



Colac Otway
SHIRE

Annual Report

FOR THE YEAR ENDED 30 JUNE 2025

About Colac Otway

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

The region is celebrated for its stunning natural diversity - from dramatic coastlines and lush rainforests to rich farmland and serene volcanic lakes. Agriculture thrives here, with farming, cropping, and dairying forming the backbone of the local economy, alongside vibrant timber, fishing, and tourism industries. The iconic Great Ocean Road adds to the area's appeal, drawing visitors from near and far.

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

Beyond these centres, the region is dotted with charming inland and coastal towns, each contributing to a dynamic local economy supported by a wide variety of small and medium-sized businesses. Together, they create a vibrant and resilient community with a strong sense of place and purpose.

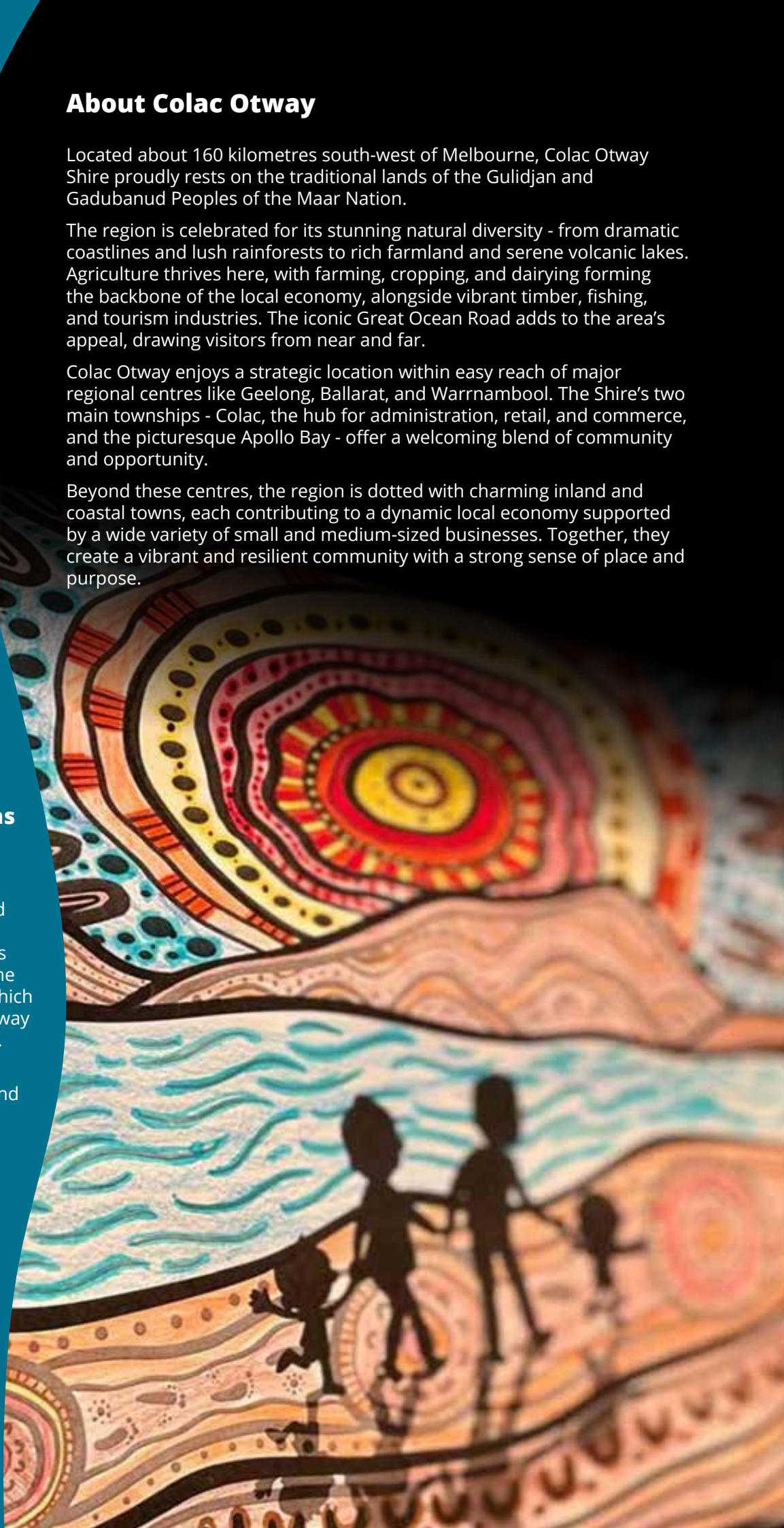
Acknowledgment of Traditional Custodians

