.

8. Omitting the irrelevant parts, Clause 3 of the Code specifies that;

   "A Councillor must comply with the following Council policies and procedures required for delivering good governance for the benefit and wellbeing of the municipal community-
   (a)...
   (b) the Council's Governance Rules developed, adopted and kept in force by the Council under section 60 of the Act, including in relation to-
   (i) ...
   (ii) requesting and approval of attendance at Council meetings and meetings of delegated committees by electronic means of communication;
   (iii)...

Arbiter's jurisdiction

9. On 19 August 2026, the Principal Councillor Conduct Registrar **(PCCR)** appointed me to the Council to hear the Potter Application pursuant to sections 144 and 149 of the *Local Government Act 2020* **(Act).**

10. On 20 August 2026, the PCCR referred the de Deugd Application to me pursuant to section 144(1B) of the Act on the basis that the subject matter would more appropriately be dealt by me having already been appointed to hear the Potter Application.

11. Section 143 of the Act provides that an Arbiter may hear an application that alleges misconduct by a Councillor.

12. Section 143(3) of the Act provides that an Application "must be made within 3 months of the alleged misconduct occurring". The Potter Application and the de Deugd Application, which were made on 30 July 2026, both allege misconduct occurring on and after 1 May 2026 so this requirement is satisfied.

13. Pursuant to section 147 of the Act, an Arbiter may determine whether or not a Councillor has engaged in misconduct.

14. "Misconduct" is defined in Section 3 of the Act as follows:

    "...any breach by a Councillor of the Model Councillor Code of Conduct".

15. Section 139(3)(b) of the Act specifies that the standards of conduct expected to be observed by Councillors in the course of performing their duties and functions are to be included in the Code.

16. The Code is set out in Schedule 1 to the *Local Government (Governance and Integrity) Amendment Regulations 2024*.

17. As required by Section 139(4) of the Act, the Code is published on the Council's website, and a copy thereof is attached hereto.

Hearing

18. The internal arbitration process for each Application comprised directions made on 27 August 2026, a video- conference directions hearing on 3 September 2026, further directions made on 3 September 2026, and an in-person hearing on 5 October 2026.

19. Because of the commonality of issues and evidence, the parties consented to both Applications being heard together.

Applicants' evidence

20. Councillor Potter's evidence comprised the Potter Application, an undated document titled 'Applicant's Supporting Material' containing additional information and documents, and an undated document responding to Councillor Schram's written submissions.

21. Councillor Potter also gave oral evidence and made submissions at the hearing.

22. Councillor de Deugd's evidence comprised the de Deugd Application, an email dated 10 September 2026 with additional information and documents, and an email dated 1 October 2026 responding to Councillor Schram's written submissions.

23. Councillor de Deugd also gave oral evidence and made submissions at the hearing.

Respondent's evidence

24. Councillor Schram provided a document titled 'Response concerning allegations of misconduct by Cr Christina De Deugd and Cr Chris Potter' dated 25 September 2026.

25. Councillor Schram also gave oral evidence and made submissions at the hearing.

Arbiter's finding

26. I determine that Councillor Schram has breached Clause 2 of the Code.

27. I also determine that Councillor Schram has not breached Clause 3 of the Code.

Arbiter's reasons

28. For some time, the Council had been considering the future of the Colac Otway Performing Arts and Cultural Centre **(COPACC)**.

29. On 24 June 2025, Council unanimously resolved to endorse the release of an Expression of Interest for the lease of COPACC, to consider proposals seeking alterations to the proposed key terms of that lease, and to authorise officers to evaluate submissions and negotiate with the preferred operator to enable a final lease to be submitted for approval.

30. Over the next few months, briefing papers and reports were made available to Councillors and several briefings and meetings were held.

31. On 10 March 2026, the Council voted to endorse IVG Global as the preferred operator of COPACC but to undertake four weeks of community engagement on the lease terms.

