



**Colac Otway
SHIRE**

AGENDA

SPECIAL COUNCIL MEETING

OF THE

COLAC-OTWAY SHIRE

COUNCIL

10 JUNE 2008

at 12.00 noon

**COPACC Meeting Room
Rae Street, Colac**

COLAC-OTWAY SHIRE COUNCIL SPECIAL MEETING

10 JUNE 2008

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NOTICE is hereby given that the next ***SPECIAL COUNCIL MEETING OF THE COLAC-OTWAY SHIRE COUNCIL*** will be held in the COPACC Meeting Room, Rae Street, Colac on 10 June 2008 at 12.00 noon.

AGENDA

1. **PRESENT**
2. **APOLOGIES**
3. **QUESTION TIME**
4. **DECLARATION OF INTEREST**

OFFICERS' REPORTS

Corporate and Community Services

SC081006-1 CONSIDERATION OF THE 2008/09 BUDGET

Tracey Slatter
Chief Executive Officer

SC081006-1 CONSIDERATION OF THE 2008/09 BUDGET

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DEPARTMENT:	Executive	FILE REF:	GEN00392 Estimates/Budgets

Purpose

In accordance with Section 127 of the Local Government Act 1989 (the Act) and Regulation 8 of the Local Government (Finance and Reporting) Regulations 2004 (the Regulations), Council is required to commence the statutory process to adopt the Proposed Annual Budget for 2008/09.

The Budget document attached is based on the best practice guide for reporting in Local Government. This document provides a range of financial information and recognises the differing levels of stakeholder interest in local government finances.

This report recommends that Council resolve to prepare the proposed Budget for 2008/09 in accordance with Section 127 of the Act and give the required public notice pursuant to Section 129 of the Act.

Background

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

The 2008/09 budget has been developed through a comprehensive review process. The Councillors together with staff have analysed available information and financial data to ensure that the budget delivers Council's objectives and financial plans. The annual budget process commences in February 2008.

This involves:

- Development of Project Briefs;
- Analysis of funding options;
- Review of fees and charges;
- Review of business plans;
- Review of Capital and Project Works;
- Review of end of year expectations and balances.

The exhaustive analysis of the information provided and the review process undertaken to establish the budget for 2008/09 have produced a financially responsible budget.

The proposed budget recognises the importance of setting a clear direction for the future, achieving measurable objectives, encouraging community input and consultation, and being financially responsible.

The 2008/09 Budget will enable Council to deliver on key community priorities. These include the Alvie Recreation Reserve redevelopment, design and implementation of the Apollo Bay Transfer Station, Birregurra and Forrest township structure plans to position them for future growth challenges, rural living strategy for the Shire, election expenses, continued rehabilitation of landfills to EPA standards, contribution to community facilities at the

Education, Recreation and Community Precinct and a commitment to high quality service delivery in all service areas.

This budget maintains the focus on the elimination of the Infrastructure Renewal Gap. The Infrastructure Renewal Gap is the difference between what we should spend on renewal of roads and other assets as they reach the end of their useful lives and what we did spend, only four budgets ago (2004/05) the infrastructure renewal was almost \$5.0m. Through Council's financial discipline and responsible decision making, Council will continue to allocate 100% of the funds needed to meet our infrastructure renewal target, providing a more sustainable base for Council long-term operations.

This budget will also see the financial viability of Council improve. The dramatic growth in services and facilities over the past decade is positive for the growth and development of Colac Otway Shire. Council has prepared a Budget for the 2008/2009 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. The budget provides information about rates, cash and investments, operating result, borrowing level, financial position, capital works and financial sustainability of the Council.

The budget document appended to this report provides detailed information with regard to the major impacts for 2008/09. It also provides details with regard to Council's financial management principles to ensure a financially sustainable future.

The budget proposal is for an increase of 5.83% in the average rates and charges per assessment. This increase will enable Council to deliver a number of key initiatives and projects highlighted in the body of the report. The proposed budget is designed to deliver an operating surplus to fund capital works. The basis of sound financial management includes the principles for achieving operating surpluses, ensuring liquidity and maintaining long-term solvency.

The budget provides for an operating surplus of \$0.22m and provides capital works expenditure of \$9.7m in 2008/09.

The key direction to staff in the preparation of the 2008/09 Proposed Budget has been to maintain and enhance service standards within the community and meeting the key targets in the Strategic Resource Plan.

The 2008/09 Budget reflects Council's commitment to achieving progress against Council's Community Priorities.

- Roads and Infrastructure
- Planning and Development
- Financial Sustainability
- Health, Recreation and Community Services
- Economic Development
- Environmental Sustainability
- Strong Leadership

Operating Result

The Draft Budget proposes a forecast operating surplus of \$0.22m, whilst maintaining an adequate cash position. The Shire is projecting an ongoing operating surplus which is an improvement on the past.

The operating surplus is largely due to increases in Council's rates and charges revenue, Government Grants that have been directed to infrastructure renewal and ongoing review of operating expenditure.

Council's Strategic Resource Plan forecasts that the Shire will continue to achieve an operating surplus. However, this is dependent on continuing to meet our annual infrastructure renewal requirements.

The 2008/09 Budget indicates a reduced reliance on Government Grants. This has placed pressure on the budget process in achieving an operating surplus, but will assist in reducing the underlying deficit.

Council's underlying result illustrates our long term reliance on capital related grant revenue; however the Strategic Resource Plan for the years 2007/08 to 2011/12 assists Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. While the Plan projects that Council's operating result will continue to be in surplus by the 2011/12 year, the underlying result is a decreasing deficit over the four year period.

The underlying result is really about whether Council's "own source revenue" matches or exceeds Council's operational expenditure. In other words, can we fund all of what we do, with the revenue we make from rates, fees, charges and other ongoing income streams? This underlying result excludes any capital income or expenditure and only deals with the day to day services we deliver to the community and the maintenance of our assets. The result for 2008/2009 is seen as a positive step towards the longer term goal of achieving a consistent underlying surplus.

Service Delivery

Three of the largest areas of Council operational expenditure are in Asset Maintenance (Cosworks), Waste Management and Strategic and Statutory Planning.

- Asset Maintenance (\$3.14m)
The Cosworks maintenance budget is proposed to increase from \$2.96m to \$3.14m or 6.1% to assist in meeting Council standards, community expectations and in turn increasing the useful life of assets.

The major components include:

• Unsealed Roads Maintenance	\$478,000
• Vegetation Control	\$400,000
• Street Beautification	\$331,000
• Road Signs and Marking	\$305,000
• Drainage Maintenance	\$300,000
• Sealed Roads Maintenance	\$290,000

- Waste Management (\$3.0m)
This budget includes funding for Waste Disposal and Waste Collection.

- Strategic and Statutory Planning (\$1.59m)
The budget includes the normal operations of the areas as well as additional funds for the following:
 - Scheme Amendments
 - Rural Living Strategy for the Shire

- Structure Plans developed for Birregurra and Forrest

Council will also continue to provide core service delivery in many other areas including:

- Home and Community Care
- Maternal and Child Health
- Health Administration
- Local Laws

To assist with service delivery funds for additional resources have been provided for in a number of areas:

- Organisation Support & Development (part-time)
- Finance
- Customer Relations
- Family Day Care (part Time)
- Local Laws (part-time)
- Asset Management

Capital Works

The total value of the proposed Capital Works Program is \$9.67m of which \$6.14m relates directly to renewal, and \$3.52m for upgrades. A detailed list of projects is included in Appendix C of the Draft Budget document.

The most significant projects, excluding Plant replacement purchases, and showing total project costs include:

• <u>Corporate and Administrative</u>	
IT Upgrades and software	\$230,000
HACC Minor Works	\$50,000
• <u>Infrastructure</u>	
Local Roads Unsealed Roads	\$1,250,000
Roads to Recovery	\$1,166,000
Local Roads Resealing Program	\$790,000
Better Roads - Binns Road	\$728,000
Dairy Industry Road Program	\$550,000
Apollo Bay Footpaths	\$50,000
Road Furniture Upgrades	\$40,000
• <u>Strategic Development</u>	
Marengo Transfer Station (carried over)	\$1,000,000
Gellibrand Landfill Rehabilitation	\$250,000
Alvie Recreation Reserve	\$206,000
Old Beechy Rail Trail	\$135,000
Birregurra Skate Park	\$130,000
Small Town Improvement Program	\$80,000

Education Recreation Community Precinct

Council funding will continue to contribute to the planning and detailed design of the Global Connector. An amount of \$145,000 has been allowed for in the 2008/09 Budget for project management costs.

Council's contribution to the Global Connector (inc. Joint Use Library) will be required in the 2009/10 financial year and not 2008/09. No community funds have been allowed for in the 2008/09 Draft Budget for Council's contribution to the construction of the Global Connector.

Budget Influences

- External

In preparing the 2008/09 Draft Budget, a number of external influences have been taken into consideration as they have a significant impact on the services delivered by Council.

These include:

- Recognition of the growth in costs both in current and future years of many of the Shire's contractual obligations through the impact of rising inflation and fuel costs.
- Grants Commission funding of \$4.95m, an increase of \$0.32m (6.8%) on 2007/08 forecast.
- Election expenses for the 2008 General Election of \$115,000.
- Government grants providing less than full cost increases in services provided by Council in partnership with those governments. The formula used by Government to index grants falls short of the actual cost increases for services such as library services, school crossing supervisors and like services.
- Prevailing economic conditions which are expected to remain difficult during the budget period impacting investment interest rates.
- Increasing legislative obligations imposed by State Government.

- Internal

There are also a number of internal influences which have impacted on the Budget.

These include:

- Enterprise Bargaining Agreement (EBA) increase of 4.1%.
- Increased contribution of \$58,000 to Corangamite Regional Library Corporation.
- Increasing demand on Services.
- Increasing requirements for waste water management compliance.
- The costing of both Bluewater Fitness Centre and COPACC at realistic levels.
- Increase in Workcover premiums.

In dealing with these issues and other pressures on its financial position, Council seeks to balance the need to keep rates affordable whilst meeting the legitimate service demands of the community.

Other Highlights/Major Initiatives

The Draft Budget includes a number of activities and initiatives which will contribute to the achievement of the Council Plan Strategic Objectives.

These include:

- Governance

Community Grants	\$40,000
Council Plan	\$40,000
G21 Contribution	\$36,000
Youth Initiatives	\$25,000

Early Years Plan	\$10,000
• <u>Infrastructure</u>	
Completion of Colac Car Parking Study	\$65,000
Completion of Apollo Bay Car Park Study	\$25,000
Bridge Inspection Program	\$25,000
Botanical Gardens recycled water project development	\$25,000
Colac CBD litter bin upgrade	\$22,500
Road Safety Strategy	\$10,000
• <u>Strategic Development</u>	
Apollo Bay P-12 Pool Upgrade (balance)	\$160,000
Beechy Precinct Project	\$145,000
Regional Trails Master Plan (offset by grants/contributions)	\$100,000
Recreation Facilities Grants	\$65,000
Events Sponsorship	\$60,000
Regional Recreation Reserves Contribution Program	\$38,000
Recreation Strategy Implementation	\$35,000
Environment Sustainability Action Fund	\$30,000
Council Weed Management Program	\$30,000
Surf Lifesaving Clubs Contributions	\$25,500
OBI Marketing Strategy Contribution	\$15,000
Small Town Signage	\$10,000

Fees and Charges

A detailed list of fees and charges is included in the Budget document. All charges have been reviewed. Some fees are fixed by legislation while others are set on a user pays basis.

The schedule outlines the proposed fees and charges for 2008/09 and provides a comparison to 2007/08 levels. The impact of GST on the fees and charges has also been included.

A number of new fees and charges are included in the schedule.

Rating and Valuations

In preparing the budget Council has revalued all properties in the Shire in accordance with its statutory obligations. The revaluation has meant an overall increase in property values of 11.9% over last year's valuation and as a result, the rate in the dollar for all rating categories has been reduced. Council's total rates and charges will increase to \$17.6m (including supplementary rates) to enable the delivery of services and infrastructure to the community.

The budget proposal is for an increase in the average rates and charges (excluding supplementary rates) of 5.83% for the 2008/09 financial year.

The combined 2007/08 Rates and Charges bill per assessment was \$1,168. The average for 2008/09 is forecast to be \$1,236, being a \$68 or 5.83% increase on 2007/08.

As it is a revaluation year the amount of the rate increase will not be consistent across all properties with some properties experiencing a higher increase in the valuation than others.

As a result of the revaluation, the Colac Residential (Base Rate) is proposed to be 0.003015 in the dollar which is a 3.05% reduction from 2007/08.

The budget proposes that the rates in the dollar for each type of rate to be levied (expressed in "cents in the dollar") for the period commencing 1 July 2008 and concluding on 30 June 2009 are:

Residential – Colac/Elliminyt	\$0.3015
Residential – Balance Shire	\$0.2563
Rural Farm	\$0.2382
Holiday Rental	\$0.3015
Commercial/Industrial – Colac/Elliminyt	\$0.4975
Commercial/Industrial – Balance Shire	\$0.4221
Other Charges:	
Aire River Drainage Scheme	\$0.20 per hectare
Tirrengower Drainage Scheme	\$1.273 per hectare

The budget proposes that a Municipal Charge of \$150.00 per each rateable property in respect to which a municipal charge can be levied for the period commencing 1 July 2008 and concluding on 30 June 2009.

The budget proposes that a Waste Management Charge of \$235.00 be levied for the period commencing 1 July 2008 and concluding on 30 June 2009 for properties in areas receiving a weekly garbage collection service.

The budget proposes that a Waste Management Charge of \$152.00 be levied for the period commencing 1 July 2008 and concluding on 30 June 2009 for properties in areas receiving a fortnightly or monthly garbage collection service respectively.

During the year there will be additional properties and developments completed and this will provide further revenues in the order of \$100,000 in rates and charges.

Economic Development and Tourism

The Commercial and Industrial rating categories incorporate an amount of \$340,000 towards Economic Development and Tourism.

This was implemented in the 2006/07 and 2007/08 budgets.

These funds offset the amount that Colac Otway spends on economic development and tourism by supporting industry development, visitor information centres, marketing brochures, economic development projects, small town improvement initiatives and promotion of the Shire. These initiatives aim to ensure Colac Otway Shire remains an attractive option for visitors to Victoria and this region.

Holiday Rental Rating Differential

As part of its 2007-08 Budget process, Council introduced a new Rating Differential Category for holiday rental and Bed and Breakfast properties. This was a way of ensuring that holiday rental houses and Bed and Breakfasts contribute to the costs of economic development and tourism without facing the significant rate increase that would occur if the commercial category of rating was applied.

Properties that have been identified in this category are rated at the same rate that is applied to Colac residential properties. This rate is higher than the residential rate for Apollo Bay and the rest of Shire, but not as high as Apollo Bay Commercial properties.

A property will be deemed to be available for holiday rental if it is generally available for tourist holiday accommodation for the purpose of generating income.

Debt Servicing

The Draft Budget does not include any new borrowings.

Debt servicing costs are budgeted to be \$518,000 and total loan liability will continue to reduce from a forecast of \$2.98m as at 30 June, 2008 to a budgeted figure of \$2.46m.

Council's debt level falls comfortably within the State Government's prudential ratio limits and there will be capacity for additional borrowings if needed for Council's contribution towards the Global Connector and other projects in 2009/10 and future years.

Risk Management and Compliance Issues

Local Government Act 1989:

- Section 127 – “Council must prepare a Budget”
- Section 129 – “Public Notice”
- Section 130 – “Adoption of Budget or Revised Budget”
- Section 223 – “Right to make submission”

Local Government (Finance & Reporting) Regulations 2004:

- Regulation 8
- Regulation 9

Consultation

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

A consultation period of nearly 4 weeks is proposed to enable the community opportunity to comment on Budget proposals (minimum consultation period under the LGA is 2 weeks).

It is important that the budget is adopted near the commencement of the financial year. The timelines proposed for approval 'in principle' of the 2008/09 Annual Budget, public consultation, consideration of submissions and adoption of the 2008/09 Annual Budget at the Council Meeting on 22 July 2008 is later than most other councils. Most other councils have a 14 day consultation period and will adopt their budgets during June.

The timelines will be reviewed for future budgets to enable the budget process to be completed earlier, taking into account the 4 week consultation period.

Advertisements will be placed in the local papers advising the community that documents are available for viewing on Council's website, and will also be available from Council's Service Centres on Thursday 12 June 2008.

Submissions can be made in writing by Wednesday 9 July 2008 and Council will consider any submissions received at a Special Council Meeting on Tuesday 15 July 2008 prior to the final Budget being adopted on Tuesday 22 July 2008.

Anyone wanting to make a submission in person to the Council should advise of this requirement in their submission.

As part of the consultation process two Budget Information sessions are planned to be held in Colac and Apollo Bay. In Colac on Tuesday 17 June at COPACC and in Apollo Bay on Thursday, 19 June at the Kambruk Room at the Apollo Bay Hotel. Both sessions to commence at 7 pm.

Summary

The Draft budget has been prepared over a considerable period of time, with significant commitment from Councillors and staff. The draft budget is a fiscally responsible document based on maintaining service delivery within the Shire and an increase in the average rates and charges of 5.83% per assessment.

It is appropriate that Council proceeds to adopt the draft budget for presentation to the community, seeking submissions on its contents.

Recommendation(s)

1. ***That the 2008/09 Draft Budget annexed to this resolution be the Budget prepared by Council pursuant to Section 127 of the Local Government Act 1989.***
2. ***That the Chief Executive Officer be authorised to:***
 - (i) ***give public notice of the proposed Budget in accordance with Section 129(1) of the Local Government Act 1989; and***
 - (ii) ***make available for public inspection a copy of the proposed budget in accordance with Section 129(3) of the Local Government Act 1989.***
3. ***That Council:***
 - (i) ***calls for written submissions in accordance with section 223 of the Local Government Act 1989 on the proposals contained in the 2008/09 budget. Written public submissions will be accepted until 5.00 pm Wednesday 9th July, 2008; and***
 - (ii) ***hears any person who wishes to be heard (either personally or by a person acting on their behalf) in support of a submission received in relation to the proposed budget at a Special Council Meeting on Tuesday, July 15th 2008 at 9.00 am.***
4. ***That Council:***
 - (i) ***Proposes that the rates in the dollar for each type of rate to be levied (expressed in "cents in the dollar") for the period commencing 1 July 2008 and concluding on 30 June 2009 are:***

<i>Residential – Colac, Colac East, Colac West, Elliminyt</i>	<i>\$0.3015</i>
<i>Residential – Balance Shire</i>	<i>\$0.2563</i>
<i>Rural Farm</i>	<i>\$0.2382</i>
<i>Holiday Rental</i>	<i>\$0.3015</i>
<i>Commercial/Industrial – Colac, Colac East, Colac West, Elliminyt</i>	<i>\$0.4975</i>
<i>Commercial/Industrial – Balance Shire</i>	<i>\$0.4221</i>

Other Charges:

Aire River Drainage Scheme	\$0.20 per hectare
Tirrengower Drainage Scheme	\$1.273 per hectare

- (iii) Proposes that a Municipal Charge of \$150.00 per each rateable property in respect to which a municipal charge can be levied for the period commencing 1 July 2008 and concluding on 30 June 2009.**
- (iv) Proposes that a Waste Management Charge of \$235.00 be levied for the period commencing 1 July 2008 and concluding on 30 June 2009 for properties in areas receiving a weekly garbage collection service.**
- (v) Proposes that a Waste Management Charge of \$152.00 be levied for the period commencing 1 July 2008 and concluding on 30 June 2009 for properties in areas receiving a fortnightly or monthly garbage collection service respectively.**



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Colac Otway
SHIRE

Naturally Progressive

COLAC OTWAY SHIRE

DRAFT ANNUAL BUDGET

2008/2009

For the year ended

30 June 2009

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OVERVIEW

Executive Summary

The 2008/09 Budget will enable Council to deliver on key community priorities. These include the Alvie Recreation Reserve redevelopment, design and implementation of the Apollo Bay Transfer Station, Birregurra and Forrest township structure plans to position them for future growth challenges, a rural living strategy for the shire, election expenses, continued rehabilitation of landfills to EPA standards, contribution to community facilities at the Education, Recreation and Community Precinct and a commitment to high quality service delivery in all service areas.