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

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

Front Cover:

Elliminyt Aurora by
Clint Gibbs, Youth
Photography Competition
entry, 13-18 years category.



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Introduction to our Annual Report

Welcome

How to read our Annual Report



Introduction to our Annual Report

Welcome

Colac Otway Shire Council is pleased to share the 2024-25 Annual Report with community members, ratepayers, and stakeholders. This report reflects the story of our shared journey over the past financial year — highlighting the work done, the progress made, and the goals achieved together.

It provides a clear snapshot of how we've delivered on the priorities set out in our four-year Council Plan and annual budget. From the wide range of services we offer to our financial performance and governance practices, the report showcases the efforts of our Councillors, Executive Management Team, and staff in serving our community.

You'll find insights into our achievements and challenges, along with detailed information about our democratic

processes, corporate governance, and audited financial and performance results. The report also includes important statutory and legislative disclosures, fulfilling our obligations under the Local Government Act 2020 and other relevant legislation.

At Colac Otway, we see the Annual Report as more than a compliance document - it's a meaningful way to connect with our community and share how we're working to make a positive difference. We review and refine the content each year to ensure it reflects best practice and meets local government standards.

We welcome your thoughts and feedback - please feel free to get in touch via inq@colacotway.vic.gov.au.

How to Read our Annual Report

The Annual Report is set out in the following sections to make it easier to read:

1 THE YEAR IN REVIEW

Information in this section includes our major highlights, achievements and challenges during the year including major projects, sustainability initiatives, advocacy, how we are working with our community on matters important to them through projects, grants and events, the services we provide to our community, the CEO's and Mayor's messages and a financial overview of our operations.

2 OUR COUNCIL

General information is provided in this section about Colac Otway Shire Council, our Councillors, staff numbers, organisation structure, equal opportunity, training and organisational development and occupational health and safety.

3 OUR PERFORMANCE

This section details our performance and accountability framework, on how we have met our four key Strategic Objectives set out in our Council Plan 2021-25. These are: a Strong and Resilient Economy; Valuing the Natural and Built Environment; a Healthy and Inclusive Community;

and Strong Leadership and Management. This section also provides a snapshot of our Community Satisfaction Survey results and our Sustainability Report.

4 OUR GOVERNANCE

This section outlines our legislative obligations and details our democratic and internal governance practices as part of our commitment to ensuring that all of our operations are open, transparent and accountable. This section also includes statutory information required by various pieces of legislation.

5 PERFORMANCE STATEMENTS

This section includes our Performance Statements and the Victorian Auditor-General's Report on our performance.

6 FINANCIAL STATEMENTS

In this section we provide a detailed account of our financial statements for the year. These have been prepared in accordance with the Local Government Act 2020 and audited by the Victorian Auditor General's Office (VAGO).



The Year in Review

Message from the Mayor and CEO

Our Strategic Direction

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Description of Operations

Performance against the Council Plan

Projects and Programs

Environmental Sustainability Achievements

Community Satisfaction Survey Snapshot

Financial Summary





From the Mayor and CEO



On behalf of fellow Councillors and staff, we are pleased to present Colac Otway Shire Council's 2024-25 Annual Report.

Our reflection

A lot has happened over the last financial year. While work was continuing with one group of Councillors on the implementation of the strategies in the Council Plan 2021-25 and other initiatives, the Local Government elections delivered a new group of Councillors and development of a new strategic direction.

At the same time, we have had to deal with some significant social challenges such as the effects of the drought that impacted our farming community in a major way.