32. Some 21 submissions were received from members of the public expressing concerns about the future management of COPACC. (A copy of one such submission is included in Councillor Potter's 'Applicant's Supporting Material'). Three submitters addressed the Council meeting on 14 April 2026.

33. An Ordinary Council Meeting took place on 28 April 2026 **(meeting)**. Agenda item 7.2 for the meeting was 'Proposal to enter into a Lease – COPACC'.

34. On the eve of the meeting, Councillor Potter gave notice to Councillors of an alternative motion to item 7.2. being a proposal that Council continue to operate COPACC instead of approving a lease to IVG Global. I accept Councillor Potter's evidence that the alternative motion was brought to address community concerns. Councillor Schram's evidence was that personal circumstances prevented him from reading the alternative motion however I note that before the meeting he acknowledged the email attaching it.

35. I have viewed a recording of the meeting. It was conducted in a respectful manner compatible with the standards in the Code.

36. Councillor Schram was not prepared to consider the alternative motion on the basis that it would commit the Council to an excessive unbudgeted expenditure.

37. On 1 May 2026, Councillor Schram sent the email to five of the six Councillors, as well as to the CEO and a director of the Council. The email was not sent to all six because one had declared a 'conflict of interest' in relation to COPACC.

38. Although the email does not identify *"some Councillors"* and *"at least two Councillors"* by name, it is clear from the recording of the meeting that Councillor Schram is referring to Councillor Potter and Councillor de Deugd.

39. On 4 May 2026, Councillor Potter responded to the email advising Councillor Schram that his accusations of *"lying to, or misleading the community"* were *"offensive and demeaning"*. Councillor Potter detailed what information in relation to COPACC had not been provided, indicated that he had not criticized Council staff, and said he would not be intimidated by threats of breach of governance complaints. Councilor Potter also disagreed with Councillor Schram's ruling on the alternative motion. Councillor Schram did not reply to this email.

40. On 4 May 2026, Councillor de Deugd also responded to the email which she described as *"intimidating and threatening"*. Like Councillor Potter, Councillor de Deugd denied misleading the public because previously requested information in relation to COPACC had not been provided. (Councillor Schram said he had not seen Councillor de Deugd's email requests dated 5 February 2026, 16 February 2026 and 8 April 2026 to the CEO before he sent the email). Councillor de Deugd also confirmed that Councillors were complying with their responsibilities, and raised concerns about debate on issues being restricted because motions were being dismissed.

41. Bearing in mind that Councillor de Deugd was addressing the email, which asserted that she had mislead or lied to the public and a threat of future conduct proceedings, it was hardly appropriate for Councillor Schram's response that day to include the following:

> *"The use of words like intimidation, threatening and misleading leads me to a conclusion that conversation with yourself about the role of a councillor will not be met with anything other than disagreement. Therefore I will end communication in this matter and start formal code of conduct proceedings in due course over the comments in the meeting and subsequent online comments by other councillors..."*

42. Councillor Schram says his response was *"not intended to dismiss her concerns or disparage her professional character"* but that is what it did.

43. Councillor Schram did make a complaint against Councillor de Deugd however he withdrew prior to a scheduled mediation.

44. Councillor Schram attempted to justify the email on the basis that he sent it in his role as Mayor pursuant to section 18 of the Act. That section requires a Mayor to "promote *behaviour among Councillors that is consistent with the Model Councillor Code of Conduct"* and to *"assist Councillors to understand their role."* Putting aside the fact that the email was not sent to all Councillors, it was not consistent with the Code.

45. Councillor Schram said that he was aware that some Councillors were not reading materials provided to them not only in relation to COPACC but also other Council matters. If so, it would have been better for Councillor Schram to approach those who were not complying privately rather than in an email.

46. Contrary to Councillor Schram's assertion in the email, I accept Councillor Potter's and Councillor de Deugd's evidence that they had read the relevant COPACC papers, attended briefings, asked questions, and considered community submissions before the meeting. I also accept their evidence that at the time of the meeting not all the information requested including a draft lease, had been provided to them.