This budget maintains the focus on the elimination of the Infrastructure Renewal Gap. The Infrastructure Renewal Gap is the difference between what we should spend on renewal of roads and other assets as they reach the end of their useful lives and what we did spend, only four (4) budgets ago (2004/2005) the infrastructure renewal gap was almost \$5 million. Last budget we eliminated this gap. Through Council's financial discipline and responsible decision making, Council will continue to allocate 100% of the funds needed to meet our infrastructure renewal target, providing a more sustainable base for Council long-term operations.

This budget will also see the financial viability of Council improve. The dramatic growth in services and facilities over the past decade is positive for the growth and development of Colac Otway Shire. Council has prepared a Budget for the 2008/2009 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, cash and investments, operating result, borrowing level, financial position, capital works and financial sustainability of the Council.

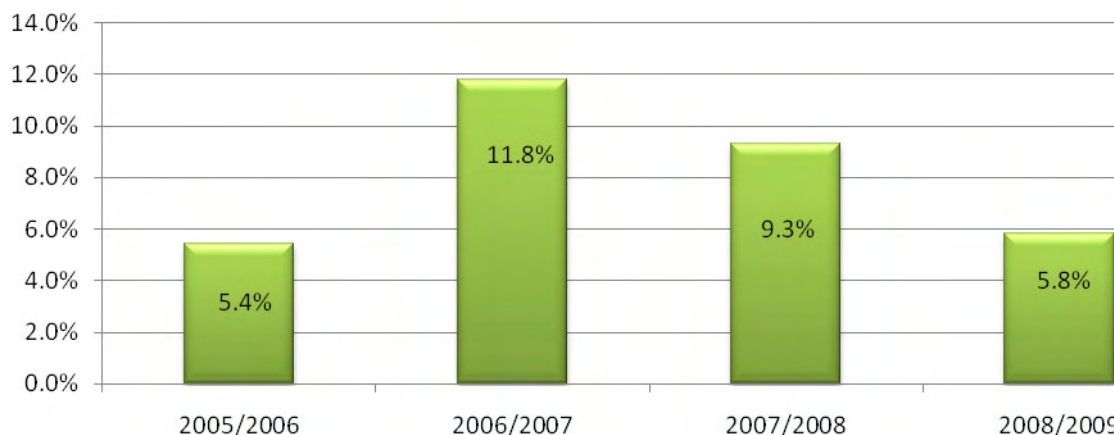
The key features of the 2008/2009 Budget are:

- An operating surplus achieved for the second consecutive year;
- Council continues to meet the Infrastructure Renewal Gap;
- The delivery of affordable rates – with an average rate increase of 5.8%;
- Numerous projects designed to enhance the community;
- Delivery of a strong capital works program; and
- An improved positive financial position.

This has been achieved within the parameters of:

- Reduced government grants;
- Increases in the level of overall rate income;
- Careful monitoring of operating costs of service delivery;
- Increased demands and expectations by the community and other levels of government.

1. Rates



In the past two financial years Council has raised rates (above the state-wide average increases) to address the infrastructure renewal gap and to put the Council on a sound financial footing. With these tough increases now behind us, Council is able to deliver a rate increase in 2008/2009 at similar levels to those reflected in other large rural Councils.

In preparing the budget, Council has re-valued all properties in the Shire in accordance with its statutory obligations. The revaluation has meant an overall increase in property values across the shire of 11.9%. As a result Council has elected to reduce the rate in the dollar for all rating categories, so minimising the impact of the increasing property values.

It is proposed that general rates and charges increase by an average of 5.8% for the 2008/2009 year. This equates to about \$17.65 million in both rates and charges, such as the waste management charge, and is in line with Council's rating strategy. Council's rates and charges are directed towards the maintenance of existing services and infrastructure and are the largest component of Council's revenue.

The impact on the average assessment for 2008/2009 is expected to be an increase of \$68, bringing the total average rates and charges per assessment to \$1,236.

As it is a revaluation year the amount of the rate increase will vary from property to property depending upon the valuation change, with some properties experiencing a higher increase in valuation compared to others. As a result of the revaluation, the Colac Residential (Base Rate) is proposed to be 0.003015 in the dollar, which is a 3.05% reduction on the previous year.

Economic Development and Tourism

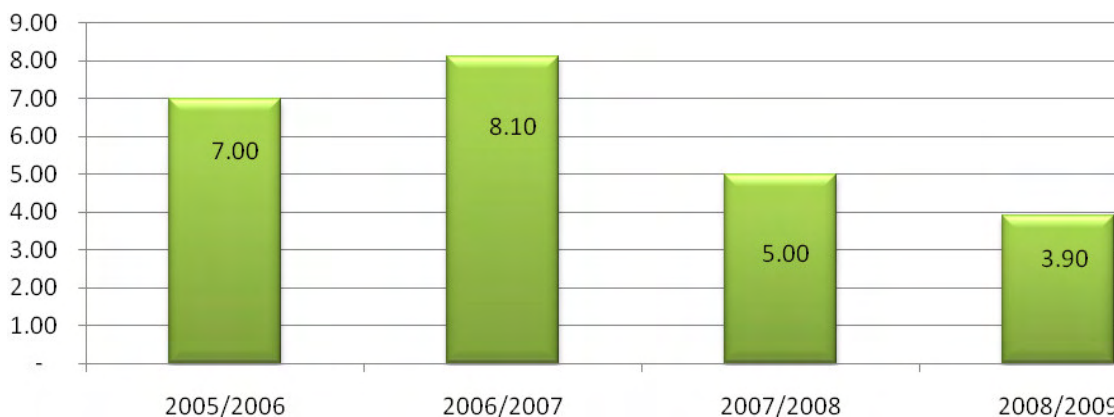
The commercial and industrial rating categories incorporate an amount of \$340,000 towards economic development and tourism. This component of the commercial and industrial rate was introduced in the 2006/2007 budget and further refined in the 2007/2008 budget.

These funds offset the considerable funds that Colac Otway Shire spends on economic development and tourism by supporting industry development, visitor information centres, marketing brochures, economic development projects, small town improvement initiatives and promotion of the Shire. These initiatives aim to ensure Colac Otway Shire remains an attractive option for visitors to Victoria and the region.

Environmental Infrastructure

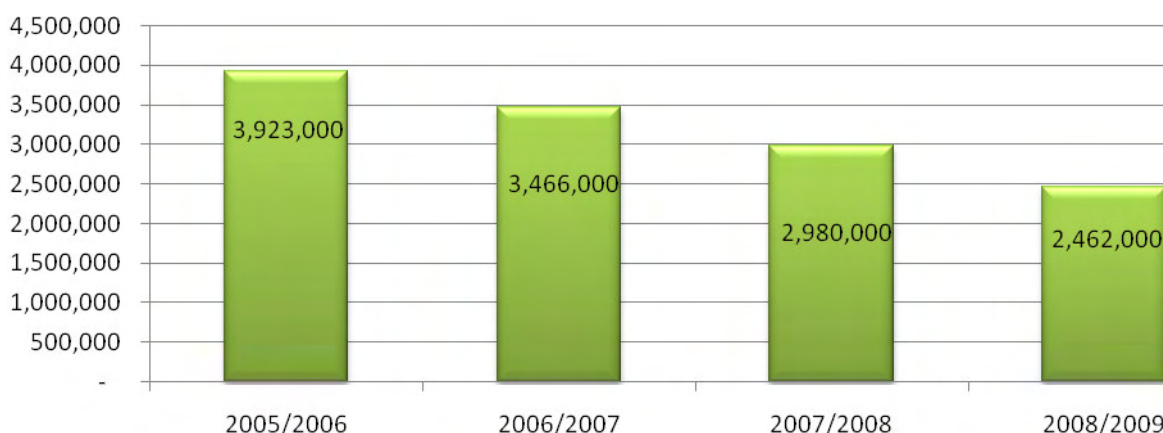
Rates and charges were increased in the 2007/2008 to enable Council to address key environmental infrastructure responsibilities. The current rates and charges structure continues to ensure Council is meeting its environmental infrastructure responsibilities.

2. Cash and investments



As Council moves forward and completes outstanding capital works from the previous year and carries out the capital works program carefully planned for the 2008/2009 year, cash and investments are expected to decrease by \$1.1 million during the year to \$3.9 million. This result is seen in a positive light due to the expectation that the prior year and current year projects will be finalised in the 2008/2009 year. The decrease in cash and investments is in line with Council's strategic resource plan and our vision of a sustainable future.

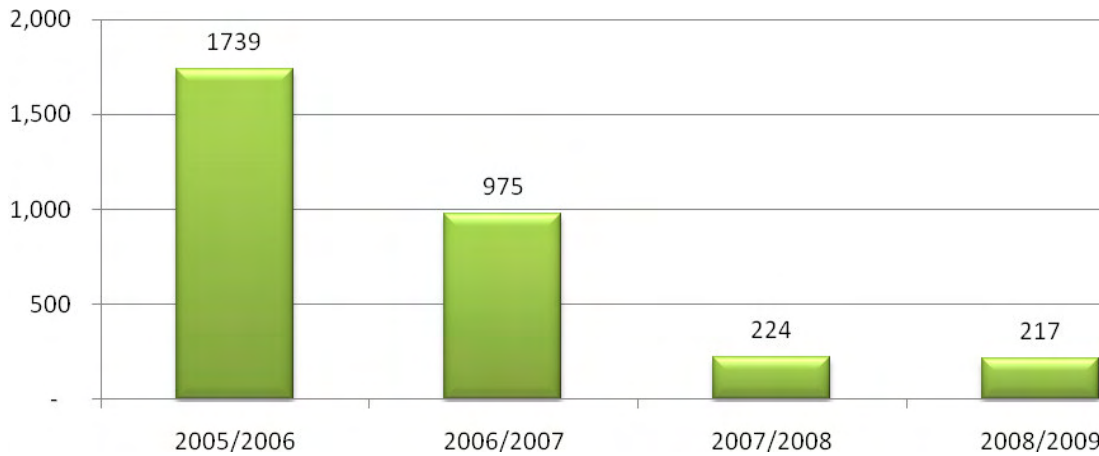
3. Borrowing Level



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

The 2008/2009 Budget does not include any additional borrowings for the year and through debt servicing costs of \$683,000, Council will achieve a reduction in the level of debt to a figure of \$2.46 million. This level allows Council considerable capacity for additional borrowings of up to \$5.0 million by 2009/2010, should the need arise.

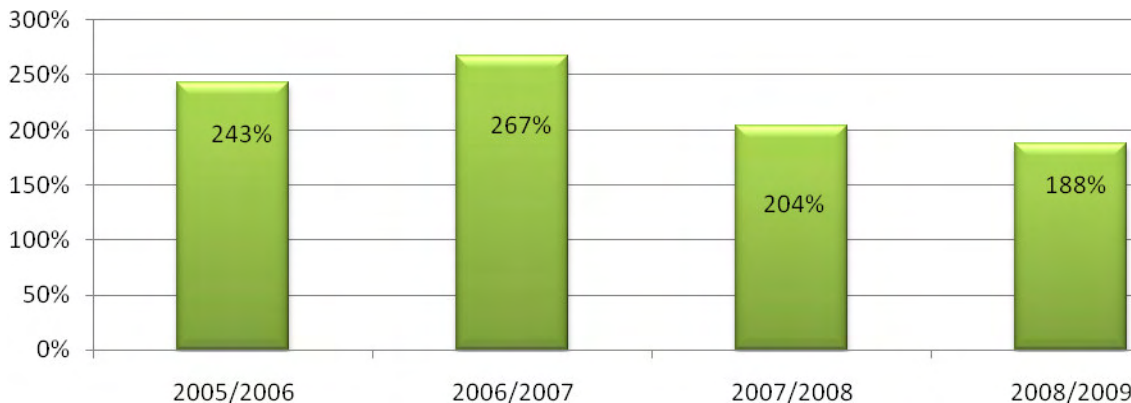
4. Operating result



The expected operating result for the 2008/09 year is a surplus of \$0.2 million, which in Council’s view is a tremendous result in light of a considerable reduction in grant funding being offered from state and federal governments.

Council has in recent times made a concerted effort to improve the long term viability of Colac Otway Shire and to achieve a operating surplus in both 2007/2008 and 2008/2009 illustrates the commitment of Council to redress the dependence on grant funding. The focus has been to rely more heavily upon “own source revenue”, which means revenue that Council can obtain from rates, fees, charges, income from Council facilities and business units and other ongoing grant revenues. In the current environment, Council can ill afford to rely on both State and Federal government capital grants to fund Council’s operations. This budget maintains the drive to reduce that reliance and to move forward towards a truly sustainable future for Council operations. Council will continue to vigorously seek grant opportunities however these opportunities should not fund core operating costs.

5. Financial position

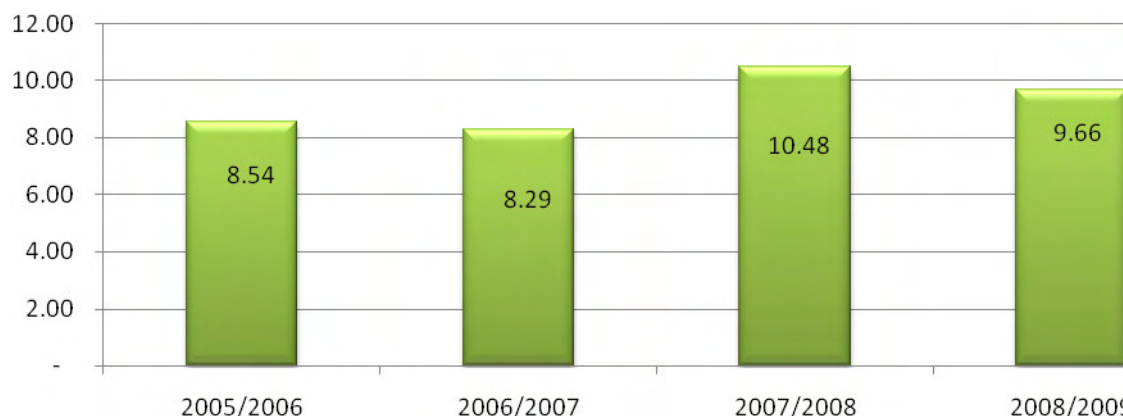


The financial position is measured by Council’s working capital ratio (i.e. Current Assets over Current Liabilities) and refers to Council’s ability to cover its immediate liabilities as they fall due. The Victorian Auditor General uses this ratio as one of the indicators of financial strength and uses a threshold of 150% and above as an indicator of very low risk. Council has

maintained a consistently high ratio over the years and it is expected that this will continue into the future. This ratio is affected by increases and decreases in both current assets, such as cash and investments and current liabilities, such as interest bearing liabilities (loans).

Current Assets in 2008/2009 are anticipated to move by some \$1.1 million over the year, so reducing the ratio. However, Current Liabilities are expected to also move as Council's debt level decreases over time, so increasing the ratio. These movements over the 2008/2009 financial year will see Council's working capital ratio move from 204% to 188%.

6. Capital works

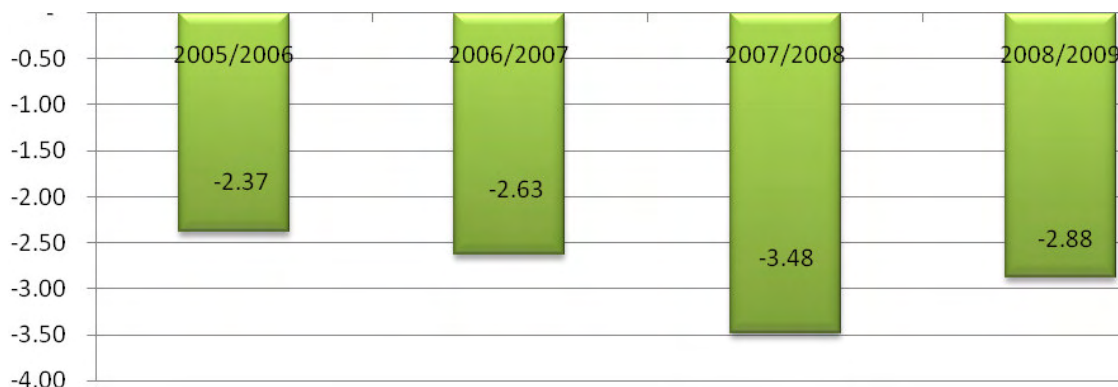


The capital works program is driven by the condition of Council's various assets, such as roads and streets, bridges, drainage, parks and gardens, buildings, footpaths and machinery and plant. As the condition of these assets varies, in that some age faster than others or are subject to more extreme weather conditions, the capital works program needs to be responsive to our assets condition. This may mean that in some years, the capital works program expands and in others it may contract, always keeping in mind Council's commitment to the elimination of the infrastructure renewal gap.

The capital expenditure program in 2008/2009 has been set and prioritised based on a rigorous process of consultation and condition assessments that has enabled Council to assess needs and develop sound business cases for each project. This year's program includes a number of major projects including the design and implementation of the Apollo Bay Transfer Station, Alvie Recreation Reserve Redevelopment, Binn's Road and bridge renewal and Swan Marsh Irrewillipie Road renewal.

The capital works program for the 2008/09 year is expected to be \$9.66 million including \$1.5 million which relates to projects or works commenced in the 2007/2008 year but completed in 2008/2009. Of the \$9.66 million of capital funding required, \$6.45 million will come from Council operations and \$3.21 million will be sourced from external grants and contributions.

7. Financial sustainability



Council's underlying result illustrates our long term reliance on capital related grant revenue; however a high level Strategic Resource Plan for the years 2007/08 to 2011/12 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. While the Plan projects that Council's operating result will continue to be in surplus by the 2011/12 year, the underlying result is a decreasing deficit over the four year period.

The underlying result mentioned is really about whether Council's "own source revenue" matches or exceeds Council's operational expenditure. In other words, can we fund all of what we do, with the revenue we make from rates, fees, charges and other ongoing income streams? This underlying result excludes any capital income or expenditure and only deals with the day to day services we deliver to the community and the maintenance of our assets. The result for 2008/2009 is seen as a positive step towards the longer term goal of achieving a consistent underlying surplus.

In line with the Strategic Resource Plan, the 2008/2009 Budget sees improvement in both the Municipal Association of Victoria (MAV) Viability Index and the Victorian Auditor General financial viability indices as a result of a continued operating surplus, reduced debt levels and the level of capital works. The table below provides a forecast of how the 2008/2009 results may compare against the financial viability indicators of the Victorian Auditor General and the Municipal Association of Victoria. If these indicators are the long term average then Council would be considered to be in a strong financial position

Victorian Auditor General – Indicators of financial viability	
Indicator	Risk Level
Underlying Result Ratio	Low
Liquidity ratio	Low
Self-financing Ratio	Low
Indebtedness Ratio	Low
Investment Gap Ratio	Medium
Municipal Association of Victoria – Viability Index	
Indicator	Risk Level
Viability Index	Positive

8. Service Delivery

Many of the “big ticket” items contained in the 2008/2009 budget relate to three areas of Council, namely Asset Maintenance (Cosworks), Waste Management and Strategic and Statutory Planning. This Budget sees further improvement in each of these areas as follows:

- Asset Maintenance (\$3.14m)

The Cosworks maintenance budget is proposed to increase from \$2.96m to \$3.14m or 6.1% to assist in meeting Council standards, community expectations and in turn increasing the useful life of assets.