Colac Otway Shire put some local measures in place to help farmers deal with the situation, as Councils throughout the district and across the state banded together to lobby the State Government for direct support to our hardest hit people.

This resulted in a number of initiatives being delivered including some direct rate relief that put hard earned money back in the pockets of our farming community.

Municipal Monitor

In July 2024, a Municipal Monitor was appointed to Colac Otway Shire Council to support improved governance practices. The Minister for Local Government appointed Christine Ferguson as the monitor to work with the Council from 12 July 2024 to 31 January 2025.

The role of the monitor was to oversee, advise and support the council to improve its governance processes and practices and assist in the lead up to, and during, the local government elections in October. The Minister's decision to appoint a Municipal Monitor at Colac Otway Shire Council was made on the advice of the Chief Municipal Inspector at the Local Government Inspectorate.

At the end of her term, Ms Ferguson provided a report to the Minister that outlined 20 recommendations for Council and three for the Minister. The report has been accepted by the new Councillor group and an action plan put in place to address the recommendations from the report.

Despite all that was going on, we are proud of the team generally for maintaining focus on the day-to-day services required by our community in the face of increasing costs and pressures.

Elections

Local Government elections took place in October 2024. There were 18 candidates that contested the election. Colac Otway Shire welcomed a new Council with Councillor Chris Potter being re-elected, Councillors Jason Schram and Mick McCrickard returning after prior terms, and new Councillors Phil Howard, Zoe Hudgell, Charlie Buchanan and Chrissy De Deugd.

The new Council elected Cr Schram as Mayor and Cr Howard as Deputy Mayor.

Councillors attended a comprehensive induction program that outlined the requirements of the Local Government Act 2020, the role of Councillors and familiarisation of Council operations generally.

In the following months, Councillors were involved in an intense period of work that included the development of the 2025-26 budget along with key strategic documents for the next four years including a new Council Plan, an updated Revenue and Rating Plan, Financial Plan and Asset Plan.

Council Plan

The Council Plan 2025–2029 provides strategic direction and priorities for Council for the next four years. It also incorporates the Municipal Health and Wellbeing Plan.

A comprehensive engagement process to assist the development of the plan commenced in early 2025 with the community participating in drop-in sessions at 12 locations across the shire, an online survey, and stakeholder discussions with businesses and industry partners.

A randomly selected panel of 24 community members came together over three sessions to refine the information Council had gathered through the community engagement process and presented their findings to Council.

The draft Council Plan itself has been out for further comment by the community before being finally adopted by Council in October.

This Council has set its sights on delivering ‘a place to grow, a place to invest and a place to belong’ and a clear direction for the next four years.

Aged Care services review

One of our biggest projects was implementing the transition of Aged Care services in response to government reforms to the sector. In 2023-24 we finished the review. In 2024-25 Council commenced the transition out of the delivery of the Commonwealth Home Support Program (CHSP) and continued to provide services through the Home Care Packages.

The Home Care Packages will ultimately transition into the new Support at Home Program from November 2025.

As part of the CHSP transition, Council's Ageing Well team assisted over 430 clients to change to one of four alternate providers that the Federal Government has appointed to maintain the services.

We are now able to focus on the delivery of high-quality services to one of our most vulnerable parts of the community as we support over 150 clients on Home Care Packages and look to grow the service further.

We would like to acknowledge and thank our clients, their families and community for their patience and help throughout this complex and emotional process. It has been greatly appreciated.

Farewell to our CEO

In April, Anne Howard advised Councillors that she was resigning as Chief Executive Officer. We thank Anne for the experience and knowledge that she brought to the Shire and for the considered leadership she provided to the organisation.

At that time, General Manager Corporate Services Andrew Tenni was appointed interim CEO before being appointed to the role ongoing in August. We congratulate Andrew on his appointment and look forward to working together.

Financial results

Our financial results are explained in detail in this annual report.

The 2024-25 results show that Council achieved an operating surplus of \$2.08 million for the year, representing a \$7.49 million shift from the (\$5.41 million) deficit in the prior year.