47. In the email, Councillor Schram stated that staff were *"offended"* by Councillors *"stating incorrect and just plain wrong information"*. The recording of the meeting however reveals that Councillor Potter and Councillor de Deugd did not criticise staff or the Chief Executive Officer. In this regard, I also accept Councillor Potter's evidence that he discussed his alternative motion with staff prior to the meeting.

48. Councillor Schram concedes that the email was "poorly worded" and, on reflection, stated he did not intend to question Councillor Potter's and Councillor de Deugd's honesty. The issue is not what Councillor Schram says he "intended" the email to mean. Any objective reader would perceive that Councillor Schram was questioning their integrity.

49. Asserting in the email that Councillor Potter and Councillor de Deugd *"misled or lied to the public"*, *"spread misinformation to the public (to) drum up fear or bring the Council into disrepute"* and *"publicly state wrong and misleading information"* was a clear failure by Councillor Schram to treat them with *"dignity, fairness, objectivity, courtesy and respect"* and therefore a breach of Clause 2(1) of the Standards.

50. In view of my finding of misconduct against Councillor Schram, pursuant to section 142(2)(a) of the Act, I direct that he make a written apology to Councillor Potter and Councillor de Deugd **(apology)**.

51. In the apology, Councillor Schram is to acknowledge that his email failed to treat them with "dignity, fairness, objectivity, courtesy and respect", especially by falsely stating that they had "misled or lied to the public" in relation to Council's consideration of the future operation of COPACC. Councillor Schram should also apologise for the distress the email caused to Councillor Potter and Councillor de Deugd and unreservedly withdraw any suggestion of improper conduct on their part.

52. I also direct that the apology is to be read aloud by Councillor Schram at the Council meeting on Tuesday, 24 November 2026. Should that meeting not proceed, the apology is to be read at the first Council meeting held after that date.

53. Without providing details, the de Deugd Application contains an allegation that Councillor Schram failed to intervene when another Councillor questioned her fitness for the role. Insufficient particulars have been provided in relation to that allegation and therefore I am unable to determine whether or not any breach of the Code has occurred

54. Councillor de *Deugd* alleges that Councillor Schram breached clause 3 of the Code by failing to comply with Council's Governance Rules **(Rules)** when dealing with Councillor de Deugd's request to attend a meeting by electronic means.

55. Clause 3 of the Code relates to *"Good governance"* and the relevant parts are as follows:

"A Councillor must comply with the following Council policies and procedures required for delivering good governance for the benefit and wellbeing of the municipal community-
(a) ...
(b) The Council's Governance Rules developed, adopted and kept in force by the Council under section 60 of the Act, including in relation to-
(i)...
(ii) requesting and approval of attendance at Council meetings and meetings of delegated committees by electronic means of communication; and
(iii)...

56. The relevant Rules in relation to attendance at meetings are as follows:

63.1 Council and Delegated Committee meetings will be conducted face-to-face (in person) at a set location, unless the Mayor approves an alternative in accordance with the following sub-rules.

63.2 A Councillor or member of a Delegated Committee may request to attend a meeting by electronic means of communication (virtually) by submitting a request to the Mayor and Chief Executive Officer, not less than twenty-four hours prior to the meeting commencement time.

63.3 A request to attend a meeting via electronic means of communication should only be made for a reason such as (but not limited to) health issues, caring responsibilities, any risk to the health and safety of Councillors, staff, or the community or where a level of travel restriction has been imposed or recommended by government. Approval of the request will be at the discretion of the Mayor. The Mayor will not unreasonably deny a Councillor request to attend a meeting electronically and will take into consideration all of the reasons provided.

63.4 The request must be made in writing and state the reasons the Councillor or member of a Delegated Committee wishes to attend the meeting via electronic means."

57. On 21 and 22 June 2026, there was an email exchange between Councillor de Deugd and Councillor Schram in relation to Councillor de Deugd's written request for permission to attend a Council meeting electronically due to *"childcare needs"*.