The major components include:

○ Unsealed Roads Maintenance	\$478,000
○ Vegetation Control	\$400,000
○ Street Beautification	\$331,000
○ Road signs and Marking	\$305,000
○ Drainage Maintenance	\$300,000
○ Sealed Roads Maintenance	\$290,000

- Waste Management (\$3.0m)

This budget includes funding for Waste Disposal and Waste Collection.

- Strategic and Statutory Planning (\$1.59m)

The budget includes the normal operations of the areas as well as additional funds for the following:

- Scheme Amendments
- Rural Living Strategy
- Structure Plans developed for Birregurra and Forrest

To assist with service delivery funds for additional resources have been provided for in a number of areas:

- Human Resources (part-time)
- Finance
- Customer Relations
- Local Laws (part-time)
- Asset Management
- Family Day Care (part-time)
- Events Support (part-time)

Council will also continue to provide core service delivery in many other areas including:

- Home and Community Care
- Maternal and Child Health
- Health Administration
- Local Laws

This budget has been developed for a delivery of services and maintenance of a community infrastructure approach, whilst being mindful of doing so within a fiscally responsible and sustainable framework. There has been rigorous and lengthy development and discussion in the building of the 2008/2009 Budget between all levels of Council and the positive steps taken move us forward towards a more sustainable future.

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

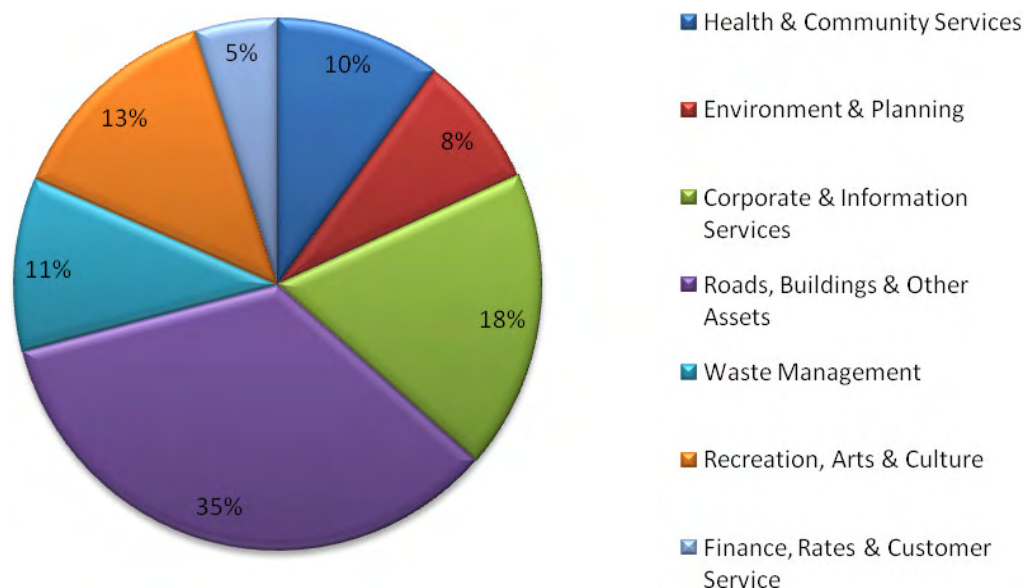


Figure 1: Break-up of Council Expenditure

More detailed budget information is available throughout this document.

Budget processes

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

The preparation of the budget begins with Officers preparing the annual budget in accordance with the Act and submitting the 'proposed' budget to Council for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 14 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council. The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted and a copy submitted to the Minister by 31 August each year. The key dates for the budget process are summarised below:

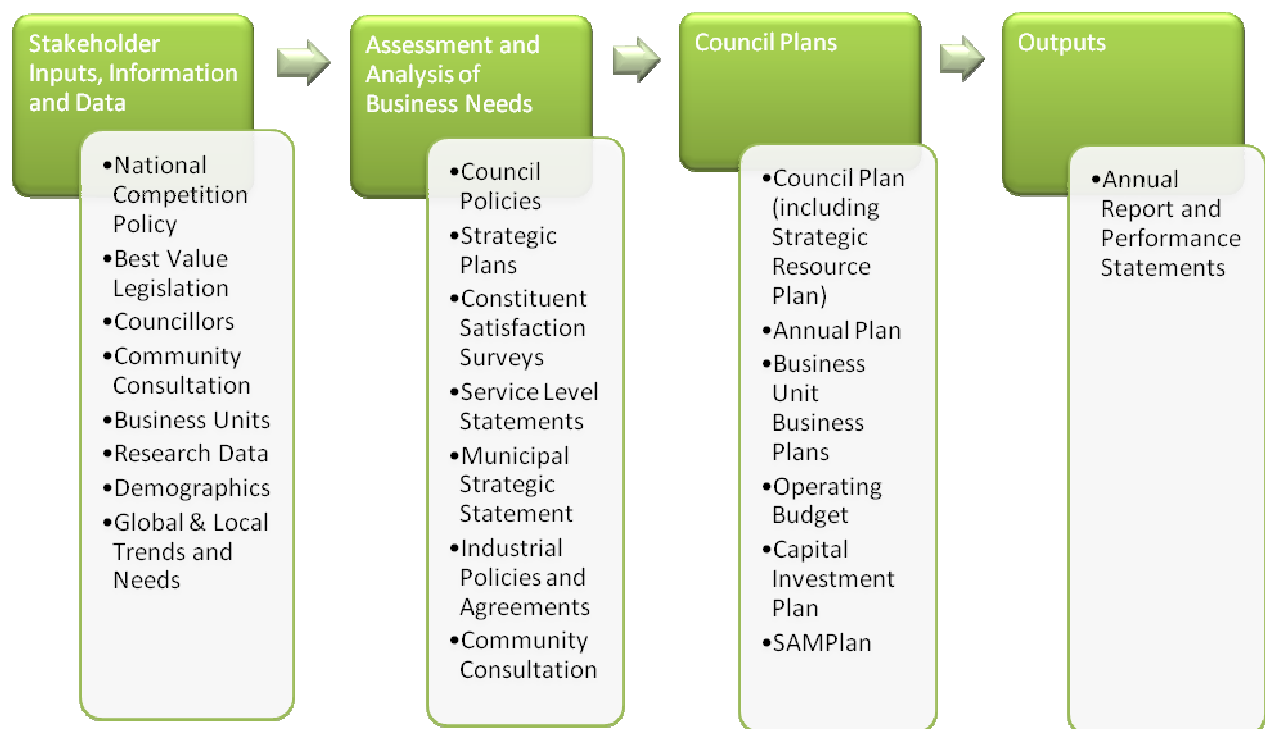
Process Stages	Date
1. Budget Submitted to Council for approval "in principle"	10 th June 2008
2. Public notice advising intention to adopt budget	12 th June 2008
3. Budget available for public inspection and comment	12 th June 2008
4. Community Budget Session – Colac	17 th June 2008
5. Community Budget Session – Apollo Bay	19 th June 2008
6. Public submissions period closes	9 th July 2008
7. Submissions considered by Council	15 th July 2008
8. Budget presented to Council for adoption	22 nd July 2008
9. Copy of adopted budget submitted to the Minister	1 st August 2008

1. Linkage to the Council Plan

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

1.1 Strategic planning framework

The Strategic Resource Plan, included in the Council Plan summarises the financial and non-financial impacts of the objectives and strategies and determines the sustainability of these objectives and strategies. The Annual Budget is then framed within the Strategic Resource Plan, taking into account the activities and initiatives included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the strategic planning framework of Council.



2. Budget Influences

This section sets out the key budget influences arising from the internal and external environment within which the Council operates.

2.1 External influences

In preparing the 2008/09 budget, a number of external influences have been taken into consideration, because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- Grants Commission funding of \$4.95m an increase of \$0.32m (+6.9%) on 2007/2008 forecast;
- Election Expenses for the 2008 General Election of \$115,000;
- Recognition of the growth in costs both in current and future years of many of the Shire's contractual obligations through the impact of rising inflation and fuel costs;
- Government grants providing less than the full cost increases in services provided by Council under agreement with those governments. The formula used by government to index grants falls short of the actual cost increases for services such as library services, school crossing supervisors, home and community care and like services;
- Prevailing economic conditions which are expected to remain difficult during the budget period impacting on investment and growth; and
- Increasing legislative obligations imposed by State Government.

2.2 Internal influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2008/09 Budget. These matters have arisen from events occurring in the 2007/08 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2008/09 year. These matters and their financial impact are set out below:

- Enterprise Bargaining Agreement (EBA) increase of 4.1%;
- Increased contribution of \$58,000 to the Corangamite Regional Library Corporation;
- Increasing demand on Services;
- Increasing requirements for waste water management compliance;
- The resourcing of both Bluewater Fitness Centre and COPACC at realistic levels; and
- Increase in Workcover premiums.

2.3 Budget principles

In response to these influences, guidelines were prepared and distributed to all Council officers with budget responsibilities. The guidelines set out the key budget principles upon which the officers were to prepare their budgets. The principles included:

- Any Rate increase above CPI should be applied to infrastructure renewal and other capital projects;
- Savings and re-prioritisation of funds to be redirected to infrastructure renewal, capital projects and non capital Council Plan priority projects;
- Manage debt and maintain levels below prudential guidelines;
- Increase funding for infrastructure renewal;
- Fees and charges to be reviewed each year for equity and fairness; and
- Savings and re-prioritisation of funds also be redirected to cash reserves.

2.4 Legislative requirements

Under the Local Government Act 1989 (the Act), Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Local Government (Finance and Reporting) Regulations 2004 (the Regulations) which support the Act.

The 2008/09 budget, which is included in this report, is for the year 1 July 2008 to 30 June 2009 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flows and Capital Works. These statements have been prepared for the year ended 30 June 2009 in accordance with Accounting Standards and other mandatory professional reporting requirements and in accordance with the Act and Regulations. It also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

The budget includes consideration of a number of long term strategies to assist Council in considering the Budget in a proper financial management context. These include a Strategic Resource Plan for the years 2008/09 to 2011/12 (section 8.), Rating Strategy (section 9.) and other Long Term Strategies (section 10.) including borrowings and Asset Management (section 11).

3. Highlights

This section of the report provides a summary of the budget financial highlights, comparing the forecast actual and budgeted results for the 2007/2008 and 2008/2009 years for operating, cash, capital works and the financial position.

3.1 Operating Budget

	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
Operating Revenue	\$32,628	\$32,900	\$272
Operating Expenditure	\$32,393	\$32,672	(\$279)
Non Operating items - net	(\$11)	(\$11)	\$0
Net Surplus/(Deficit)	\$224	\$217	(\$7)

The Budgeted Income Statement forecasts an operating surplus of \$0.2 million for the year ending 30 June 2009, against a forecast surplus of \$0.2 million for the 2007/2008 year. This consistent result illustrates Council's commitment to the delivery of fiscally responsible infrastructure and services to the community.

This has been achieved within the parameters of:

- Reduction in the level of grant funding;
- Increase in the level of overall rate income;
- Careful monitoring of operating costs of service delivery;
- Increased demands and expectations by the community and other levels of government.

Refer to Section 4 "Analysis of Operating Budget" for further details.

3.2 Budgeted Cash Position

	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
Cash Flows			
Operating	\$8,149	\$8,551	\$402
Investing	(\$9,640)	(\$9,113)	\$527
Financing	(\$508)	(\$544)	(\$36)
Net Increase/(Decrease) in cash held	(\$1,999)	(\$1,106)	\$893
Cash at beginning of year	\$6,988	\$4,989	(\$1,999)
Cash at end of year	\$4,989	\$3,883	(\$1,106)

The Budgeted cash flow statement predicts a net decrease in cash resources of \$1.1 million for the year ending 30 June 2009. Cash generated from 2008/2009 operating activities of \$8.6m million is an increase of \$0.4 million from the 2007/08 year due to rate increases and decreased levels of recurrent and non recurrent Grants.

Overall Council's total cash position is expected to be \$3.9 million at 30 June 2009.

Refer to Section 5 "Analysis of Budgeted Cash Position" for further details.

3.3 Capital Works Program Budget

	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
Externally Funded	\$4,147	\$3,210	(\$937)
Internally Funded	\$6,330	\$6,454	\$124
Total Capital Works	\$10,477	\$9,664	(\$813)

The Budgeted Capital Works Program forecasts total capital works of \$9.7 million to be undertaken during the 2008/2009 financial year. This represents a \$0.8 million decrease on the previous year. The funding sources for capital works program include \$3.6 million from external sources such as Non Recurrent Grants and proceeds from Sale of Plant and Equipment and \$6.0 million from internal sources being Operations, Working Capital and Discretionary Reserves.

Refer to Section 6 "Analysis of Capital Budget" for further details.

3.4 Budgeted Financial Position

	Forecast 30 June 2008 '000	Budget 30 June 2009 '000	Variance '000
Assets			
Current Assets	\$7,710	\$6,562	(\$1,148)
Non-current Assets	\$199,877	\$200,533	\$656
Total Assets	\$207,587	\$207,095	(\$492)
Liabilities			
Current Liabilities	\$3,785	\$3,491	\$294
Non-current liabilities	\$5,193	\$4,778	\$415
Total Liabilities	\$8,978	\$8,269	\$709
Net Assets	\$198,609	\$198,826	\$217
Equity			
Accumulated Funds	\$92,309	\$92,513	\$205
Asset Revaluation Reserves	\$104,417	\$104,417	\$0
Other Reserves	\$1,884	\$1,896	\$12
Total Equity	\$198,609	\$198,826	\$217

The Budgeted balance sheet shows net assets of \$198.8 million as at 30 June 2009. This represents a \$0.2 million increase over 2007/2008. This is mainly comprised of a \$0.7 million reduction in the value of non-current liabilities, as a result of debt reduction and landfill rehabilitation payments.

Refer to Section 7 "Analysis of Budgeted Financial Position" for further details.

3.5 Budget Performance Indicators

INDICATOR	Forecast 30 June 2008 '000 / %	Budget 30 June 2009 '000 / %	Variance '000 / %
General			
Rates & Charges (including Supps)	\$16,377	\$17,602	\$1,225
Loan Liability	\$2,980	\$2,462	\$518
Working Capital	204%	188%	-16%
Capital Expenditure	\$10,479	\$9,663	\$816
Operating Surplus/(Deficit)	\$224	\$217	(\$7)
Depreciation	\$8,037	\$8,430	(\$393)
Equity	\$198,609	\$198,826	\$217
Cash Balance	\$4,989	\$3,883	(\$1,106)
Cash Increase/(Decrease)	(\$1,999)	(\$1,106)	\$893
Financial Performance			
Total Expenses / Rateable Properties/Assessments	\$2,324	\$2,303	(\$22)
Rate Revenue / Adj Operating Total Revenue	56.6%	59.1%	2.4%
Grants / Total Revenue	33.1%	32.1%	-1.0%
Fees & Charges / Total Revenue	11.2%	11.7%	0.5%
Debt Servicing Costs / Total Revenue	0.7%	0.6%	-0.1%
Financial Position			
Total Indebtedness / Rate Revenue	18.2%	14.0%	-4.2%
Total Assets per Assessment	\$14,896	\$14,595	(\$300)
Total Liabilities per Assessment	\$644	\$583	(\$61)
Capital Expenditure			
Total Capital expenditure per Assessment	\$752	\$681	(\$71)
Total Capex / Total Depreciation	130.4%	114.6%	-15.8%
Capex / Rate Revenue	64.0%	54.9%	-9.1%

The general performance indicators show a consistent operating result, reduced loan liability, increased level of own source funding and a reduction in the average expenditure per assessment. In line with the cash balance decrease, the working capital ratio decreases due to funding of the capital expenditure programs carried over from 2007/2008 and completed in 2008/2009.

BUDGET ANALYSIS

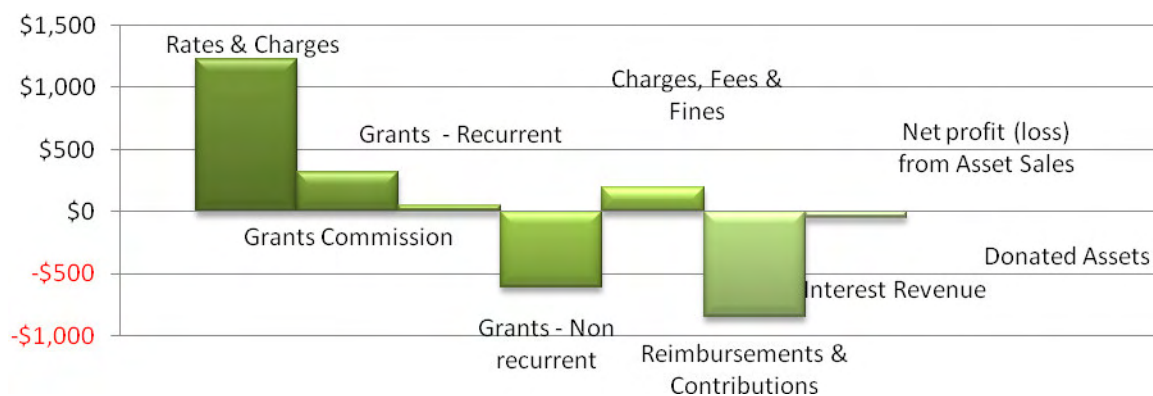
4. Analysis of Operating Budget

This section of the report analyses the expected revenues and expenses of the Council for the 2008/2009 year. It also includes analysis of the financial performance of strategic objectives as set out in the Council Plan.

4.1 Operating Revenue

Revenue Type	Ref	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
Rates & Charges	4.1.1	\$16,377	\$17,602	\$1,225
Grants Commission	4.1.2	\$4,633	\$4,950	\$317
Grants - Recurrent	4.1.3	\$2,473	\$2,526	\$53
Grants - Non recurrent	4.1.4	\$3,704	\$3,096	(\$608)
Charges, Fees & Fines	4.1.5	\$3,670	\$3,863	\$193
Reimbursements & Contributions	4.1.6	\$1,296	\$443	(\$853)
Interest Revenue	4.1.7	\$475	\$420	(\$55)
Total Operating Revenue		\$32,628	\$32,900	\$272
Net profit (loss) from Asset Sales	4.1.8	\$0	\$0	\$0
Donated Assets	4.1.9	\$139	\$139	\$0
Total Revenue		\$32,767	\$33,039	\$272

Figure 2: Variance from 2007/2008 Forecast



4.1.1 Rates & Charges

Rates & Charges are budgeted to increase by \$1.2 million over 2007/2008 to a total of \$17.6 million for 2008/2009 comprising,

- Rates \$13.4 million
- Waste management charge \$2.2 million
- Municipal charge \$2.0 million

A more detailed analysis of the rates and charges to be levied for 2008/2009 can be found in Section 9.2 "Rating Strategy" and Appendix B – "Statutory Disclosures".

4.1.2 Grants Commission

Council will receive an increase of 6.8% for Grants Commission equating to an additional \$0.32 million.

4.1.3 Grants - Recurrent

Operating grants include all monies received from State, Federal and community sources for the intent of funding the delivery of Council services to ratepayers. Overall the level of recurrent grants is expected to be steady over the forecast and budget periods. Generally, government grants are not increasing in line with the costs of delivering the services, which places additional pressure on Council's own sources of funding, such as rates.