Council's capital works delivery was \$13.73 million which is \$2.89 million greater than the prior financial year of \$10.84 million. Our ambition is to increase that again in 2025-26 year.

We awarded the contract for construction of Council's new \$5.51 million Elliminyt Wetlands project, which will redevelop the existing stormwater basin at Irrewillipe Road into wetlands, recreation facilities and public open space.

The project will facilitate development of land and housing south of the basin, which was rezoned for residential development in 2023.

Thank you

It has been an honour to work with fellow Councillors to serve our communities in 2024-25. We thank residents for your continued support for key community services and projects, and we thank our 350 staff for providing essential services to our communities.



Cr Jason Schram
Mayor



Andrew Tenni
Chief Executive Officer

Apollo Bay Summer Carnival by Eloise Murnane,
Youth Photography Competition entry,
16-20 years category.



Our Community Profile

– Fast Facts

Colac Otway Shire has an estimated population of 22,312 people *		The median age is 45 ^	31% of the population is over 60 years old ^
1.4% of the population identify as Aboriginal or Torres Strait Islander *	10.3% of the population were born overseas *	Ranked country of birth: Australia (81.0%), United Kingdom (2.6%), New Zealand (1.0%), China (0.8%), Taiwan (0.7%)	
	40.9% own their property outright *	29.6% own their property with a mortgage *	20.6% of households rent their home *
22.3% of households are couples with children *	29.8% of people live on their own *	12.1% of houses are for visitors only (3.3% across the Shire) *	94 approvals were issued in 2024-25 for residential dwellings to be built *
The median weekly household income is \$1,277 *	The median weekly rent is \$420 *		19% of people have volunteered at an organisation over the last 12 months *
More than 85% of Colac Otway's workforce lives locally *	There are 18,137 local jobs	31% of ratepayers are non-resident	65% of people who live in the Shire feel safe alone at night
Gross Regional Product \$2.02B	Largest employing industries: Manufacturing (14.2%), Health Care and Social Assistance (13.3%), Agricultural, Forestry and Fishing (11.4%)		29.8% of economic output comes from the manufacturing sector #
14.8% of the population have a Bachelor or Higher degree	23.2% of the population have a vocational qualification		225 babies were born in the Shire in 2024-25

^ Sourced from the Australian Bureau of Statistics 2024 (Estimated Resident Population)

* Sourced from the Colac Otway Shire (Profile ID)

Sourced from Remplan Economy

Our Strategic Direction

Our Community Vision 2050

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

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

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

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

Our Values

Colac Otway Shire Council strives to be a values-based organisation.

Our values were developed by our people. They guide our behaviours, our approach to our work and to each other.

We act with **integrity**

We commit to **safe work** practices

We are **accountable** and **proactive**

We take a **positive** approach to our work

We **communicate** effectively

We are **supportive, inclusive** and **respectful**

We are **progressive** and **flexible**

Our Goals

The Council Plan 2021-25 sets our goals for the community across four themes. Each year Council determines through the development of our Budget and Annual Plan the actions we will take to achieve these goals.

Theme 1 - Strong and Resilient Economy

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

Theme 2 - Valuing the Natural and Built Environment

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

Theme 3 - Healthy and Inclusive Community

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

Theme 4 - Strong Leadership and Management

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

Serving Our Community – Fast Facts

 806 Children who attend the Maternal and Child Health service at least once in the year	 133,191 Physical library collection items loaned
 857,513 Kerbside bins collected in the year	 6,007 Active library borrowers this year
 6,855 Tonnes of material diverted from the landfill stream	 \$7.45m Towards the upgrade and renewal of local roads
 260 Planning application decisions made in the year	 \$0.8m Towards the upgrade and renewal of local buildings.
 162,201 Visits to Bluewater Leisure Centre	 73 Council grants awarded to business and community groups
 75 Animals were rehomed	 332 Annual food safety assessments completed

Achievements

Coastal Roadworks

Council's Infrastructure team delivered a \$1 million upgrade to Morley Avenue in Wye River in June. The works provided 600 metres of upgraded road for vehicles to travel safely and included new kerb, channel and drainage infrastructure.