58. I do not accept Councillor de Deugd's contention that simply raising *"childcare requirements"* provided a *"complete and sufficient reason under the Rules"* to be able to attend a meeting remotely.

59. I think it was not unreasonable for Councillor Schram to have sought further details of the *"childcare needs"* to ensure a consistent application of the Rules. Councillor Schram's

indication that something along the lines of *"I need to look after children at home therefore I can't travel from home"* would be sufficient for approval.

60. In any event, Councillor Schram approved Councillor de Deugd's request. As there was no denial, Councillor Schram has not breached Rule 63.3 above and therefore he has not breached Clause 3 of the Code.

61. Councillor Schram has indicated that he would support a review of the Rules in relation to electronic attendance at meetings. I encourage such a review as it would assist in clarifying the level of detail an applicant is required to provide when making a request, as well as situations where it is not possible to give 24 hours' notice before a meeting.

Simon Heath

Arbiter

Dated: 14 October 2026

Model Councillor Code of Conduct

Schedule 1 of the Local Government (Governance and Integrity) Amendment Regulations 2024

Definitions

In this Schedule—

discrimination means unfair or unfavourable treatment of a person on the grounds of an attribute specified in section 6 of the **Equal Opportunity Act 2010**.

Standards of Conduct

1. Performing the role of a Councillor

A Councillor must do everything reasonably necessary to ensure that they perform the role of a Councillor effectively and responsibly, including by—

(a) representing the interests of the municipal community by considering and being responsive to the diversity of interests and needs of the municipal community; and

(b) being fit to perform the role of a Councillor when acting in that capacity or purporting to act in that capacity; and

(c) diligently using Council processes to become informed about matters which are subject to Council decisions; and

(d) not performing or purporting to perform any responsibilities or functions of the Chief Executive Officer; and

(e) acknowledging and supporting the Mayor in the performance of the role of the Mayor, including by—

(i) respecting and complying with a ruling of the Mayor as the chair of Council meetings (unless dissenting from the ruling in accordance with the Council's Governance Rules); and

(ii) refraining from making public comment, including to the media, that could reasonably be perceived to be an official comment on behalf of the Council where the Councillor has not been authorised by the Mayor to make such a comment.

2. Behaviours

(1) A Councillor must treat others, including other Councillors, members of Council staff and members of the public, with dignity, fairness, objectivity, courtesy and respect, including by—

(a) not engaging in demeaning, abusive, obscene or threatening behaviour, including where the behaviour is of a sexual nature; and

(b) not engaging in behaviour that intentionally causes or perpetuates stigma, stereotyping, prejudice or aggression against a person or class of persons; and

(c) not engaging in discrimination or vilification; and

(d) supporting the Council, when applying the Council's community engagement policy, to develop respectful relationships and partnerships with Traditional Owners, Aboriginal community controlled organisations and the Aboriginal community; and

(e) supporting the Council in fulfilling its obligation under the Act or any other Act (including the **Gender Equality Act 2020**) to achieve and promote gender equality; and

(f) ensuring their behaviours and interactions with children are in line with the Council's policies and procedures as a child safe organisation and obligations under the **Child Wellbeing and Safety Act 2005** to the extent that they apply to Councillors.

(2) A Councillor, as an individual at the workplace, must take reasonable care for their own health and safety and take reasonable care that their acts or omissions do not adversely affect the health and safety of other persons by—

(a) adhering to applicable systems and policies put in place by the Chief Executive Officer to manage risks to health and safety in the workplace; and

(b) complying, so far as the Councillor is reasonably able, with any reasonable instruction that is given by the Chief Executive Officer to manage risks to health and safety.

(3) A Councillor must act in accordance with any policies, practices and protocols developed and implemented under section 46 of the Act that support arrangements for interactions between members of Council staff and Councillors.