Significant movements in grants and contribution funding are summarised as follows:

	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
Port of Apollo Bay	\$625	\$637	\$12
Home Care and Community Services	\$830	\$889	\$59
Family Day Care	\$390	\$475	\$85
Maternal Child Health Care	\$161	\$153	(\$8)
Other	\$467	\$372	(\$95)
Total Grants - Operating	\$2,473	\$2,526	\$53

4.1.4 Grants – Non Recurrent

Capital grants include all monies received from State, Federal and community sources with the purpose of funding Council's capital works program. The level of non-recurrent grants & subsidies is expected to decrease by \$0.6 million over 2008/2009 as compared to the previous year. This is in line with the change of policy associated with the new Federal Government.

A more detailed analysis of capital grants and contributions can be found in Section 6 "Analysis of Capital Budget".

4.1.5 Charges, Fees & Fines

Charges, fees & fines relate mainly to fees & fines levied in accordance with legislation and include such items as Health Act registrations, animal registrations and parking fines. Charges, fees & fines collections are expected to increase modestly over the forecast and budget periods.

4.1.6 Reimbursements & Contributions

Reimbursements and contributions relate to funds raised from various sources as reimbursements for expenses incurred by Council (such as Committee of Management charges) or contributions from interested parties for Council provided services (i.e. contributions to kerb & channel /road construction work).

Reimbursements and contributions are budgeted to decrease by \$0.9 million over 2008/2009 to a total of \$0.4 million. This is due primarily to the lower value of private schemes contributions.

4.1.7 Interest Revenue

Interest revenue includes interest on investments and rates. Interest revenue is budgeted to decrease in 2008/2009 as increased capital spending 'draws down' the existing cash balances.

4.1.8 Net Profit (Loss) from Sale of Assets

Net profit (loss) from sale of Council plant and equipment is predicted to remain steady over the forecast and budget period.

4.1.9 Donated Assets

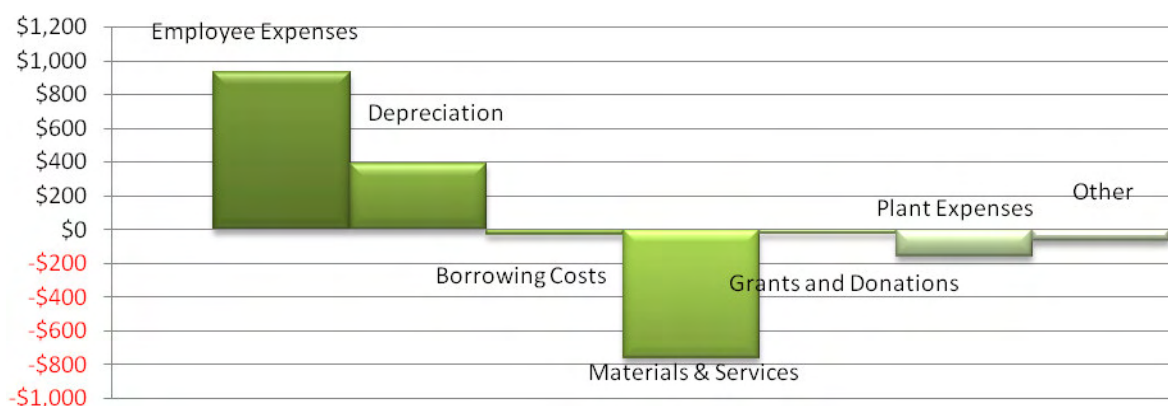
Donated Assets refers to the value of assets received by Council from external sources. Primarily this relates to infrastructure assets transferred to Council control from developers (i.e. roads in new subdivisions)

The level of donated assets is expected to remain steady at \$0.1m over the forecast and budget periods.

4.2 Operating Expenditure

Expenditure Type	Ref	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
Employee Expenses	4.2.1	\$9,941	\$10,875	(\$934)
Depreciation	4.2.2	\$8,037	\$8,430	(\$393)
Borrowing Costs	4.2.3	\$223	\$191	\$32
Materials & Services	4.2.4	\$12,435	\$11,671	\$764
Grants and Donations	4.2.5	\$183	\$156	\$27
Plant Expenses	4.2.6	\$587	\$427	\$160
Other	4.2.7	\$987	\$922	\$65
Total Operating Expenditure		\$32,393	\$32,672	(\$279)
Property, Plant & Equipment Written Off	4.2.8	\$150	\$150	\$0
Total Expenditure		\$32,543	\$32,822	(\$279)

Figure 3: Variance from 2007/2008 Forecast



4.2.1 Employee Expenses

Employee costs include all labour related expenditure incurred by Council, including salaries and wages and related on-costs, such as leave entitlements, employer superannuation payments, Workcover, etc.

Employee costs are expected to increase by \$0.9 million as compared to the forecast for 2007/2008 due in the main to: a substantial increase in the WorkCover premium; an expectation of filling vacant positions from the prior year; and Council's Enterprise Bargaining Agreement (EBA) wage rise of an average 4.1%.

4.2.2 Depreciation

Depreciation relates to the reduction, or consumption, of an asset's value through usage, and applies to assets such as property, plant & equipment, as well as infrastructure assets such as roads, drains, footpaths, etc. The increase in depreciation costs of \$0.4m for 2008/2009 is mainly due to the completion of the 2008/2009 capital works program and the full year effect of depreciation on the 2007/2008 capital works program.

4.2.3 Borrowing Costs

Borrowing costs relate to interest charged by financial institutions on Council's borrowings. The reduction of \$32,000 in borrowing costs results from the planned reduction in borrowings due to repayment of principal in accordance with loan agreements.

4.2.4 Materials & Services

Materials and services include the purchase of consumables, payments to contractors for the provision of services and utilities costs and are expected to decrease by \$0.9m to \$11.7 million for the 2008/2009 period. This reduction, unusual in the current economic environment of increasing costs, is due to reduced spending on the Apollo Bay Harbour and also reflects an increased commitment to performing activities in-house (for example, utilising existing staff instead of hiring contractors), the aim of which is to reduce the cost of Council's activities.

4.2.5 Grants & Donations

Grants & Donations include all donations and grants made by Council to community organisations.

Grants and Donations are expected to remain at levels consistent with the 2007/2008 period.

4.2.6 Plant Costs

Plant costs relate to all costs associated with running all plant controlled by Council. This includes the light vehicle fleet, as well as Council's fleet of construction equipment and heavy vehicles.

Plant costs are expected to decrease by \$0.16 million as compared to 2007/2008, reflecting a change in Council policy to acquire more cost efficient and environmentally sound vehicles.

4.2.7 Other Expenses

Other expenses include all miscellaneous unclassified expenses incurred in the day to day operation of Council.

Other expenses are expected to remain relatively steady over the period.

4.2.8 Property, Plant & Equipment Write Off

This item refers to the costs of writing off the value of any Council owned or controlled property, plant & equipment that is deemed to no longer be owned or controlled by Council or obsolete.

It is budgeted the write offs of property plant and equipment over the 2008/2009 financial year will be \$0.15 million, in line with the previous financial year.

5. Analysis of Budgeted Cash Position

This section of the report analyses the expected cash flows from operating, investing and financing activities of Council for the 2008/2009 financial year.

The significance of budgeting cash flows for Council is that it is a key factor in setting the level of rates and providing a guide to the level of capital expenditure the Council can sustain with or without using existing cash reserves.

5.1 Budgeted Cash Flows Statement (see next page)

5.1.1 Operating Activities

Cash flows from operating activities refers to the cash generated or used in the normal service delivery functions of Council. The increase in cash inflows from operating activities of \$0.4 million from 2007/2008 is due to rate increases and a reduction in outgoings.

5.1.2 Investing Activities

Cash flows from investing activities refers to cash generated or used in the enhancement or creation of infrastructure and other assets. Items such as cash flows for road construction and proceeds from sale of assets are included here. In line with the council's commitment to eliminating the infrastructure renewal gap and higher proceeds from plant & equipment sales, cash flows from investing activities are budgeted to show a decrease of \$0.5 million over the 2007/2008 financial year.

5.1.3 Financing Activities

Cash flows from financing activities refers to cash generated or used in the financing of Council functions and includes borrowings from financial institutions. This is budgeted to have a net outflow of \$0.5m for 2008/2009, consistent with the loan repayment schedule.

5.1.4 Cash at End of Year

Overall, cash at the end of the 2008/2009 financial year is budgeted to decrease by \$1.1 million to a total of \$3.9 million.

Budgeted Cash Flows Statement

	Ref	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
Cash flows from operating activities	5.1.1			
Receipts				
Rates and Charges		\$16,313	\$17,560	\$1,247
Grants Commission		\$4,633	\$4,950	\$317
Grants - Recurrent		\$2,473	\$2,526	\$53
Grants - Non recurrent		\$3,704	\$3,096	(\$608)
Council User charges & reimbursements		\$3,752	\$3,942	\$190
Contributions and donations received		\$1,296	\$443	(\$853)
Interest received		\$475	\$420	(\$55)
		\$32,646	\$32,937	\$291
Payments				
Employees costs		(\$9,861)	(\$10,785)	(\$924)
Materials and consumables		(\$13,244)	(\$12,357)	\$887
Finance costs		(\$223)	(\$191)	\$32
Council Grants and Donations paid		(\$183)	(\$156)	\$27
Other Expenses		(\$986)	(\$897)	\$89
		(\$24,497)	(\$24,386)	\$111
Cash inflows from operating activities		\$8,149	\$8,551	\$402
Cash flows from investing activities	5.1.2			
Payments for asset acquisition		(\$10,479)	(\$9,663)	\$816
Proceeds from disposal of assets		\$839	\$550	(\$289)
Cash outflows from investing activities		(\$9,640)	(\$9,113)	\$527
Cash flows from financing activities	5.1.3			
Repayment of borrowings		(\$486)	(\$518)	(\$32)
Lease Payments		(\$22)	(\$26)	(\$4)
Cash outflows from financing activities		(\$508)	(\$544)	(\$36)
Net increase/(decrease) in cash & equivalents		(\$1,999)	(\$1,106)	\$893
Cash & equivalents - beginning of the financial year		\$6,988	\$4,989	(\$1,999)
Cash at end of financial year	5.1.4	\$4,989	\$3,883	(\$1,106)
Represented by:				
Restricted cash and investments				
- Statutory Reserves		\$199	\$199	\$0
- Trust Deposits		\$276	\$276	\$0
- Discretionary Reserves		\$1,685	\$1,697	\$12
- Long Service Leave		\$1,244	\$1,295	\$51
- Working Capital		\$1,586	\$416	(\$1,169)
Total Reserves cash & working capital	5.2	\$4,989	\$3,883	(\$1,106)

5.2 Reserves Cash and Working Capital

The cash flow statement indicates that Council is estimating that at 30 June 2009 it will have cash of \$3.9 million which has been restricted as follows:

- **Statutory Reserves \$0.2 million** - These funds are Car Parking and Recreational Reserves and the funds must be applied for specified statutory purposes in accordance with various legislation and contractual requirements.
- **Refundable Trust Deposits of \$0.3 million** – These funds are deposits held for specific purposes and are available only as deposits and bonds held in trust.
- **Discretionary \$1.7 million** - These funds are available for whatever purpose Council decides is their best use. However, the funds will be used for those purposes previously earmarked unless there is a council resolution changing the future application of these funds. Refer to Appendix A for further details of these funds.
- **Long Service Leave \$1.3 million** - These funds are separately identified as restricted to ensure there is sufficient funds to meet Council's long service leave obligations as set out in the Local Government (Long Service Leave) Regulations 2002.
- **Working Capital of \$0.4 million** – Working capital funds are free from any legislative restriction and are therefore available to Council to use at their discretion and/or for day to day requirements.

5.3 Reconciliation of cash and operating results

	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
Net Surplus (deficit) from operations	\$224	\$217	(\$7)
Depreciation	\$8,037	\$8,430	\$393
Loss (gain) on sale of assets	\$0	\$0	\$0
Net movement in current assets and liabilities	\$91	\$143	\$52
Cash flows available from operating activities	\$8,352	\$8,790	\$438
Proceeds from sale of assets	\$839	\$550	(\$289)
Repayment of borrowings	(\$486)	(\$518)	(\$32)
Lease Payments	(\$22)	(\$26)	(\$4)
Donated Assets	(\$139)	(\$139)	\$0
Property, Plant & Equipment Write Off	\$150	\$150	\$0
Increase/(Decrease) Landfill Rehabilitation	(\$214)	(\$250)	(\$36)
Cash flows available for capital works	\$8,480	\$8,557	\$77
Capital expenditure	(\$10,479)	(\$9,663)	\$816
Net cash outflows	(\$1,999)	(\$1,106)	\$893
Cash and equivalents at the beginning of the year	\$6,988	\$4,989	(\$1,999)
Cash and equivalents at the end of the year	\$4,989	\$3,883	(\$1,106)

Net cash balances are expected to decrease by \$1.1 million over the forecast and budget periods.

6. Analysis of Capital Budget

This section of the report analyses the planned capital expenditure budget for the 2008/2009 financial year, and the sources of funding for that budget.

Refer to Appendix C for a detailed listing of budgeted capital works.

6.1 Funding Sources

Sources of funding	Ref	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
External				
Grants - Non recurrent	6.1.1	\$2,463	\$2,532	\$69
Reimbursements & Contributions	6.1.2	\$845	\$128	(\$717)
Proceeds on sale of assets	6.1.3	\$839	\$550	(\$289)
		\$4,147	\$3,210	(\$937)
Internal				
Transfers from Reserves for Capital Works	6.1.4	\$912	\$600	(\$312)
Operations	6.1.5	\$5,805	\$4,300	(\$1,505)
Working capital	6.1.6	(\$386)	\$1,554	\$1,940
		\$6,330	\$6,454	\$124
Total funding sources		\$10,477	\$9,664	(\$813)

6.1.1 Grants

The grants and contributions include all monies received from State and Federal Government, as well as other community sources, for the purpose of funding Council's capital works program.

Significant grants & contributions are budgeted for receipt in 2008/2009 including additional Roads, Small Towns and sporting facilities improvement Grants.

6.1.2 Reimbursements & Contributions

The 2007/2008 Forecast is for the Bowrick and Dowling Special Charge Schemes allowing for sealing of these previously unmade roads in Elliminyt. The 2008/2009 budget includes the Pound Road Special Charge Scheme, which is sealing of Pound road between Main Street and Queen Street.

6.1.2 Proceeds from Sale of Assets

The proceeds from sale of assets includes all monies received from the sale and trade in of Council's motor vehicles and plant, in accordance with Council's fleet replacement and renewal policy.

6.1.3 Reserves

Reserve funding consists of all funds Council has specifically set aside in reserves for capital works projects. During the 2008/2009 financial year, it is expected that \$0.6 million will be transferred from the reserves for capital works projects.

6.1.4 Operations

Funding from operations refers to the amount of funds which are generated from the course of Council's normal business over the year, which will be used to fund the capital works program. It is estimated that over the 2008/2009 year, approximately \$5.5 million will be allocated for this purpose, an increase of \$1.0 million from the previous year.

6.1.5 Working Capital

Cash funds from the 2006/2007 carryover of projects and absorbed in the 2007/2008 forecast will not be available in the 2008/2009 budget. This will result in a negative variance of \$0.9 million.

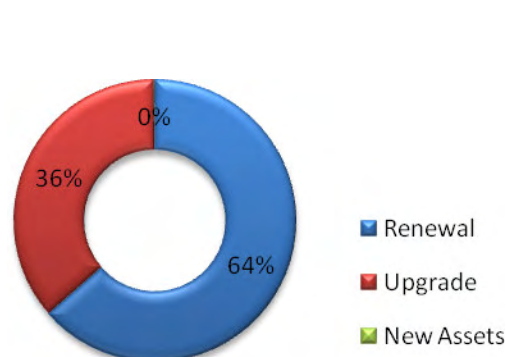
6.2 Capital Works

Capital Works Areas	Ref	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
Land	6.2.1	\$10	\$1,000	\$990
Buildings	6.2.2	\$854	\$623	(\$231)
Roads & Streets	6.2.3	\$5,470	\$4,803	(\$667)
Parks & Gardens	6.2.4	\$850	\$531	(\$319)
Furniture & Equipment	6.2.5	\$394	\$302	(\$92)
Drainage	6.2.6	\$395	\$390	(\$5)
Bridges	6.2.7	\$146	\$565	\$419
Footpaths, Kerb & Channelling	6.2.8	\$593	\$250	(\$343)
Plant & Machinery	6.2.9	\$1,765	\$1,200	(\$565)
Total Capital Works		\$10,477	\$9,664	(\$813)
Represented by:				
Renewal		\$7,192	\$6,135	(\$1,057)
Upgrade		\$3,187	\$3,521	\$334
New Assets		\$98	\$8	(\$90)
Total Capital Works		\$10,477	\$9,664	(\$813)

Budgeted new capital works 2008/2009



Budgeted total capital works 2008/2009



6.2.1 Land

Land acquisitions across the shire, including associated costs, is expected to be in the order of \$1.0 million, and includes such items as the Apollo Bay Transfer Station.

6.2.2 Buildings

Capital expenditure on buildings is budgeted to be \$0.6 million over 2008/2009. Buildings include community facilities, municipal offices and sports facilities.

6.2.3 Roads & Streets

Capital expenditure on roads & streets is budgeted to decrease by \$0.7 million over 2008/2009, reflecting the council's previous two year's commitments to bridging the infrastructure renewal gap and appropriation of the "Road to Recovery" Grants.

6.2.4 Parks and Gardens

Parks and Gardens includes parks, playing surfaces, streetscapes, playground equipment, irrigation systems, trees and public art. For the 2008/2009 year, \$0.5 million will be spent of parks and gardens.

6.2.5 Furniture & Equipment

Capital expenditure on furniture and equipment for the 2008/2009 year is approximately \$0.3 million. This amount is similar to the previous year.

6.2.6 Drainage

Capital expenditure on drainage is expected to remain constant over 2008/2009.

6.2.7 Bridges

Capital expenditure on bridges is expected to increase by \$0.4 million over 2008/2009, due to the planned renewal of Binn's Road bridge.

6.2.8 Footpaths, Kerb & Channelling

Capital expenditure on footpaths, kerb & channelling is expected to decrease by \$0.3 million over 2008/2009.

6.2.9 Plant & Machinery

Capital expenditure on plant & machinery is expected to decrease by \$0.6 million over 2008/2009. The decrease is due to the deferral of the 2006/2007 renewals and replacements to the 2007/2008 budget year. This figure includes renewal and replacement of Council's light vehicle fleet, as well as heavy plant and other miscellaneous plant and machinery.

7. Analysis of Budgeted Financial Position

This section of the report analyses the movements in assets, liabilities and equity between 2007/2008 and 2008/2009.