The Wye River works were part of a \$7 million program on coastal roads with a further \$6 million in works either commenced or on the agenda in 2025-26. Works are underway on improvements to Apollo Bay's roads, including a new roundabout at Moore and Pascoe Street and raised pedestrian crossings.

The combined works will improve road surface quality, safety for motorists and pedestrians, and drainage in high use areas along the coast.

Support for Life Saving

Life saving patrols were extended at Kennett River this past summer, thanks to a partnership between Colac Otway Shire Council and Life Saving Victoria.

Council and Life Saving Victoria invested \$28,000 to provide lifesaving patrols at the beach on weekdays and Saturday mornings from 21 December 2024 to 2 February 2025.

The increased funding followed advocacy from the Kennett River community and the Kennett River Surf Life Saving Club and built on the capacity of local Surf Life Saving volunteers that patrol the beach over summer.

Council was proud to provide \$20,000 in the 2024-25 budget which complemented the \$40,000 already provided at Apollo Bay and Wye River.

Support for breastfeeding mothers

Council supported the rights of breastfeeding women by registering key Council-owned facilities as '*Breastfeeding is Welcome Everywhere*' venues.

Bluewater Leisure Centre, COPACC, the Colac and Apollo Bay libraries, as well as the Colac Maternal and Child Health Centre are now partners to the Australian Breastfeeding Association (ABA) initiative and have signage on display at each facility.

It demonstrates Council's commitment to supporting women to feel more confident and comfortable to breastfeed by promoting these venues as safe family spaces they can come and use during opening hours.

Encouraging women to get active

Council supported a range of free events during This Girl Can Week (10 – 17 November) to celebrate and encourage all women to get active.

This Girl Can Week is a VicHealth initiative which supports Victorian women to embrace physical activity in a way that suits them, without fear of judgement.

Bluewater Leisure Centre hosted a range of free sessions, including a belly dancing class, accessible yoga and a women's only swimming evening. They also offered free childcare to support women to try one of their free sessions.

Foreshore path reinstated

Council was pleased to reinstate the Lake Colac foreshore footpath at Ross' Point, which suffered erosion damage during high water levels and storm surges.

This essential project repaired the eroded embankment that had compromised the foreshore footpath, posing a safety risk to users.

The works included the renewal of the damaged pathway and embankment and implementation of erosion protection measures to prevent future undercutting of the footpath.

Wastewater system upgrade at Forrest Holiday Park

Council received an EPA permit to upgrade the onsite wastewater system at Forrest Holiday Park.

The project included the installation of a Secondary Treatment System along with tanks on the eastern side of the tennis courts and a Wisconsin Mound treatment system on the western boundary of the Holiday Park.

These works were necessary to ensure that the Holiday Park was compliant and continued to operate, and have formalised parking and stormwater drainage along Station Street.

Consultation with the Forrest community was invaluable in selecting the sites for the upgrades.

Traffic management changes in Kennett River

Council implemented traffic management changes in central Kennett River in response to resident concerns about traffic safety, parking during peak times, and the increase in visitor traffic, including coaches and small buses.

Council identified several improvements in consultation with the Kennett Community Action Group and the Kennett River Association.

The scope of the changes introduced by Council included:

- Formalising angled car spaces near the store and wetland to improve parking efficiency and orderliness;
- Removing right-hand turn movements from Hawdon Avenue into the river access road, requiring vehicles to use the circular road in front of the store to enter the river area;
- Installing bollards and line markings to prevent parking on the Great Ocean Road side of the river access road near the intersection with Hawdon Avenue; and
- Updating traffic signage throughout the precinct.

Support for youth activities

Young people in Colac Otway continued to enjoy a range of entertainment and training opportunities after Council successfully secured three years of Victorian Government funding.

Council will receive \$170,000 through the Victorian Government's Engage! 2025-2027 program, which aims to support the skills and creativity of local young people aged 12-25 and inspire the next generation of leaders.

The funding supports programs that strengthen and assist young people, with a focus on fostering leadership and youth empowerment through education and various activities ranging from music and arts to job training and life skills.