3. Good governance

A Councillor must comply with the following Council policies and procedures required for delivering good governance for the benefit and wellbeing of the municipal community—

(a) the Council's expenses policy adopted and maintained under section 41 of the Act;

(b) the Council's Governance Rules developed, adopted and kept in force by the Council under section 60 of the Act, including in relation to—

(i) conduct in Council meetings or meetings of delegated committees; and

(ii) requesting and approval of attendance at Council meetings and meetings of delegated committees by electronic means of communication; and

(iii) the Council's election period policy included in the Council's Governance Rules under section 69 of the Act, including in ensuring that Council resources are not used in a way that is intended to influence, or is likely to influence, voting at a general election or by-election;

(c) the Council's Councillor gift policy adopted under section 138 of the Act;

(d) any direction of the Minister given under section 175 of the Act.

4. Integrity

(1) A Councillor must act with integrity, exercise reasonable care and diligence and take reasonable steps to avoid any action which may diminish the public's trust and confidence in the integrity of local government, including by—

(a) ensuring that their behaviour does not bring discredit upon the Council; and

(b) not deliberately misleading the Council or the public about any matter related to the performance of their public duties; and

(c) not making Council information publicly available where public availability of the information would be contrary to the public interest.

Note

See the public transparency principles set out in section 58 of the Act.

(2) A Councillor must not, in their personal dealings with the Council (for example as a ratepayer, recipient of a Council service or planning applicant), expressly or impliedly request preferential treatment for themselves or a related person or entity.

5. The Model Councillor Code of Conduct does not limit robust public debate

Nothing in the Model Councillor Code of Conduct is intended to limit, restrict or detract from robust public debate of issues in a democracy.

Item 10.1

Notice of Motion 365 26-27 - Belvedere Drive Subdivision

COUNCILLOR	Cr Charlie Buchanan
ATTACHMENTS	Nil

1. NOTICE OF MOTION

That Councillors receive a comprehensive, confidential briefing report within 60 days regarding the stormwater dispersal matter at 240 Woodrowvale Road, Elliminyt created as part of Stage 4 and 5 subdivision at 105 Belvedere Drive, Elliminyt, with a minimum of the following information:

a. ***The complete administrative and documentary evidence held by council regarding any agreements made by council staff regarding this stormwater discharge, including any evidence or knowledge of any verbal agreements;***
b. ***A full breakdown of all costs expended by council to date,***
c. ***Full costing for the total drainage/stormwater rectification including exploring what avenues are available to council to investigate and revisit the developers responsibility and statutory planning obligation under their planning approval in this matter, and;***
d. ***An assessment of Councils statutory obligations under the Water Act 1989, Planning and Environment Act 1987 and Local Government Act 2020, and any other relevant statutes.***

2. COUNCILLOR COMMENT

a. The purpose of this motion is to protect the integrity of council's statutory and infrastructure planning obligations by ensuring the process includes all the necessary elements to produce quality outcomes. The systems are then the interconnecting framework of roles. People, departments, tools, advice and materials to get the quality service or product we need to consistently deliver. Council needs to have this confidence prior to final approval This needs to happen automatically and consistently to ensure the responsible expenditure of ratepayers' funds and appropriate community outcomes.

b. To establish that council's application of stormwater and drainage legal obligations and best practice, are administered correctly when dealing with commercial or urban development projects.

c. Finally, this motion seeks to establish the facts and properly inform Councillors of this serious matter, understand council's financial, reputational and legal exposure and most importantly restore administrative fairness and reduce future exposure to poor decision making.

3. OFFICER COMMENT

Council officers have been responding to concerns from a landowner at 240 Woodrowvale Road, Elliminyt that stormwater from an adjoining subdivision at 105 Belvedere Drive is being discharged to that land.

This issue arises from the development of Stages 4 and 5 of the subdivision which date back several years. Officers have been assessing options for Council to consider as a response.

Information has been provided to Councillors through a briefing in relation to this matter, detailing the options available and likely costs. A further briefing can be provided to Councillors providing the information requested.