7.1 Budgeted Balance Sheet

	Ref	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
Current Assets	7.1.1			
Cash		\$4,989	\$3,883	(\$1,106)
Receivables		\$2,556	\$2,510	(\$46)
Inventories		\$90	\$91	\$1
Prepayments		\$75	\$78	\$3
Total Current Assets		\$7,710	\$6,562	(\$1,148)
Non Current Assets	7.1.2			
Property, Infrastructure, Plant & Equipment		\$199,413	\$200,085	\$672
Investment in Associates		\$463	\$448	(\$15)
Receivables		\$1	\$0	(\$1)
Total Non Current Assets		\$199,877	\$200,533	\$656
Current Liabilities	7.1.3			
Payables		\$1,051	\$1,046	\$5
Employee Entitlements		\$1,940	\$2,019	(\$79)
Provision for Landfill Rehabilitation		\$250	\$121	\$129
Lease Liability		\$26	\$0	\$26
Interest Bearing Liabilities		\$518	\$305	\$213
Total Current Liabilities		\$3,785	\$3,491	\$294
Non Current Liabilities	7.1.4			
Employee Entitlements		\$259	\$270	(\$11)
Provision for Landfill Rehabilitation		\$2,472	\$2,351	\$121
Lease Liability		\$0	\$0	\$0
Interest Bearing Liabilities		\$2,462	\$2,157	\$305
Total Non Current Liabilities		\$5,193	\$4,778	\$415
Net Assets		\$198,609	\$198,826	\$217
Equity	7.1.5			
Accumulated Funds		\$92,309	\$92,513	\$205
Asset Revaluation Reserves		\$104,417	\$104,417	\$0
Other Reserves		\$1,884	\$1,896	\$12
Total Equity		\$198,609	\$198,826	\$217

7.1.1 Current Assets

Cash includes cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. This balance is projected to decrease by \$1.1 million during the year mainly to fund the carryover of projects from the 2007/2008 year.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget

7.1.2 Non Current Assets

Non Current Assets are budgeted to increase over 2008/2009 by \$0.7 million to \$200.5 million.

7.1.3 Current Liabilities

Current Liabilities are budgeted to decrease by \$0.3 million over the 2008/2009 financial year.

Provisions include accrued long service leave and annual leave. These employee entitlements are only expected to increase marginally due to more active management of entitlements despite factoring in an increase for Collective Agreement outcomes.

7.1.4 Non Current Liabilities

Non Current Liabilities are budgeted to decrease by \$0.4 million over the 2008/2009 year to \$4.8 million. This is partly due to a decrease in long term debt.

7.1.5 Equity

Equity is budgeted to increase over 2008/2009 by \$0.2 million, in line with the budgeted operating surplus.

7.2 Key Assumptions

Key assumptions used in the development of the 2008/2009 Budgeted Statement of Financial Position include:

- Total capital expenditure is budgeted to be \$9.7 million.
- Loan liability will decrease in line with the borrowing strategy.
- Employee provisions to increase marginally in 2008/2009. Long Service Leave and Annual Leave are projected to increase in line with projected increases to salaries.
- Changes in Reserves from Asset Revaluations have not been taken into account due to the uncertainty of revaluations.
- Payables are based on past trends. They are projected to remain relatively constant as it is difficult to predict what invoices and accounts will be outstanding as of 30th of June each financial year.

LONG TERM STRATEGIES

8. Strategic Resource Plan

Council revised its Strategic Resource Plan in June 2007 for the period 2007/08 to 2010/11.

8.1 Plan Development and subsequent update

The Colac Otway Shire Strategic Resource Plan (SRP) is a plan of resources required over a four year period to achieve the strategic objectives detailed in the Council Plan.

A major review of the current SRP was undertaken as part of the 2007/2008 budgetary process. The next review of the SRP will take place after the 2008 Council elections for the period 2009/10 to 2012/13.

However, it is worthwhile to reiterate some of the material changes that were made to the previous SRP.

These material changes included the following:

- The original SRP did not reflect the more rigorous approach taken by the Council to reducing the Infrastructure Renewal Gap; and
- Funding of current and future environmental obligations including the relocation of the Marengo Transfer Station and landfill remediation.

The key objective, which underlined the development of the Plan, was financial sustainability in the medium to long term, whilst still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives, which underpins the Strategic Resource Plan are:

- Ensure asset renewal gap capital commitments are met in real terms for each year of the SRP.
- No operating deficits.
- Maintain a strong liquidity position (working capital ratio of at least 125%).
- Ensure cash balances are equal or above statutory and reserve levels.
- Continue reducing the Shire's debt.
- Ensure no decrease in operational service levels over the SRP period.
- Ensure funding is available to meet the Shire's current and future environmental obligations.
- Obtain a positive MAV Viability Index rating.

In preparing the revised SRP, Council was mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Local Government Act:

- Prudently manage financial risks relating to debt, assets and liabilities
- Provide reasonable stability in the level of rate burden
- Consider the financial effects of Council decisions on future generations
- Provide full, accurate and timely disclosure of financial information

The next Strategic Resource Plan which will be prepared for the period 2009/10 to 2012/13 will additionally include funding options for a number of significant projects. These include:

- Beechy Centre Development
- Apollo Bay Community Library and Facility Development
- Office Accommodation
- Implementation of the ICT Strategy

8.2 Financial Resources

The following table summarises the key financial results for the period 2009/2010 to 2010/2011 as set out in the Plan. These will be revised as part of the next review.

BUDGET / SRP FINANCIAL RESOURCES				
Indicator	Forecast 2007/2008 '000	Budget 2008/2009 '000	SRP 2009/2010 '000	SRP 2010/2011 '000
Net Surplus/(Deficit)	\$224	\$217	\$1,151	\$1,548
Rates & Charges Revenue	\$16,377	\$17,602	\$18,585	\$19,880
Cash Balance	\$4,989	\$3,883	\$3,357	\$3,986
Capital Works	\$10,477	\$9,664	\$10,070	\$10,703

The key outcomes of the Plan are as follows:

- **Financial sustainability** - Cash and investments are forecast to decrease marginally over the four year period from a forecast of \$5.0 million to \$4.0 million, which indicates a fiscally prudent expenditure approach over the period.
- **Rating strategy** - Rate increases are forecast to average 5.5% plus 1.5% for supplementary rates for the 2009/2010 and the 2010/2011 financial years.
- **Infrastructure strategy** - Capital expenditure over the four year period will total \$41 million at an average of \$10.2 million.

9. Rating Strategy

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

9.1 Current Rate Structure

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

These are:

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

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

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

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

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

9.2 2008/2009 Rating Structure

The budget document details the 2008/09 operating position. It has been impacted by wages growth and reductions in government funding.

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

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

To achieve the management and delivery of these objectives in 2008/09 the budget recommends an increase of 5.83% in the average rates and charges per assessment. It is forecast that a total of \$17.65m in rates and charges will be raised including \$100,000 from supplementary rates.

The average rates and charges per assessment for 2008/09 are forecast to be \$1,236. This is a \$68 or 5.83% increase on the average rates and charges per assessment for 2007/08 of \$1,168.

The following table summarises the rates and charges to be made for 2008/09 year.

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

Rate or Charge Type	How Applied	2007/2008	2008/2009
Residential – Colac (Base Rate)	Cents in \$of CIV	0.311	0.3015
Residential - Other	Cents in \$of CIV	0.264	0.2563
Rural - Farm	Cents in \$of CIV	0.246	0.2382
Holiday Rental	Cents in \$of CIV	0.311	0.3015
Commercial/Industrial - Colac	Cents in \$of CIV	0.518	0.4975
Commercial/Industrial - Other	Cents in \$of CIV	0.436	0.4221
Municipal Charge	\$ per property	\$140	\$150
Waste Management Charge - Weekly	\$ per property	\$225	\$235
Waste Management Charge - Fortnightly	\$ per property	\$145	\$152
Aire River Drainage Scheme	\$ per hectare	\$0.20	\$0.20
Tirrengower Drainage Scheme	\$ per hectare	\$1.273	\$1.273

The existing rating relativities between property types are as follows:

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

10. Borrowing Strategy

Council's borrowing strategy aims to provide a framework for Council to work within when sourcing funds for various projects by borrowings. Part of Council's medium to long term financial strategy is to provide adequate and appropriate levels of service to the community, whilst maintaining a prudent financial position. In the light of this requirement, it can be seen that the borrowing strategy is an integral part of Council's long term financial plan.

Borrowings are identified as an important funding source for capital works programs. In the past, Council has borrowed strongly to finance large infrastructure projects.

The following table provides a history of Council borrowings for the last five years and the prudential ratios applicable.

Year	Total Borrowings 30-Jun '000	Working Capital Ratio %	Debt Mgt Loan Debt / Rates %	Debt Mgt Service Cost / Revenue %
2003/04	\$4,865	201%	41.72%	1.30%
2004/05	\$4,333	173%	35.14%	1.12%
2005/06	\$3,923	243%	29.72%	0.87%
2006/07	\$3,466	154%	23.49%	0.87%
2007/08	\$2,980	204%	18.20%	0.68%

The above table indicates that Council's borrowing level at 30 June 2008 is forecast to be \$2.98 million. This level is well within the Victorian State Government's prudential ratio limits.

The next Strategic Resource Plan which will be prepared for the period 2009/10 to 2012/13 will additionally include funding options for a number of significant projects. These include for example:

- Beechy Centre Development
- Apollo Bay Community Library and Facility Development
- Office Accommodation

The use of loan funds is an option that will be further developed as part of the plan.

The following table sets out the future debt servicing performance if no new borrowings were taken up. The figures are based on the forecast financial position of Council as at 30 June 2008.

Borrowing Position 2008/09 to 2010/11

Year	New Borrowings '000	Principal Paid '000	Interest Paid '000	Balance 30-Jun '000	Debt / Rate Revenue
2008/09	\$0	\$518	\$191	\$2,462	13.99%
2009/10	\$0	\$305	\$161	\$2,157	11.42%
2010/11	\$0	\$274	\$141	\$1,883	9.29%

11. Asset Management Strategy

As a result of Council's medium to long term aim to provide an appropriate level of community service, Council has developed a capital and major works strategy, which sets out Council's capital expenditure requirements for the next four years.

The Council has developed an Asset Management Strategy which sets out the capital expenditure requirements of the Council for the next four years. It predicts infrastructure consumption, renewal needs and additional infrastructure requirements to meet future community service expectations. The key aspects in developing the Asset Management Strategy are:

- Long term capital planning process which integrates with the Council Plan (Strategic Resource Plan), Long Term Financial Plan and the Annual Budget Processes;
- Listing of all known capital projects in the five year capital works program;
- Transparent process for evaluating and prioritising capital projects.

The capital works planning process is undertaken annually, thereby ensuring that the current capital expenditure commitments made by the Council are consistent with the Strategy and reflect current priorities.

A key objective of this Strategy is to maintain or preserve Council's existing assets at desired condition levels. In order to ensure sustainability of the asset portfolio, Councils focus should be more on renewal than expansion or upgrade. Renewal works maintain the stability of the portfolio, whereas upgrade and expansion works increase the value of the asset portfolio. An increased asset portfolio value requires a greater annual contribution to sustain the condition of the expanded asset base. This approach is caused by financial constraints.

The table below provides a budget sustainability index (or investment gap indicator) for the 2008/2009 period. This index is not the measurement of the infrastructure renewal gap but relates to the funds spent on assets in comparison to their annual consumption (or depreciation). As a rule of thumb, this index will on average exceed 100% if Council is meeting its ongoing infrastructure renewal requirements. However, the funds spent each year are based upon the need for action on the various assets and will vary from year to year. The annual consumption is effectively an average amount and varies little from year to year. We can therefore expect the index to vary greatly from year to year and it may not always exceed 100%.

SUSTAINABILITY INDEX				
Asset Category	Fair Value \$'000	Annual Consumption \$'000	Funds spent on renewal or upgrade 08/09 \$'000	Sustainability Index
Buildings	\$23,284	\$965	\$623	65%
Roads & Streets	\$96,030	\$5,145	\$4,803	93%
Parks & Gardens	\$3,195	\$284	\$531	187%
Drainage	\$12,526	\$243	\$390	160%
Bridges	\$11,744	\$271	\$565	209%
Footpaths, Kerb & Channelling	\$16,827	\$606	\$250	41%
Total Revenue	\$163,606	\$7,514	\$7,162	95%

APPENDICES

Overview to Appendices

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

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

The contents of the appendices are summarised below:

Appendix A – Budgeted Standard Statements

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

The appendix includes the following budgeted information:

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

Appendix B – Statutory Disclosures in the Annual Budget

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

The appendix includes the Council's 2008/09 Rates and Charges.

Appendix C – Capital Works Program

This appendix presents a listing of the capital works projects that will be undertaken for the 2008/09 year.

The capital works projects are grouped by class and include new works for 2008/09 and works carried forward from 2007/08.

Appendix D – Key Strategic Activities

Pursuant to Section 127 of the *Local Government Act* 1989, this appendix presents a number of strategic activities to be undertaken during the 2008/09 year and performance targets and measures in relation to these.

Appendix E – User Pay Charges

This appendix presents a list of user pay charges that are both Council and Statutory Fees that list the current fee and the recommended fee for 2008/09.

Appendix A - Budget Standard Statements

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

This appendix includes the following budgeted information:

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

Budgeted Standard Income Statement

	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
OPERATING REVENUE			
Rates & Charges	\$16,377	\$17,602	\$1,225
Total Rates	\$16,377	\$17,602	\$1,225
Grants Commission	\$4,633	\$4,950	\$317
Grants - Recurrent	\$2,473	\$2,526	\$53
Grants - Non recurrent	\$3,704	\$3,096	(\$608)
Charges, Fees & Fines	\$3,670	\$3,863	\$193
Reimbursements & Contributions	\$1,296	\$443	(\$853)
Interest Revenue	\$475	\$420	(\$55)
TOTAL OPERATING REVENUE	\$32,628	\$32,900	\$272
OPERATING EXPENSES			
Employee Expenses	\$9,941	\$10,875	(\$934)
Depreciation	\$8,037	\$8,430	(\$393)
Borrowing Costs	\$223	\$191	\$32
Materials & Services	\$12,435	\$11,671	\$764
Grants and Donations	\$183	\$156	\$27
Plant Expenses	\$587	\$427	\$160
Other	\$987	\$922	\$65
TOTAL OPERATING EXPENSES	\$32,393	\$32,672	(\$279)
Net profit (loss) from Asset Sales	\$0	\$0	\$0
Donated Assets	\$139	\$139	\$0
LESS Property, Plant & Equipment Written Off	\$150	\$150	\$0
NET SURPLUS/(DEFICIT)	\$224	\$217	(\$7)

Budgeted Standard Balance Sheet

	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
CURRENT ASSETS			
Cash	\$4,989	\$3,883	(\$1,106)
Receivables	\$2,556	\$2,510	(\$46)
Inventories	\$90	\$91	\$1,000
Prepayments	\$75	\$78	\$3,000
TOTAL CURRENT ASSETS	\$7,710	\$6,562	(\$1,148)
NON-CURRENT ASSETS			
Property, Infrastructure, Plant & Equipment	\$199,413	\$200,085	\$672
Investment in Associates	\$463	\$448	(\$15)
Receivables	\$1	\$0	(\$1)
TOTAL NON-CURRENT ASSETS	\$199,877	\$200,533	\$656
TOTAL ASSETS	\$207,587	\$207,095	(\$492)
CURRENT LIABILITIES			
Payables	\$1,051	\$1,046	\$5
Employee Entitlements	\$1,940	\$2,019	(\$79)
Provision for Landfill Rehabilitation	\$250	\$121	\$129
Lease Liability	\$26	\$0	\$26
Interest Bearing Liabilities	\$518	\$305	\$213
TOTAL CURRENT LIABILITIES	\$3,785	\$3,491	\$294
NON-CURRENT LIABILITIES			
Employee Entitlements	\$259	\$270	(\$11)
Provision for Landfill Rehabilitation	\$2,472	\$2,351	\$121
Lease Liability	\$0	\$0	\$0
Interest Bearing Liabilities	\$2,462	\$2,157	\$305
TOTAL NON-CURRENT LIABILITIES	\$5,193	\$4,778	\$415
TOTAL LIABILITIES	\$8,978	\$8,269	\$709
NET ASSETS	\$198,609	\$198,826	\$217
EQUITY			
Accumulated Funds	\$92,309	\$92,513	\$205
Asset Revaluation Reserves	\$104,417	\$104,417	\$0
Other Reserves	\$1,884	\$1,896	\$12
TOTAL EQUITY	\$198,609	\$198,826	\$217

Budgeted Standard Cash Flow Statement

	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates and Charges	\$16,313	\$17,560	\$1,247
Grants Commission	\$4,633	\$4,950	\$317
Grants - Recurrent	\$2,473	\$2,526	\$53
Grants - Non recurrent	\$3,704	\$3,096	(\$608)
Council User charges & reimbursements	\$3,752	\$3,942	\$190
Contributions and donations received	\$1,296	\$443	(\$853)
Interest received	\$475	\$420	(\$55)
	\$32,646	\$32,937	\$291
Payments			
Employees costs	(\$9,861)	(\$10,785)	(\$924)
Materials and consumables	(\$13,244)	(\$12,357)	\$887
Finance costs	(\$223)	(\$191)	\$32
Council Grants and Donations paid	(\$183)	(\$156)	\$27
Other Expenses	(\$986)	(\$897)	\$89
	(\$24,497)	(\$24,386)	\$111
Net cash provided by operating activities	\$8,149	\$8,551	\$402
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for asset acquisition	(\$10,479)	(\$9,663)	\$816
Proceeds from disposal of assets	\$839	\$550	(\$289)
Net cash used in investing activities	(\$9,640)	(\$9,113)	\$527
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	(\$486)	(\$518)	(\$32)
Proceeds from borrowings	\$0	\$0	\$0
Lease Payments	(\$22)	(\$26)	(\$4)
Net cash used in financing activities	(\$508)	(\$544)	(\$36)
Net increase/(decrease) in cash held	(\$1,999)	(\$1,106)	\$893
Cash at the beginning of the financial year	\$6,988	\$4,989	(\$1,999)
CASH AT THE END OF THE FINANCIAL YEAR	\$4,989	\$3,883	(\$1,106)

Budgeted Standard Statement of Capital Works

	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
Projects			
Land	\$10	\$1,000	(\$990)
Buildings	\$854	\$623	\$231
Roads & Streets	\$5,470	\$4,803	\$667
Parks & Gardens	\$850	\$531	\$319
Furniture & Equipment	\$394	\$302	\$92
Drainage	\$395	\$390	\$5
Bridges	\$146	\$565	(\$419)
Footpaths, Kerb and Channelling	\$593	\$250	\$343
Plant & Machinery	\$1,765	\$1,200	\$565
Total Capital Works	\$10,477	\$9,664	\$813
Represented by:			
Renewal	\$7,192	\$6,135	\$1,057
Upgrade	\$3,187	\$3,521	(\$334)
New	\$98	\$8	\$90
Total Capital Works	\$10,477	\$9,664	\$813

Reconciliation of net movement in property, plant and equipment

	Forecast 2007/2008 '000	Budget 2008/2009 '000
Total Capital Works	\$10,477	\$9,664
Asset Revaluation increment/decrement	\$0	\$0
Depreciation	(\$8,037)	(\$8,430)
Written value of assets sold	(\$839)	(\$550)
Donated assets	\$139	\$139
Property, Plant & Equipment Written Off	(\$150)	(\$150)
Net movement property, plant and equipment	\$1,590	\$673

Budgeted Statement of Reserves

	Forecast 2007/2008 '000	Budget 2008/2009 '000	Variance '000
Statutory			
Car Parking	\$115	\$115	\$0
Recreational Lands	\$84	\$84	\$0
Total Statutory Reserves	\$199	\$199	\$0
Discretionary			
Plant Replacement	\$174	\$174	\$0
Landfill Rehabilitation	\$250	\$10	(\$240)
Marengo Transfer Station	\$225	\$225	\$0
Lakeside Estate Sale Proceeds	\$855	\$805	(\$50)
Waste Management	\$181	\$483	\$302
Total Discretionary Reserves	\$1,685	\$1,697	\$12
Total Reserves	\$1,884	\$1,896	\$12

Reserve Funds consists of all funds Council has specifically set aside in reserves for capital works projects. During the 2008/2009 financial year, it is expected that \$0.2 million from the Landfill Rehabilitation Reserve will be utilised for the Gellibrand landfill rehabilitation project and Council will initiate a Waste Management reserve to accommodate future waste management projects and issues associated with the review of contracts.