The program will empower young people to co-design, plan and deliver a wide range of activities that build skills, confidence, and encourage creativity.

Council's Youth Engagement team visited schools and invited feedback through an online survey, asking young people about what youth activities, events and opportunities they would like to see for youth in Colac Otway.

Change to Meals on Wheels delivery

In November Colac-based Food-A-Roma took over as the new supplier for Colac Otway Shire's Meals on Wheels service to aged care residents in the shire.

The Skills Connection catering business offers supported employment opportunities for people with disabilities, further benefiting our community.

Entering a contract with Food-A-Roma ensured that Council could offer fresh meals instead of frozen options previously provided by a Melbourne-based supplier.

Meals on Wheels, funded through the Commonwealth Home Support Program, is an important service that enables people to live independently in their homes. This program ensures that our aged care residents continue to receive high-quality meals and support.

Consultation on Colac bike park design

Council invited the community to help design a proposed bike park in Elliminyt, through engagement sessions and surveys.

Council appointed bike facility experts The Trail Collective to work with the community to determine the best location for a bike park in the Colac and Elliminyt area.

The company will develop designs and costings to ensure that Council is ready to attract funding for the future construction of a bike facility.

Planning for future of the Shire

Community members across Colac Otway Shire were invited to be part of setting our strategic direction and priorities for the next four years.

Council sought input from the community in development of the Council Plan 2025-2029.

The plan will guide Council in delivering services and providing infrastructure to support the social and economic wellbeing of residents of the shire.

The Council Plan is developed every four years in line with the *Local Government Act 2020*. The new Council Plan will also play a role in achieving the Colac Otway vision for 2050 for the shire to be a destination where people come to appreciate its unique and diverse environment and friendly communities.

Importantly, the Council Plan incorporates the *Municipal Public Health and Wellbeing Plan*, which is an essential function of Council and will ensure Colac Otway has the right plans in place to protect, improve and promote the health and wellbeing of people across the community.

Members of the community were able to join a community panel, attend drop in sessions and pop ups, complete an online survey or email their ideas to Council.

Health agencies, community groups and partners met regularly and played a significant role in identifying the Shire's health and wellbeing priorities.

In addition to contributing to the Council Plan, information from community engagement will help to inform other key Council documents and activities, including the Asset Plan 2025-2035 and Financial Plan 2025-2035.

New speed zones in Colac CBD

New 40kmh speed zones were implemented to improve safety for motorists and pedestrians throughout Colac's central business district.

Council installed 40kmh speed limit signs in the CBD to slow down traffic and reduce the risk of collisions and improve traffic flow.

Changes apply to the area bounded by Skene Street and Dennis Street, Queen Street, Rae Street, and Scott Street. It includes parts of Gellibrand Street, Corangamite Street, Miller Street and Scott Street, Bromfield Street and Connor Street.

The Colac CBD and Entrance Strategy 2012 recommended the 40kmh speed limit to ensure amenity and safety for all road users and encourage walking and cycling. Recent consultation also backed the change.

Safe place to play for dogs

Colac dogs and their owners will have a safe place to play off-leash, with a new Colac dog park in the works.

Council received a \$225,000 grant from the State Government's New and Upgraded Dog Parks Program. The funding will support the establishment of a fenced dog park at Central Reserve.

Council will also contribute \$125,000 to the project.

The new dedicated dog park will develop unused land in the south-east corner of Central Reserve.

Council will work with the community on finalising the design of the dog park, which will have extra landscaping under the existing trees to provide shade and cooling.

The dog park is a recommendation of Council's Colac City Reserves Planning Project, approved in 2023.

There are more than 2,000 pet dogs registered in the Colac and Elliminyt area, but limited options for off-leash activities and no designated dog park.

Investment in play spaces

The much-loved **Donaldson Street Playspace** was revitalised and now features modern play equipment, with inclusive design elements that reflect the ideas of the local community.

The updated playspace includes junior and senior play towers with slides, junior and toddler swings, a nest swing, a climbing rope maze, a spinner, and a rocker.

The reopening marked the culmination of months of planning and collaboration between Council staff, playground designers, and residents.

Through a series of community consultations, locals of all ages had the opportunity to share their vision for the playspace and broader park. Their feedback directly shaped the final design, ensuring the space met the needs of families, children, and carers alike.

Construction on the **Birregurra Playspace** upgrade delivered a wide range of engaging and inclusive equipment designed to cater to children of all ages and abilities. Highlights include junior and senior play towers with slides, junior and toddler swings, a nest swing and carousel, a climbing rope maze and spinner, rockers, including an accessible rocker, nature play area with stepping logs, balance beam, balance bridge, and a teepee with seating.

Birregurra Park is the town's primary open space and a much-loved destination for local families. The upgrade is the result of close collaboration between Council and the local community, ensuring the new play equipment reflects the needs and aspirations of residents.

Families in Elliminyt can now enjoy a sausage sizzle in the **Wyuna Estate** Reserve, with construction of a new shelter and barbecue.

The new amenities near the reserve's existing playspace will enhance the experience of park users in the estate.

Birregurra Structure Plan

Birregurra residents were given the opportunity to share their thoughts on a new plan for the town's future. The Structure Plan aims to support a thriving rural village with modest population growth.

The Structure Plan, which updates a previous plan from 2013, will guide the use and development of land in Birregurra for the next 10 to 15 years.

The draft plan notes there is potential for a modest small-scale extension to the town's west to increase housing supply, with future investigation to determine if the area is suitable for small-scale development.

Council consulted with a community reference group while developing the new plan and hosted an open house in September 2024 to hear from the broader community. It will be finalised in 2025-26.

Visitor Servicing

Following the completion of the Colac Visitor Servicing Review in August 2024, Council undertook an Expression of Interest process to seek a new operator for the Colac Visitor Information Centre.

Colac Unearthed has been appointed as the new lessee of the centre and has proposed an exciting offering for visitors to our region. Utilising the existing space, Colac Unearthed is proposing to

increase the Centre's visibility and connect with the community and visitors.

Whilst there will be a focus on providing information on local attractions, the proposal includes a revitalised retail space with local products, creative workshops, farmers-style markets, industry events, tours, and hire facilities.

In addition, Council has allocated funds to undertake a number of alternate visitor servicing initiatives including a business partnering program and progressing Colac tourism product development opportunities through concept designs and/or business case preparation.

New day and time for Council meetings

Council meetings moved to a new time and day in 2025. At the December 2024 Council Meeting, Councillors voted to change the day and time for scheduled Planning Committee and monthly Council meetings held in 2025 to Tuesday at 1pm. The meetings were previously on a Wednesday at 4pm.

The earlier meeting start time took into consideration safety of Councillors, officers and members of the public travelling after night meetings, to various parts of the shire.

Council also re-committed to holding at least two meetings each calendar year in Apollo Bay.

Monthly Council meetings moved to 1pm on the fourth Tuesday of the month. Planning Committee meetings were scheduled on the second Tuesday of the month at 1pm. Submission Committee meetings were also scheduled on the second Tuesday of the month, commencing at 3pm.

Challenges and Future Outlook

Releasing residential land

A key focus of the 2021-2025 Council Plan was ensuring adequate supply of residential land. Council has made substantial progress in implementing the Colac 2050 Growth Plan and facilitated the rezoning of land at Irrewillipe Road, and the future Hillview Estate south of Harris Road in Elliminyt.

Council has progressed the consideration of development plans for these new estates ensuring there is an integrated approach to traffic management, pedestrian connections, recreation and stormwater treatment. Negotiations have also progressed concerning developer provision of social and affordable housing within the developments.

These future residential developments will provide an additional 900 lots and will add to progress being made on developments in Colac West. A permit has been issued to subdivide land in Stoddart Street and an application for a subdivision in Rifle Butts Road is being reviewed, consistent with an overall Development Plan approved by Council.

Key worker and affordable housing

An acute lack of social and affordable and key worker housing in the Shire continues to pose challenges, particularly in Apollo Bay.

Council continues to advocate for support from Homes Victoria for a commitment to social housing projects in Colac and Apollo Bay.