Appendix B - Statutory Disclosures

Statutory disclosures required for Public Display of the Prepared 2008/09 Annual Budget.

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

- Borrowings
- Rates and Charges
- Differential Rates

1. Borrowings

	2007/08	2008/09
	\$	\$
New borrowings (other than refinancing)	Nil	Nil
Debt redemption	486,000	518,000

2. Rates and charges

2.1 The proposed rate in the dollar for each type of rate to be levied

Type of Property	2007/08 Cents/\$CIV	2008/09 Cents/\$CIV
Residential – Colac, Colac East, Colac West, Elliminyt	0.311	0.3015
Residential – Balance Shire (codes Res. 2, 4 and RRes)	0.264	0.2563
Rural - Farm	0.246	0.2382
Holiday Rental	0.311	0.3015
Commercial/Industrial – Colac, Colac East, Colac West, Elliminyt	0.518	0.4975
Commercial/Industrial – Bal. of Shire (codes Com. 2 & 4)	0.436	0.4221

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

Type of Property	2007/08 \$	2008/09 \$
Residential – Colac, Colac East, Colac West, Elliminyt	2,772,414	2,820,546
Residential – Balance Shire (codes Res. 2, 4 and RRes)	4,372,820	4,485,317
Rural - Farm	3,290,462	3,934,137
Holiday Rental	297,817	496,804
Commercial/Industrial – Colac, Colac East, Colac West, Elliminyt	934,157	989,204
Commercial/Industrial – Bal. of Shire (codes Com. 2 & 4)	803,495	688,082

2.3 The estimated total amount to be raised by rates

	2007/08 \$	2008/09 \$
Total rates to be raised	12,471,165	13,414,090

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

Type of Property	2007/08 Change %	2008/09 Change %
Residential – Colac, Colac East, Colac West, Elliminyt	8.0	(3.05)
Residential – Balance Shire (codes Res. 2, 4 and RRes)	14.8	(2.92)
Rural - Farm	8.4	(3.17)
Holiday Rental	new	(3.05)
Commercial/Industrial – Colac, Colac East, Colac West, Elliminyt	13.2 & 10.9	(3.96)
Commercial/Industrial – Bal. of Shire (codes Com. 2 & 4)	37.5, 4.6, and (6.6)	(3.19)

In 2007/08 Commercial and Industrial properties were combined under two rating types.

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

Type of Property	2007/08 No.	2008/09 No.
Residential – Colac, Colac East, Colac West, Elliminyt	4,751	4,850
Residential – Balance Shire (codes Res. 2, 4 and RRes)	5,460	5,495
Rural - Farm	2,598	2,600
Holiday Rental	215	329
Commercial/Industrial – Colac, Colac East, Colac West, Elliminyt	543	596
Commercial/Industrial – Bal. of Shire (codes Com. 2 & 4)	384	319
Total number of assessments	13,951	14,189

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

2.7 The estimated total value of land in respect of which each type of rate is to be levied, compared with the previous year

Type of Property	2007/08 \$	2008/09 \$
Residential – Colac, Colac East, Colac West, Elliminyt	891,451,500	935,504,600
Residential – Balance Shire (codes Res. 2, 4 and RRes)	1,656,371,200	1,750,026,200
Rural - Farm	1,337,586,000	1,651,610,900
Holiday Rental	95,761,000	164,777,500
Commercial/Industrial – Colac, Colac East, Colac West, Elliminyt	180,339,300	198,835,038
Commercial/Industrial – Bal. of Shire (codes Com. 2 & 4)	184,287,700	163,013,800
Total	4,345,796,700	4,863,768,038

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

Type of Charge	Per Rateable Property 2007/08 \$	Per Rateable Property 2008/09 \$
Municipal Charge	140	150
Waste Management Charge - Weekly	225	235
Waste Management Charge - Fortnightly	145	152

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

Type of Charge	2007/08 \$	2008/09 \$
Municipal Charge	1,832,040	2,003,850
Waste Management Charge - Weekly	1,977,750	2,106,775
Waste Management Charge - Fortnightly	19,575	20,824
Total	3,829,365	4,131,449

2.10 The estimated total amount to be raised by rates and charges

	2007/08 \$	2008/09 \$
Rates and charges	16,300,530	17,545,539
Supplementary rates	150,000	100,000
Total	16,450,530	17,645,539

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

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

2.12 Other Charges

Type of Charge	Per Hectare 2007/08 \$	Per Hectare 2008/09 \$
Aire River Municipal Charge	\$0.20	\$0.20
Tirrengower Drainage Scheme	\$1.273	\$1.273

3. Differential rates

3.1 Rates to be levied

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 0.3015% (0.3015 cents in the dollar of CIV) for all rateable residential properties in Colac, Colac East, Colac West and Elliminyt.
- A general rate of 0.2563% (0.2563 cents in the dollar of CIV) for all other rateable residential properties not located in Colac, Colac East, Colac West and Elliminyt (balance of Shire).
- A general rate of 0.2382% (0.2382 cents in the dollar of CIV) for all rateable farm land.
- A general rate of 0.3015% (0.3015 cents in the dollar of CIV) for all rateable holiday rental properties.
- A general rate of 0.4975% (0.4975 cents in the dollar of CIV) for all rateable commercial and industrial properties in Colac, Colac East, Colac West and Elliminyt.
- A general rate of 0.4221% (0.4221 cents in the dollar of CIV) for all other rateable commercial and industrial properties not located in Colac, Colac East, Colac West and Elliminyt (balance of Shire).

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

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

3.2. Residential – Colac, Colac East, Colac West, Elliminyt

Any land which is located in Colac, Colac East, Colac West or Elliminyt that:-

- 3.2.1 is used primarily for Residential purposes, and
- 3.2.2 does not have the characteristics of
 - a) Farm Land; or
 - b) Rural Residential Land, or
 - c) Holiday Rental, or
- 3.2.3 is Vacant Land; or
- 3.2.4 is land upon which a building is erected and is not zoned Commercial or Industrial

3.3. Residential – Balance of Shire

Any land which is not located in Colac, Colac East, Colac West or Elliminyt that:-

- 3.3.1 is used primarily for Residential purposes, and
- 3.3.2 does not have the characteristics of
 - a) Farm Land; or
 - b) Rural Residential Land, or
 - c) Holiday Rental, or
- 3.3.3 is Vacant Land; or
- 3.3.4 is land upon which a building is erected and is not zoned Commercial or Industrial

3.4 Farm Rate

Any land which is “Farm Land” within the meaning of Section 2 of the Valuation of Land Act 1960.

3.5 Holiday Rental

Any land located within the Shire that contains a dwelling, cabin, house or part of a house that:-

- is used for the provision of holiday accommodation for the purpose of generating income
- is made generally available for holiday accommodation
- is a secondary or supplemental source of income for the owner

Typically, the category will include absentee owned holiday houses, owner occupied “Bed and Breakfast” establishments, farm properties with accommodation cabins, holiday farms etc.

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

3.6 Commercial/Industrial Rate – Colac, Colac East, Colac West, Elliminyt

Any Land located in Colac, Colac East, Colac West or Elliminyt that:

3.6.1 does not have the characteristics of

- a) Farm Land; or
- b) Residential Land; or
- c) Holiday Rental; and

3.6.2 is used:-

- a) for the sale of goods or services; or
- b) for other Commercial purposes; or
- c) for industrial purposes.

3.7. Commercial/Industrial Rate - Balance of Shire

Any Land not located in Colac, Colac East, Colac West or Elliminyt that:

3.7.1 does not have the characteristics of

- a) Farm Land; or
- b) Residential Land; or
- c) Rural Residential Land
- d) Holiday Rental; and

3.7.2 is used:-

- a) for the sale of goods or services; or
- b) other Commercial purposes; or
- c) for industrial purposes.

Other Charges**4. Municipal Charge**

4.1 A Municipal Charge will be declared on all rateable property.

4.2 The charge not be applicable for those properties who have applied for an exemption in accordance with Section 159 of the Local Government Act 1989.

5. Waste Management Charges

5.1 A Waste Management Charge for weekly service will be declared on all developed Residential and Commercial properties and only those Rural properties who currently have a service available.

5.2 A Waste Management Charge for fortnightly service will be declared on all developed Residential and Commercial properties and only those Rural properties who currently have a service available.

5.3 Commercial properties can have a maximum of two (2) 240 litre or four (4) 120 litre bins.

6. Aire River Drainage Charge

A charge of \$0.20c per hectare will be declared on those properties located within the Aire River Drainage Scheme.

7. Tirrenqower Drainage Scheme

A charge of \$2.50 per hectare will be declared on those properties located within the Tirrenqower Drainage Scheme.

Appendix C - Capital Works Program
For the year ending 30 June 2009

Project Description	Total Cost '000	Revenue '000	Carry Over '000	Grants & Contrib. '000	Reserves Inc Levy '000	Sale Of Assets '000	Renewal '000	Upgrade '000	New '000
INFRASTRUCTURE									
<u>Capital Works</u>									
Local Roads - Cosworks Unsealed Roads (Capital)	\$1,250	-\$1,250					\$1,250		
Local Roads - Resealing Program (Capital)	\$790	-\$790					\$790		
Local Roads - Cosworks Sealed Rds Rehab Prog (Cap)	\$240	-\$240					\$240		
Local Roads - Cosworks Supply/Cart Aggregate (Cap)	\$120	-\$120					\$120		
Local Roads - Cosworks Footpaths (Capital)	\$160	-\$160					\$160		
Local Roads - Cosworks Drainage Works (Capital)	\$290	-\$290					\$290		
Swan Marsh Irrewillipe Rd	\$330	\$140	-\$470				\$100	\$230	
Poorneet Rd	\$140	-\$56	-\$84				\$42	\$98	
Larpent Road	\$303	-\$78		-\$225			\$100	\$203	
Special Charge Scheme - Marks Street	\$23	-\$5		-\$18			\$7	\$16	
Special Charge Scheme - Slater Street	\$21	-\$11		-\$10			\$6	\$15	
Special Chg Scheme - Pound Rd	\$100	\$0		-\$100				\$100	
Binns Road - Better Roads	\$278	\$0		-\$278			\$278		
Binns Road Bridge	\$450	\$0		-\$450			\$450		
Cape Otway Road Final Seal	\$5	\$0		-\$5			\$5		
Carpendeit Road Final Seal	\$30	\$0		-\$30			\$30		
Conns Lane - Rehab	\$10	\$0		-\$10			\$10		
Hiders Access	\$30	\$0		-\$30			\$30		
Division Rd Bridge Rehab	\$40	\$0		-\$40			\$40		
Lardners Track Slip rehab	\$30	\$0		-\$30			\$30		
Alexander Street - Rehab	\$90	\$0		-\$90			\$90		
Gallop St Rehab	\$75	\$0		-\$75			\$75		
Irrewillipe Rd Final Seal	\$40	\$0		-\$40			\$40		
Swan Marsh Irrewillipe Rd	\$220	\$0		-\$220			\$70	\$150	

Project Description	Total Cost '000	Revenue '000	Carry Over '000	Grants & Contrib. '000	Reserves Inc Levy '000	Sale Of Assets '000	Renewal '000	Upgrade '000	New '000
INFRASTRUCTURE – Continued									
Larpent Rd	\$147	\$0		-\$147			\$47	\$100	
Binns Road Bridge	\$75	\$0		-\$75			\$75		
Binns Road Rehabilitation	\$46	\$0		-\$46			\$46		
Pound Road	\$233	\$0		-\$233				\$233	
Cressy Shelford Road Final Seal	\$95	\$0		-\$95			\$95		
Footpaths – Apollo Bay	\$50	-\$50					\$15	\$35	
Pedestrian area – Rae St	\$25	-\$25					\$7	\$18	
Lighting improvements Regent Place	\$10	-\$10						\$10	
School Bus Routes	\$20	-\$10		-\$10			\$5	\$15	
Road Safety – Road Furniture Upgrade	\$40	-\$40						\$40	
Guardrail Mitchell Grove	\$8	-\$8						\$8	
Guardrail Christies Rd	\$10	-\$10						\$10	
Guardrail Swan Marsh	\$5	-\$5						\$5	
Red Johanna Guardrail – box culvert	\$30	-\$30					\$10	\$20	
Hamilton St Drainage	\$5	-\$5						\$5	
Armstrong St Drainage	\$5	-\$5					\$5		
Montrose Ave Drainage	\$20	-\$20						\$20	
Costin St Drainage	\$20	-\$20						\$20	
Cressy Drainage Improvements	\$40	-\$40						\$40	
Birregurra Footpath	\$15	-\$15					\$15		
TOTAL INFRASTRUTURE	\$5,964	-\$3,153	-\$554	-\$2,257	\$0	\$0	\$4,573	\$1,391	\$0

Project Description	Total Cost '000	Revenue '000	Carry Over '000	Grants & Contrib. '000	Reserves Inc Levy '000	Sale Of Assets '000	Renewal '000	Upgrade '000	New '000
STRATEGIC DEVELOPMENT									
<u>Capital Works</u>									
BWFC Roof Access	\$25	-\$25						\$25	
Heating Circulation Pump & Heat Exchange Replacement	\$12	-\$12						\$12	
Upgrade of Spa Filter & Circulation Pump	\$14	-\$14					\$7	\$7	
Council Building Assets Renewal Program	\$100	-\$100					\$100		
COPACC - Equipment / Civic Hall Roof	\$15	-\$15						\$15	
Meeting Room Audio & Conference System	\$13	-\$13						\$13	
Civic Hall Truss System	\$27	-\$27						\$27	
South Colac Rec Reserve drainage	\$10	-\$10					\$10		
Memorial Square Improvements	\$20	-\$20					\$15	\$5	
Old Beechy Line Rail Trail	\$100	-\$100						\$100	
Botantic Gardens Pathway	\$200	-\$100		-\$100			\$40	\$160	
Birregurra Skatepark Program	\$130	-\$35		-\$95				\$130	
Redevelopment of Cricket Wickets	\$21	-\$11		-\$10			\$21		
Alvie Recreation Reserve Redevelopment	\$206	-\$51		-\$155			\$50	\$156	
Colac Lawn Tennis Club	\$50	-\$50					\$50		
Marengo Transfer Station - Land Acquisition	\$1,000	\$0	-\$1,000					\$1,000	
Hesse St Comfort Station	\$10	-\$10					\$10		
Small Town Improvement Program	\$80	-\$80						\$80	
Lake Colac Redevelopment - Stage 2	\$75	-\$75						\$75	
Colac City Signage	\$35	-\$35						\$35	
TOTAL STRATEGIC	\$2,142	-\$782	-\$1,000	-\$360	\$0	\$0	\$303	\$1,840	\$0

Project Description	Total Cost '000	Revenue '000	Carry Over '000	Grants & Contrib. '000	Reserves Inc Levy '000	Sale Of Assets '000	Renewal '000	Upgrade '000	New '000
GOVERNANCE									
<u>Capital Works</u>									
Furniture & Equipment - New	\$15	-\$15						\$15	
Purchase of Computer Equipment	\$80	-\$80						\$80	
Server Replacement	\$40	-\$40						\$40	
Local Laws Wireless Connection	\$15	-\$15						\$15	
Virtualisation Project	\$55	-\$55						\$55	
Council Agenda System	\$30	-\$30						\$30	
MS exchange and Outlook	\$25	-\$25						\$25	
Air Conditioning Unit Replacement	\$20	-\$20					\$20		
Plant Replacement	\$1,200	-\$50			-\$600	-\$550	\$1,200		
HACC Minor Works	\$50	-\$30		-\$20			\$25	\$25	
HACC Minor Works / IT	\$8	\$15		-\$23					\$8
Kindergarten Capital Works	\$20	-\$20					\$15	\$5	
TOTAL GOVERNANCE	\$1,558	-\$365	\$0	-\$43	-\$600	-\$550	\$1,260	\$290	\$8
									0
TOTAL CAPITAL EXPENDITURE	\$9,664	-\$4,300	-\$1,554	-\$2,660	-\$600	-\$550	\$6,136	\$3,520	\$8

Appendix D – Key Strategic Activities

Priority Area	Objective	The Target for 2008/09
Governance	Ensure that Council Plan Priorities are implemented.	80%
Governance	Increase the Index Mean for Council's advocacy and community representation on key local issues to be equal to or better than the median of the Large Rural Shires.	63%
Governance	Increase the Index Mean for Council's engagement in decision making on key local issues to be equal to or better than the median of the Large Rural Shires.	62%
Governance	Increase the Index Mean for the overall performance generally of the Council to be equal to or better than the median of the Large Rural Shires.	63%
Financial Sustainability	Ensure the working capital ratio (Current Assets to Current Liabilities) is maintained at 1.50:1	1.50:1
Roads and Infrastructure	Ensure the Asset Renewal Gap is reduced.	100%
Roads and Infrastructure	Council's capital works program completed.	90%

Appendix E – User Pay Charges**2008/2009 USER FEES AND CHARGES****Statutory Fees**

A number of statutory fees, charges and fines will increase from 1 July 2008.

The various amounts will be adjusted once the various Acts and Regulations have been updated.

Penalty Unit

As at 1 July 2007 the value of a penalty unit was \$110.12. The value of a penalty unit will also increase from 1 July 2008. Some fees, where known, have been adjusted.

Schedule of Fees and Charges

Service	Council/ Statutory	GST %	2007/08 Fee Including Tax	2008/09 Fee Including Tax
Corporate and Community Services				
Corporate Services				
Community Bus Hire per km	C	10%	\$0.60	\$0.60
Council Properties	C	10%	\$220	\$220
- Bartlett Street Kindergarten (Wydina)	C	10%	\$625	\$645
- Apollo Bay Newsheet				
- Aerodrome Landing Fees				
- Apollo Bay	C	10%	\$5.50	\$5.50
- Colac	C	10%	\$3.00	\$3.00
Election Fines	S	0	\$54	\$55
Freedom of Information	S	0	\$22	\$22
Land Information Certificate	S	0	\$20	\$20
Replacement Rate Notice	C	10%		\$20
Printing and Photocopying				
- A4 sheet	C	10%	\$0.30	\$0.30
- A3 sheet	C	10%	\$0.60	\$0.60
- A1 sheet	C	10%	\$6.00	\$6.00
- B2 sheet	C	10%	\$4.00	\$4.00
- Per metre length coloured photocopying	C	10%	\$7.00	\$7.00
- A4 sheet	C	10%	\$0.50	\$0.50
- A3 sheet	C	10%	\$1.00	\$1.00

2008/2009 USER FEES AND CHARGES

Service	Council/ Statutory	GST %	2007/08 Fee Including Tax	2008/09 Fee Including Tax
Community Services				
Aged and Disability Services				
- Home Care (per hr)	C	0	\$3.50 to 16.00	\$3.50 to \$16.00
- Personal Care (per hr)	C	0	\$3.50 to 16.00	\$3.50 to \$16.00
- Respite Care (per hr)	C	0	\$3.50 to 16.00	\$3.50 to \$16.00
- Veterans Home Care (per hr)	C	0	\$3.50 to 16.00	\$3.50 to \$16.00
- Overnight Respite (per night)	C	0	\$30.00	\$30.00
- Property Maintenance (per hour plus materials)	C	0	\$9.60 to 14.40	\$9.60 to \$14.40
(Full cost recovery is charged for services provided on behalf of the agencies (GST applies).)				
Meeting Place				
- In House Activities	C	10%	\$4.00	\$5.00
- Swimming Activities	C	10%	\$4.00+ BWFC Charge	\$4.00+ BWFC Charge
Community Transport				
Colac				
- return	C	10%	\$7.00	\$7.00
- one way	C	10%	\$3.50	\$3.50
Colac District				
- Birregurra/Forrest				
- Beeac/Warrion				
- return	C	10%	\$9.00	\$9.00
- one way	C	10%	\$4.50	\$4.50
Colac Otway Shire				
- Apollo Bay, Lavers Hill				
- return	C	10%	\$16.00	\$16.00
- one way	C	10%	\$8.00	\$8.00
Colac to Geelong or Ballarat				
- return	C	10%	\$16.00	\$16.00
- one way	C	10%	\$8.00	\$8.00
Colac to Warrnambool				
- return	C	10%	\$24.00	\$24.00
- one way	C	10%	\$12.00	\$12.00
Colac to Melbourne				
- return	C	10%	\$36.00	\$36.00
- one way	C	10%	\$18.00	\$18.00
Full Cost Service	C	10%	\$0.65 per km + 10% admin	\$0.65 per km + 10% admin

2008/2009 USER FEES AND CHARGES

Service	Council/ Statutory	GST %	2007/08 Fee Including Tax	2008/09 Fee Including Tax
Community Services cont'd				
Delivered Meals				
- Delivered meals (per meal)	C	0	\$5.75	\$5.75
- All meals (per meal)	C	0	\$6.50	\$6.50
(Full cost recovery GST applies)				
Family Day Care				
- Per hour	C	0	\$4.75	\$5.00
- Non-core hours	C	0	\$5.50	\$5.75
- Administration levy	C	0	\$ 5.00	\$ 5.25
- less than 10 hrs per fortnight			per wk per family	per wk per family
- greater than 10 hrs per fortnight			\$6.00	\$6.25
- Carers levy	C	10%	per wk per family 0.06c per hr	per wk per family 0.10c per hr
Public Health				
Septic Tanks				
- Septic tank systems	C	0	\$260	\$270
- Septic tank alterations	C	0	\$140	\$140
- Additional inspections	C	0	\$70	\$70
- Assessment of land capability reports	C	0	\$70	\$70
Health Administration (Reg fees)				
Health Registration Fees				
Food Premises				
- New	C	0	\$335	\$345
- Renewal	C	0	\$235	\$240
Pre-Sealed Long life Food				
- New	C	0	\$120	\$125
- Renewal	C	0	\$75	\$78
Fruit and Vegetables				
- New	C	0	\$200	\$205
- Renewal	C	0	\$125	\$130
Charitable Groups/Schools				
- New	C	0	\$165	\$170
- Renewal	C	0	\$115	\$120
Hospitals, Nursing Homes, Child Minding etc.				
- New	C	0	\$400	\$415
- Renewal	C	0	\$320	\$330

2008/2009 USER FEES AND CHARGES

Service	Council/ Statutory	GST %	2007/08 Fee Including Tax	2008/09 Fee Including Tax
Community Services cont'd				
Caterers	C	0	\$260	\$265
- New	C	0	\$210	\$215
- Renewal				
Bed and Breakfast	C	0	\$165	\$170
- New	C	0	\$115	\$120
- Renewal				
Food Vehicles	C	0	\$200	\$205
- New	C	0	\$135	\$140
- Renewal				
Hairdressers/Beauty Parlours	C	0	\$65	\$70
- New premises design fee	C	0	\$95	\$100
- Registration/renewal				
Skin Penetration	C	0	\$65	\$70
- New premises design fee	C	0	\$95	\$100
- Registration/renewal				
Combo Beauty	C	0	\$75	\$80
- New premises design fee	C	0	\$105	\$110
- Registration/renewal				
Other Charges				
Prescribed Accommodation				
6 to 10 persons	C	0	\$75	\$80
- New premises design fee	C	0	\$130	\$135
- Registration/renewal				
11 to 20 persons	C	0	\$85	\$90
- New premises design fee	C	0	\$165	\$170
- Registration/renewal				
20+ persons	C	0	\$95	\$100
- New premises design fee	C	0	\$200	\$210
- Registration/renewal				
Combo Food Premises / Accommodation	C	0	\$120	\$125
Caravan Parks per Site	S	0	\$2.50	\$2.50
Miscellaneous				
Transfer of Registration	C	0	\$50	50% of reg fee
Late Renewal Penalty Fee per Month	C	0	\$20	\$20
Conveyance Enquiries	C	0	\$90	\$95
Replacement Certificate	C	0	\$30	\$30

2008/2009 USER FEES AND CHARGES

Service	Council/ Statutory	GST %	2007/08 Fee Including Tax	2008/09 Fee Including Tax
Recreation, Arts and Culture				
<u>Bluewater Fitness Centre</u>				
Daily Charges (pool)				
- Adult Swim	C	10%	\$4.60	\$4.60
- Adult Sauna	C	10%	\$4.40	\$4.60
- Adult Spa	C	10%	\$4.40	\$4.60
- Adult Swim/Sauna/Spa	C	10%	\$10.00	\$9.00
- Adult Aqua	C	10%	\$8.00	\$10.00
- Pensioner Swim	C	10%	\$4.10	\$4.10
- Pensioner Sauna	C	10%	\$3.90	\$4.10
- Pensioner Spa	C	10%	\$3.90	\$4.10
- Pensioner Swim/Sauna/Spa	C	10%	\$10.00	\$7.00
- Pensioner Aqua	C	10%	\$7.00	\$8.00
- Child Swim	C	10%	\$3.60	\$3.60
- Student with school group	C	10%	\$3.00	\$3.10
- Family Swim	C	10%	\$14.00	\$14.00
- Student Swim	C	10%	-	\$4.40
- Student Spa	C	10%	-	\$4.40
- Student Sauna	C	10%	-	\$4.40
- Student Swim/Spa/Sauna	C	10%	-	\$8.00
- Student Aqua	C	10%	-	\$9.00
- Parent/Toddler Swim	C	10%	-	\$4.20
Other Programs				
- Learn to Swim (30m group lesson)	C	0	\$9.00	\$10.00
- Discounted for 2 nd & 3 rd child	C	0	-	\$9.00
- 15 min 1 on 1 lesson	C	10%	-	\$15.00
- Aerobics – Adult	C	10%	\$8.00	\$10.00
- Aerobics – Pensioner	C	10%	\$7.00	\$8.00
- Aerobics – Student	C	10%	\$5.50	\$9.00
- Aerobics - School Group	C	10%	-	\$6.50
- Gym – Adult	C	10%	\$8.00	\$9.00
- Gym – Student	C	10%	\$5.50	\$8.00
- Gym – Pensioner	C	10%	\$7.00	\$7.00
- Gym – Senior Special	C	10%	\$4.00	\$4.50
- 1 hr Fitness Assessment	C	10%	\$45.00	\$45.00
- 1 hr Personal Training	C	10%	\$45.00	\$45.00
- 5 Ticket Personal Training	C	10%	\$200.00	\$200.00
- 10 Ticket Personal Training	C	10%	\$300.00	\$300.00
Membership Options				
Adult Aquatic - 12 months	C	10%	\$420	\$420.00
- 6 months	C	10%	\$280	\$280.00
- 3 months	C	10%	\$180	\$200.00
- 20 Ticket Swim	C	10%	-	\$80.00
- 20 Ticket Aqua	C	10%	-	\$180.00
- 10 Ticket Aqua	C	10%	-	\$90.00

Service		Council / Statutory	GST %	2007/8 Fee Including Tax	2008/9 Fee Including Tax
Pensioner Aquatic					
-	12 months	C	10%	\$360	\$360.00
-	6 months	C	10%	\$245	\$245.00
-	3 months	C	10%	\$160	\$160.00
-	20 Ticket Swim	C	10%	-	\$70.00
-	20 Ticket Aqua	C	10%	-	\$140.00
-	10 Ticket Aqua	C	10%	-	\$80.00
Junior Aquatic					
-	12 months	C	10%	\$285	\$285.00
-	6 months	C	10%	\$200	\$200.00
-	3 months	C	10%	\$140	\$140.00
-	20 Ticket Swim	C	10%	-	\$60.00
Family Aquatic					
-	12 months	C	10%	\$610	n/a
-	6 months	C	10%	\$405	\$405.00
-	3 months	C	10%	\$275	\$275.00
Student Aquatic					
-	12 months	C	10%	-	\$320.00
-	6 months	C	10%	-	\$240.00
-	3 months	C	10%	-	\$180.00
-	20 Ticket Swim	C	10%	-	\$76.00
-	20 Ticket Aqua	C	10%	-	\$160.00
-	10 Ticket Aqua	C	10%	-	\$100.00
Squad					
-	1 per week	C	10%	-	\$10.00
-	2-3 per week	C	10%	-	\$11.00
-	4-6 per week	C	10%	-	\$12.00
-	7-11 per week	C	10%	-	\$13.00
Gymnasium or Aerobics					
Adult	- 12 months	C	10%	\$500	\$500.00
	- 6 months	C	10%	\$345	\$345.00
	- 3 months	C	10%	\$225	\$225.00
	- 20 Ticket Gym	C	10%	-	\$160.00
	- 20 Ticket Aero	C	10%	-	\$180.00
Pensioner	- 12 months	C	10%	\$420	\$420.00
	- 6 months	C	10%	\$285	\$285.00
	- 3 months	C	10%	\$185	\$185.00
	- 20 Ticket Gym	C	10%	-	\$120.00
	- 20 Ticket Aero	C	10%	-	\$140.00
Pensioner	- 12 months	C	10%	-	\$460.00
	- 6 months	C	10%	-	\$310.00
	- 3 months	C	10%	-	\$200.00
	- 20 Ticket Gym	C	10%	-	\$140.00
	- 20 Ticket Aero	C	10%	-	\$160.00
Gold Aquatic/Fitness					
Adult	- 12 months	C	10%	\$640	\$640.00
	- 6 months	C	10%	\$435	\$440.00
	- 3 months	C	10%	\$270	\$300.00
Pensioner	- 12 months	C	10%	\$530	\$530.00
	- 6 months	C	10%	\$355	\$355.00
	- 3 months	C	10%	\$235	\$235.00

Service	Council/ Statutory	GST	2007/8 Fee Including Tax	2008/9 Fee Including Tax
Student				
- 12 months	C	10%	-	\$580.00
- 6 months	C	10%	-	\$400.00
- 3 months	C	10%	-	\$280.00
Other Charges				
- Locker Hire (daily)	C	10%	N/A	N/A
- Crèche				
- 1 child 1 hour	C	10%	\$3.70	\$3.70
- 1 child 1.5 hrs	C	10%	-	\$5.50
- 1 child 2 hrs	C	10%	-	\$7.40
- Additional Children	C	10%	-	\$3.00
- School Holiday Program				
- per child ½ day	C	10%	\$17	\$18.00
- per child full day	C	10%	\$36	\$36.00
- Room Hire	C	10%	\$10	
- Minor Hall Hire				
- community	C	10%	\$22	\$22.00
- commercial	C	10%	\$35	\$35.00
- Stadium Hire				
- seniors per hour	C	10%	\$63	\$63.00
- juniors per hour	C	10%	\$32	\$32.00
- All day hire	C	10%	\$320	\$380.00
- Squash Court 1 hr	C	10%	\$17	\$17.00
- Squash Court 30min	C	10%	\$8.50	\$8.50
- Lane Hire				
- per hour per lane	C	10%	\$17	\$17.00
- Full Pool Hire				
- Full day (9am-4pm)	C	10%	\$330	\$330.00
- Half day (4 hours)	C	10%	\$230	\$230.00
- Pool Party (per Child)	C	10%		\$15.00

2008/2009 USER FEES AND CHARGES - COPACC (EXCLUDES GST)

All are Council fees and all exclude GST. The following are details of charges for the hire of COPACC. The charges are for 2006/2007 and 2007/2008.

AREA	EVENT/ RATE	SPECIAL FUNCTION, including Commercial Special Function refers to a disco, cabaret, ball, business function, dinner dance or wedding.		COMMUNITY GROUPS, SCHOOLS & COUNCIL from COLAC OTWAY Refers to organisations and recreation clubs which are not-for-profit.		CHARITABLE ORGANISATIONS Are organisations which have charitable tax deductable status and provide a public benefit.	
		2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009
ENTIRE VENUE HIRE <i>(EXCLUDING Theatre and Cinema)</i>	14 Hour Hire 8 Hour Hire 4 Hour Hire Hourly Rate	\$1,890 \$1,080 \$430 \$160	\$1,890 \$1,080 \$430 \$160	\$1,630 \$930 \$355 \$125	\$1,630 \$930 \$355 \$125	\$1,320 \$750 \$270 \$95	\$1,320 \$750 \$270 \$95
CIVIC HALL	14 Hour Hire 8 Hour Hire 4 Hour Hire Hourly Rate	\$850 \$485 \$350 \$70	\$850 \$485 \$350 \$70	\$720 \$410 \$325 \$50	\$720 \$410 \$325 \$50	\$560 \$320 \$270 \$45	\$560 \$320 \$270 \$45
CIVIC HALL Add On Rooms Hourly Rate	Kitchen Meeting Room 1 Meeting Room 1&2	\$30 \$25 \$35	\$30 \$25 \$35	\$25 \$20 \$30	\$25 \$20 \$30	\$20 \$15 \$25	\$20 \$15 \$25
MEETING ROOM/S Hourly Rate	SINGLE ROOM (Between 8:30 & 5pm) DOUBLE ROOM (Between 8:30 & 5pm) SINGLE ROOM (After hours) DOUBLE ROOM (After hours)	\$25 \$40 \$50 \$65	\$25 \$40 \$50 \$65	\$20 \$35 \$45 \$60	\$20 \$35 \$45 \$60	\$15 per hr \$30 per hr \$40 per hr \$55 per hr	\$15 per hr \$30 per hr \$40 per hr \$55 per hr
KITCHEN Hourly Rate	Between 8:30 & 5pm After Hours	\$30 \$55	\$30 \$55	\$20 \$45	\$20 per hr \$45 per hr	\$15 per hr \$40 per hr	\$15 per hr \$40 per hr
GREEN ROOM	Hourly Rate After Hours	\$15	\$20 per hr \$40 per hr	\$10	\$10 per hr \$35 per hr	\$10 per hr	\$15 per hr \$35 per hr
REHEARSAL ROOM	BETWEEN 8.30 & 5PM After Hours	\$15 per hour	\$30 per hour \$50 per hour	\$10 per hour	\$25 per hour \$45 per hour	\$10 per hr	\$20 per hr \$40 per hr
PUBLIC GALLERY Hourly Rate For Meeting and Conventions	Between 8:30 & 5pm After Hours	\$40 \$65	\$40 \$65	\$30 \$60	\$30 \$60	\$25 per hr \$55 per hr	\$25 per hr \$55 per hr
CINEMA Hourly Rate Minimum 3 hour booking	Between 8:30 & 5pm After Hours	\$75 \$140	\$75 \$140	\$55 \$110	\$55 \$110	\$45 per hr \$80 per hr	\$45 per hr \$80 per hr
BOND		\$500-\$700	\$500-\$700	\$500-\$700	\$500-\$700	\$200-\$500	\$200-\$500
DEPOSIT		\$100	\$100	\$100	\$100	\$100	\$100
ROLL OVER	Evening Prior All Day Prior	\$100 \$150	\$100 \$150	\$70 \$120	\$70 \$120	\$50 \$100	\$50 \$100

#Additional rates will apply to all evening hires and is inclusive of Duty Supervisor for set-up and clean-up at the current labour rate.

Other labour charges will apply if hirers require additional function support ie. seminars or conferences.

COPACC can provide normal tea, coffee and biscuits for external functions at a cost of \$1.60 per person.

Additional costs apply for up market tea, coffee & biscuits.

Cost of hire includes all table & chair set up, overhead projector, TV/video, whiteboard. Other additional audio equipment will be charged.

Colac Community Development Association space available after hours or on weekends upon special request only.

Exhibitions held in Public Gallery – separate application form applies.

Please Note: Prices listed above are subject to change at any time by Colac Otway Shire.

For information as to current rates, please view the Colac Otway web site link www.colacotway.vic.gov.au

AREA	EVENT/ RATE	COMMERCIAL HIRE		COMMUNITY GROUPS, SCHOOLS & COUNCIL from COLAC OTWAY Refers to organisations and recreation clubs which are Not-for-profit.	
		2007/2008	2008/2009	2007/2008	2008/2009
<i>AUDITORIUM 1 (plus labour, ushers, lighting, booking fee, credit card charges and cleaning)</i>	FULL DAY RATE				
	- Saturday	\$930		\$820	
	- Other Days	\$770		\$460	
	- 12 Hours		\$1060		\$800
	HALF DAY RATE (up to 3.30pm)				
	- Saturday	\$620		\$410	
- Other Days	\$410		\$260		
- 8 hours		\$740		\$540	
- 4 hours (min)		\$420		\$280	
HOURLY RATE	\$150		\$90		
ADMIN FEE	\$ 130		\$ 75		
Hourly Penalty			\$280		\$75
<i>LABOUR CHARGES Hourly Rate</i>	Technical staff	\$40 per hr	\$45 per hour	\$40 per hr	\$45 per hour
<i>CINEMA/BOX OFFICE CHARGES</i>	- Front of House/Ushers	\$225 min (1-100 patrons)		\$225 min (1-100 patrons)	
	- Ticketing	\$2.50 per ticket		\$2.50 per ticket	
	- Credit Card Charges	4% on sales		4% on sales	
	- Extra Cleaning	\$32 per hr		\$32 per hr	
<i>OTHER CHARGES</i>	- Grand Piano	\$100.00 per session	<i>Now covered in venue hire</i>	\$50.00 per session	<i>Now covered in venue hire</i>
	- Piano Tuning	\$135 (if required)		\$135 (if required)	
	- Standard Lighting	\$75 per performance (pro rata)		\$75 per performance	
	- Cleaning		\$75	\$75	

Public Gallery Exhibition & Display Hire Charges (new charges)

	Commercial / Business	Professional Artist	Community Artist
Wall Display Only	\$100 per day	\$20 per day + 10% commission	\$15 per day + 10% commission
Wall & Floor	\$150 per day	\$25 per day + 10%ommission	\$20 per day + 10% commission
Floor only	\$100 per day	\$20 per day + 10% commission	\$15 per day + 10% commission

2008/2009 USER FEES AND CHARGE

Service	Council/ Statutory	GST %	2007/08 Fee Including Tax	2008/09 Fee Including Tax
Infrastructure and Services				
<u>Asset Management</u>				
Special Charge Scheme				
- Contract Administration	C	0	2.5%	2.5%
- Scheme Administration	C	0	3.0%	3.0%
- Design Fee				
- In House	C	0	10%	10%
- Other	C	0	At cost	At cost
Supervision of Sub-Division Works (% of estimated cost of constructing works proposed)	S	0	2.5%	2.5%
Checking of Engineering Plans	S	0	0.75%	0.75%
Works on Roads (Revised Schedule of Fees)				
Local Road (speed at any time is greater than 50kph)	S	0	\$483.80	\$483.80
<i>Works on Roads (works other than minor works)</i>	S	0	\$268.80	\$268.80
- Conducted on any part of the roadway, shoulder or pathway				
- Not conducted on any part of the roadway, shoulder or pathway	S	0	\$123.70	\$123.70
	S	0	\$53.80	\$53.80
<i>Minor Works</i>				
- Conducted on any part of the roadway, shoulder or pathway				
- Not conducted on any part of the roadway, shoulder or pathway				
Local Road (speed at any time is not more than 50 kph)	S	0	\$215.00	\$215.00
<i>Works on Roads (works other than minor works)</i>	S	0	\$53.80	\$53.80
- Conducted on any part of the roadway, shoulder or pathway				
- Not conducted on any part of the roadway, shoulder or pathway	S	0	\$123.70	\$123.70
	S	0	\$53.80	\$53.80
<i>Minor Works</i>				
- Conducted on any part of the roadway, shoulder or pathway				
- Not conducted on any part of the roadway, shoulder or pathway	S	0	\$55-\$210	\$55-\$210
	S	0	\$55-\$210	\$55-\$210

Service	Council/ Statutory	GST %	2007/08 Fee Including Tax	2008/09 Fee Including Tax
Other Permit Fees (GST Exempt)	S	0	\$55-\$210	\$55-\$210
- Interfering with a drain under Council control	S	0	\$55-\$105	\$55-\$105
- Conducting works which may damage road or drain	S	0	\$55	\$55
- Occupying Council road	S	0	\$105	\$105
- Erecting a hoarding over Council road	S	0	\$30	\$30
- Using crane or travel tower on or over Council road	S	0	\$55 plus actual damage	\$55 plus actual damage
- Operating bulldozer or like on Council road	C	0	\$0	\$0
- Excavating Council road				
- Vehicle damaging road				
<u>Recreation Reserve Maintenance</u>	C	10%	\$521	\$537
	C	10%	\$1,983	\$2,042
Central Reserve	C	10%	\$5,892	\$6,069
- Youth & Recreation Centre	C	10%	\$510	\$525
- Colac Cricket Association				
- Colac Football Club				
- Colac Little Athletics	C	10%	\$1,065	\$1,097
	C	10%	\$600	\$618
Eastern Reserve	C	10%	\$1,065	\$1,097
- Colac Cricket Club				
- Colac Netball Association				
- Colac Baseball League	C	10%	\$1,156	\$1,191
	C	10%	\$4,815	\$4,959
Western Reserve				
- Colac Cricket Association				
- Imperials Football Club	C	10%	\$476	\$490
	C	10%	\$612	\$630
Cricket Ground				
- Colac Cricket Association				
- Colac Umpires Association	C	10%	\$2,889	\$2,976
	C	10%	\$397	\$409
Elliminyt Recreation Reserve				
- South Colac Sports Club				
- Elliminyt Tennis Club				

All rentals subject to change as per terms and conditions of the relevant rental agreement.

All rentals subject to insurance surcharge calculated on advice from Council's insurer.

2008/2009 USER FEES AND CHARGE

Service	Council/ Statutory	GST %	2007/08 Fee Including Tax	2008/09 Fee Including Tax
<u>Saleyards</u>				
Weighed cattle	C	10%	\$7.70	\$8.80
Stud cattle	C	10%	\$13.20	\$14.30
All other cattle	C	10%	\$7.70	\$8.80
Dairy cattle	C	10%	\$5.50	\$8.80
Bulls flat rate	C	10%	\$13.20	\$14.30
Bobby calves	C	10%	\$3.30	\$3.30
All horses	C	10%	\$13.20	\$13.20
Sheep and lambs	C	10%	\$0.55	\$0.55
Pigs	C	10%	\$1.10	\$1.10
Private weigh	C	10%	\$4.40	\$4.40
Annual licence and rental	C	10%	\$1,100	\$1,100.00
Agents weekly fee	C	10%	\$132	\$154.00
Agents special sale	C	10%	\$132	\$154.00
Cows and calves weigh fee				
- 5 animals	C	10%	\$2.20	\$2.25
- 2-4 animals	C	10%	\$2.75	\$2.75
- 1 animal	C	10%	\$3.30	\$3.30
<u>Waste Management</u>				
All Waste Receival Sites				
- Putrescibles (inc mixed rubbish)	C	10%	\$38 per m ³ min \$6.00	\$40 per m ³ min \$6.00
- Inert waste only (municipal)	C	10%	\$23 per m ³ min \$4.80	\$25 per m ³ min \$5.30
- Inert waste (commercial)				\$34 per tonne
- Tree pruning's	C	10%	\$13.00 per m ³	\$13.50 per m ³
- Steel scrap	C	10%	\$15.00 per m ³	\$15.60 per m ³
- Car bodies	C	10%	\$40	\$41.60
- Waste oil	C	10%	\$0.70 per litre	\$0.75 per litre
- Chemical drums	C	10%	\$0.70 each	\$0.75 each
- Tyres - car	C	10%	\$4	\$4.20
- car on rim	C	10%	\$5	\$5.20
- truck	C	10%	\$15	\$15.60
- batteries	C	10%	\$4	\$4.20
- Waste disposal tickets				
- 25 tickets	C	10%	\$60	\$62.50
- 10 tickets	C	10%	\$28	\$30
- Fully co-mingled recyclables	C	10%	\$19	\$19.70 per m ³
- COS compost	C	10%	-	\$15.60 per m ³
- Silage Wrap – Loose	C	10%	-	\$0.40 per kg
- Silage Wrap – In Poly Bags	C	10%	-	\$0.15 per kg
- Silage Wrap – Pressed Bales	C	10%	-	\$0.10 per kg
- Mattresses	C	10%	-	\$19.00 each

2008/2009 USER FEES AND CHARGE

Service	Council/ Statutory	GST %	2007/08 Fee Including Tax	2008/09 Fee Including Tax
Sustainable Planning and Development				
<u>Animal Control</u>				
Registration				
- Dog registration – Full	C	0	\$65	\$90
- Dog registration - Microchipped or Desexed	C	0	-	\$30
- Dog registration – Microchipped and Desexed	C	0	-	\$15
- Cat registration – Full	C	0	\$65	\$75
- Cat registration - Microchipped or Desexed	C	0	-	\$25
- Cat registration – Microchipped and Desexed	C	0	-	\$15
- All other	C	0	\$17	-
- Pensioner Discount	C	0	50%	50%
Animal registration charges subject to Council Review				
<u>Livestock</u>				
Pound Release Fees				
- Dogs/Cats	C	0	\$50 plus \$10 per day	\$50 plus \$10 per day
- Cattle/Horses	C	0	\$60 plus \$10 per day	\$60 plus \$10 per day
- Sheep/Pigs	C	0	\$30 plus \$6 per day	\$30 plus \$6 per day
- All other	C	0	\$20 plus \$5 per day	\$20 plus \$5 per day
Plus cartage where applicable.				
<u>Building Control</u>				
Building Control Charges				
- Lodgement Fees				
- Class 1 & 10	S	0	\$30	\$30
- Other classes	S	0	\$30	\$30
Information Charges				
- Property information	S	0	\$40	\$41
- Building plans, plan search	C	10%	\$20	\$20
- Search fee class 1 & 10	C	10%	\$35	\$35
- Search fee other classes	C	10%	\$70	\$70
- Plan copying A4 sheet	C	10%	\$0.30	\$0.30
- Plan copying A3 sheet	C	10%	\$0.60	\$0.60
- Other size sheets	C	10%	\$3.50	\$3.50

Report and Consent Fees					
-	Projections over street alignments (reg 513)	S	0	\$200	\$205
-	Building over easement (Reg 310)	S	0	\$100	\$100
-	Building over public facilities (Reg 515)	S	0	\$200	\$205
-	Demolition fee (S.29A)	S	0	\$50	\$51.25
-	Siting variations/building regulations rescode items (regs 408, 421)	S	0	\$200	\$205
-	Other siting matters/rescode outbuilding items (Regs 4.2-4.30)	S	0	\$200	\$205
-	Precautions over the street/public protection (Reg 604(4))	S	0	\$200	\$205
-	Land liable to flooding (Reg 802(3))	S	0	\$200	\$205
-	Overland flood/flooding (Reg 806(1))	S	0	\$200	\$205
-	Stormwater discharge (Reg 610(2))	S	0	\$50	\$50

2008/2009 USER FEES AND CHARGE

Class	Category	2007/08 Fee Including Tax	2008/09 Fee Including Tax
<u>Building Permit Fees</u>			
Domestic – Class 1a Dwellings and 10 Outbuildings (construction and demolition)	A recommended fee shall apply where the value of building work:		
	- does not exceed \$5,000	\$330	\$330
	- does not exceed \$10,000	\$440	\$440
	- does not exceed \$15,000	\$550	\$550
	- does not exceed \$25,000	\$660	\$660
	- does not exceed \$50,000	\$825	\$825
	- does not exceed \$75,000	\$990	\$990
	- does not exceed \$100,000	\$1,100	\$1,100
	- does not exceed \$150,000	\$1,375	\$1,375
	- does not exceed \$200,000	\$1,650	\$1,650
	- does not exceed \$250,000	\$1,980	\$1,980
	- does not exceed \$300,000	\$2,200	\$2,200
	- does exceed \$300,000	\$2,750 +	\$2,750 +
	(additional fees charged where additional inspections are required)		
All other Classes of Occupancy 2-9 inclusive (Construction and/or Demolition)	A recommended fee shall apply where the value of building work:		
	- does not exceed \$5,000	\$330*	\$330*
	- does not exceed \$10,000	\$495*	\$495*
	- does not exceed \$20,000	\$735*	\$735*
	- does not exceed \$50,000	\$990*	\$990*
	- does not exceed \$100,000	\$1,540*	\$1,540*
	- does not exceed \$200,000	\$2,200*	\$2,200*
	- does not exceed \$500,000	\$3,300*	\$3,300*
	- does not exceed \$600,000	0.6%	0.6%
	- does not exceed \$700,000	0.6%	0.6%
	- does not exceed \$800,000	0.6%	0.6%
	- does not exceed \$900,000	0.55%	0.55%
	- does not exceed \$1,000,000	0.5%	0.5%
	- does not exceed \$1,500,000	0.5%	0.5%
	- does not exceed \$2,000,000	0.5%	0.5%
	- does exceed \$2,000,000	0.4%	0.4%
Statutory Charge on Building Permits	Building permit levy (cost of building over \$10,000)	Cost x 0.128% of works	Cost x 0.128% of works
Statutory Charge on Domestic Building Permits	Domestic Building Levy (HIH) (Cost of domestic works only over \$10,000)	Cost x 0.032% of works	Cost x 0.032% of works

* Council fees nominated apply except for exceptional cases where the fee will be negotiated with the Building Surveyor.

2008/2009 USER FEES AND CHARGE

Service	Council/ Statutory	GST %	2007/08 Fee Including Tax	2008/09 Fee Including Tax
<u>Fire Prevention</u>				
Permit Fee – Burning of Offensive Material	C	0	\$225	\$225
<u>Local Laws (Revised Schedule)</u>				
Local Law No 1				
- Alcohol permit	C	0	\$50	\$50
Local Law No 2				
- Vegetation	C	0	\$50	\$50
- Signs and Goods for Sale	C	0	\$80	\$80
- Using Council Land	C	0	\$30 plus \$10 per week	\$30 plus \$10 per week
- Street Party/Festival	C	0	\$100	\$100
- Circus	C	0	\$100	\$100
- Camping	C	0	\$50	\$50
- Sport	C	0	\$50	\$50
- Impoundment Fee	C	0	\$50	\$50
- Abandoned or derelict vehicles	C	0	\$200 plus transport & storage	\$200 plus transport & storage
- All Other Permits	C	0	\$60	\$60
Local Law No 3				
- Droving/Stock Crossing/ Grazing/Electric Fence	C	0	\$50	\$50
<u>Note:</u> All fees subject to Council Review				
<u>Parking</u>				
Disabled Parking				
- permit	C	0	\$10	\$10
- replacement fee	C	0	\$5	\$5
All Day Parking Permit	C	0	\$12 per week	\$12 per week
Building Site on Street				
- parking space charge/permit	C	0	\$20 per week	\$20 per week
Car Parking Fines	C	0	\$50	\$50
Car Parking Fines	S	0	\$42 to \$107	\$42 to \$107

2008/2009 USER FEES AND CHARGES

(a) Planning Permit Fees – Set by Statute

Class	Type of Permit Application	2008/09 Fee (GST Exempt)
1	Use only	\$462
	To develop land or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of the land for a single dwelling per lot if the estimated cost of development included in the application is:	
2	Single dwelling (\$10,000-\$100,000)	\$220
3	Single dwelling (More than \$1000,000)	\$451
	To develop land (other than for a single dwelling per lot) if the estimated cost of development included in the application is:	
4	Other developments (\$10,000 or less)	\$94
5	Other developments (\$10,000-\$250,000)	\$556
6	Other developments (\$250,000-\$500,000)	\$650
7	Other developments ((\$500,000-\$1 million)	\$750
8	Other developments (\$1,000,001-\$7 million)	\$1,060
9	Other developments (\$7,000,001-\$10 million)	\$4,448
10	Other developments (\$10,000,001-\$50 million)	\$7,416
11	Other developments (more than \$50,000,000)	\$14,834
12	To subdivide an existing building	\$356
13	To subdivide land into two lots	\$356
14	To effect a realignment of a common boundary between lots or to consolidate two or more lots	\$356
15	All other subdivisions	\$719
16	An application to remove a restriction (within the meaning of the Subdivision Act 1988) in the circumstances described in Section 47(2) of the Planning and Environment Act 1987	\$230
17	An application to create, vary or remove a restriction within the meaning of the Subdivision Act 1988 or to create or remove a right-of-way.	\$498
18	To create, vary or remove an easement other than a right of way, or to vary or remove a condition in the nature of an easement other than a right of way in a Crown.	\$372

(b) Amendments to Permits – Set by Statute

Class	Type of amendment	2008/09 Fee (GST Exempt)
1	Use only	\$92
2	To amend a permit	\$451
3	Single dwelling (\$10,000-\$100,000)	\$215
4	Single dwelling (more than \$100,000)	\$440
5	Other developments (\$10,000 or less)	\$92
6	Other developments (\$10,000-\$250,000)	\$543
7	Other developments (\$250,000-\$500,000)	\$635
8	Other developments (\$500,000-\$1million)	\$732
9	Other amendments	\$348

(c) Subdivision – Planning Scheme Amendment Fees – Set by Statute

Class	Type of Permit Application	2008/2009 Fee (GST Exempt)
i.	Considering a request for an Amendment	\$734
ii.	Independent panel (considering submissions which seek a change to an Amendment)	\$734
iii.	Adoption of Amendment by Responsible Authority	\$482
iv.	Consideration of a request to approve an Amendment (by the Minister for Planning)	\$734

(d) Other

Service	Council/ Statutory	GST %	2007/08 Fee Incl. Tax	2008/09 Fee Incl. Tax
Planning Certificates	S	0	\$16.80	\$16.80
Planning Certificates – Urgent	C	0	\$50	\$50
To amend Application	S	0	\$92	\$92
Certificate of Compliance	S	0	\$136	\$136
Satisfaction Matters	S	0	\$94	\$94
Planning History Request	C	10	\$110 (incl GST)	\$110 (incl GST)
Engineering Plan prepared by Council	C	10	3.5% of value of works	3.5% of value of works
Supervision of Works	C	10	2.5% of value of works	2.5% of value of works
Check Engineering Plans	C	10	0.75% of value of works	0.75% of value of works

2008/2009 USER FEES AND CHARGE

Service	Council/ Statutory	GST %	2007/08 Fee Including Tax	2008/09 Fee Including Tax
Tourism				
<u>Colac VIC</u>				
Meeting Room Hire				
- Hourly rate	C	10%	\$17	\$17
- Half day				
- Non-profit	C	10%	\$35	\$35
- Profit	C	10%	\$70	\$70
- Full day				
- Non-profit	C	10%	\$70	\$70
- Profit	C	10%	\$14	\$14
- Night				
- Non-profit	C	10%	\$30	\$30
- Profit	C	10%	\$60	\$60
Internet Charges				
- per hour	C	10%	\$6	\$6
- per half hour	C	10%	\$3	\$3
- per ¼ hour	C	10%	\$2	\$2
Sale of Fishing Licences				
- % of Licence Fee	C	Inc. in commission	6%	6%
- Licence - yearly	C		\$22	\$22
- monthly	C		\$11	\$11
Bus Tour Service				
- 48 hours plus	C	10%	\$6	\$6
Booking Commission				
	C	10% of commission	10% of booking + 10% commission	10% of booking + 10% commission
Apollo Bay Harbour				
Fixed Mooring (Annual)	C	10%	\$1133.00	\$1330.00
Swing Mooring (Annual)	C	10%	\$73.65	\$85.00
Itinerant Berth (Daily)	C	10%	\$6.80	\$20.00
Swing Mooring Establishment	C	10%	\$124.65	\$145.00
Marina Keys	C	10%	\$12.00	\$15.00

Other Harbour fees for 2008/2009

Vessel Length	Slipping Fee Including GST	Storage Fee (Per Day) Including GST	Vessel Length	Slipping Fee Including GST	Storage Fee (Per Day) Including GST
10.0	\$137.50	\$34.40	17.2	\$368.50	\$138.30
10.2	\$143.00	\$37.30	17.4	\$376.10	\$141.20
10.4	\$148.50	\$40.20	17.6	\$383.60	\$144.10
10.6	\$154.00	\$43.00	17.8	\$391.20	\$147.00
10.8	\$159.50	\$45.90	18.0	\$398.80	\$149.90
11.0	\$165.00	\$48.80	18.2	\$408.40	\$152.80
11.2	\$170.50	\$51.70	18.4	\$418.00	\$155.70
11.4	\$176.00	\$54.60	18.6	\$427.60	\$158.50
11.6	\$181.50	\$57.50	18.8	\$437.30	\$161.40
11.8	\$187.00	\$60.40	19.0	\$446.90	\$164.30
12.0	\$192.50	\$63.30	19.2	\$456.50	\$167.20
12.2	\$198.00	\$66.10	19.4	\$466.10	\$170.10
12.4	\$203.50	\$69.00	19.6	\$475.80	\$173.00
12.6	\$209.00	\$71.90	19.8	\$485.40	\$175.90
12.8	\$214.50	\$74.80	20.0	\$495.00	\$178.80
13.0	\$220.00	\$77.70	20.2	\$504.60	\$181.60
13.2	\$225.50	\$80.60	20.4	\$514.30	\$184.50
13.4	\$231.00	\$83.50	20.6	\$523.90	\$187.40
13.6	\$236.50	\$86.40	20.8	\$533.50	\$190.30
13.8	\$242.00	\$89.20	21.0	\$543.10	\$193.20
14.0	\$247.50	\$92.10	21.2	\$552.80	\$196.10
14.2	\$255.10	\$95.00	21.4	\$562.40	\$199.00
14.4	\$262.60	\$97.90	21.6	\$572.00	\$201.90
14.6	\$270.20	\$100.80	21.8	\$581.60	\$204.70
14.8	\$277.80	\$103.70	22.0	\$591.30	\$207.60
15.0	\$285.30	\$106.60	22.2	\$600.90	\$210.50
15.2	\$292.90	\$109.50	22.4	\$610.50	\$213.40
15.4	\$300.40	\$112.30	22.6	\$620.10	\$216.30
15.6	\$308.00	\$115.20	22.8	\$629.80	\$219.20
15.8	\$315.60	\$118.10	23.0	\$639.40	\$222.10
16.0	\$323.10	\$121.00	23.2	\$649.00	\$225.00
16.2	\$330.70	\$123.90	23.4	\$658.60	\$227.80
16.4	\$338.30	\$126.80	23.6	\$668.30	\$230.70
16.6	\$345.80	\$129.70	23.8	\$677.90	\$233.60
16.8	\$353.40	\$132.60	24.0	\$687.50	\$236.50
17.0	\$360.90	\$135.40			