Homes Victoria has committed to the development of social and affordable housing in Pound Road, Colac and Council continues to work closely with Homes Victoria to ensure a positive outcome for our community.

Council is also seeking a commitment from Homes Victoria for housing development in Apollo Bay.

Council continues to work with its diverse partners in the Colac Otway Adaptable Precincts Partnership, a \$2 million project funded through the Australian Government's Regional Precincts and Partnership Program.

The project focuses on modular housing solutions and streamlines planning for innovative, sustainable and adaptive housing solutions.

Challenging times for farmers

Ongoing dry weather continued to impact the agricultural sector across the region with below average rainfall in the south-west. Victoria recorded its warmest autumn on record.

The Victorian Government is providing more support for drought-affected farmers, announcing an additional \$75 million in funding. This support was informed by the Drought Taskforce and included \$35.8 million in Primary Producer Support Payments for farmers in the south-west, which is being delivered to Colac Otway farmers as a 40 per cent rate discount applied to all rural farm rated properties as a credit on their rates notices.

Making local roads and streets safer

The Department of Transport and Planning (DTP), in collaboration with the Transport Accident Commission (TAC), has provided funding of up to \$2 million over two years to Council for road safety improvements on local streets and roads.

This funding is under the Safer Local Roads and Streets Program, which aims to reduce road trauma and improve safety for all road users, especially vulnerable pedestrians.

Council, DTP, and TAC have identified several priority safety projects eligible for this funding. Many of these projects align with existing strategic plans, such as the Apollo Bay, Marengo and Skenes Creek Community Infrastructure Plan, and complement ongoing precinct priorities including the Draft Colac Civic Health and Railway Precinct Plan.

Although Council does not currently have a formal Road Safety Strategy, funding has been successfully secured from the TAC to develop one. The formulation of the Road Safety Strategy for Colac Otway Shire is now underway, and community

feedback is being actively sought to help shape the strategy and ensure it reflects local needs and priorities.

As part of the Safer Local Roads and Streets Program, the following projects are being delivered:

- Pascoe and Moore Street, Apollo Bay: Construction of a raised roundabout to improve intersection safety and reduce vehicle speeds. Tenders are currently being sought for construction.
- Connor Street, Colac: Installation of two raised pedestrian crossings to provide safer access for vulnerable pedestrians, particularly near the hospital.
- Armstrong Street at the intersection of Pound Road, Colac: Installation of a raised pedestrian crossing to improve safety at this busy junction.
- Pound Road, Colac: Installation of a raised pedestrian crossing at the school to enhance pedestrian safety.
- Hart and Pound Road roundabout, Colac: Installation of traffic humps to slow vehicles and improve safety at the roundabout.

These projects represent a significant step forward in improving road safety across the Shire and demonstrate Council's commitment to creating safer, more accessible streets for all.

Enterprise Agreement

Council commenced negotiations for a new Enterprise Agreement with employees in May 2025, ahead of the current agreement's expiry in August 2025.

As of June 2025, Council had entered the bargaining period, engaging with employee and union bargaining representatives to shape a contemporary and constructive agreement.

Commonwealth Aged Care Reforms

The Commonwealth Government's Aged Care Reforms have introduced changes to reporting and accountability requirements, changes to provider accreditation, new governance standards and increased prudential and financial reporting.

Council completed a Best Value Review of its aged and disability services and resolved to remain in the provision of Home Care Packages as these transition to the new Support at Home framework later in 2025.

Preparing for delivery of this program under new legislation and regulation has been a key focus for the first half of 2025 and required significant support of clients and staff through the change.

Council transitioned out of the delivery of the Commonwealth Home Support Program (CHSP) and the Ageing Well team has now assisted over 430 clients to change to one of four alternate providers that the Federal Government has appointed to maintain the services.

The dedication of our staff to support clients and families through the transition has been exceptional under what were very emotional and trying circumstances at time.

Further challenges are likely as the aged care reforms are bedded down by the Commonwealth Government and the impacts on Council as a service provider and our clients becomes clearer.

Childcare services needed

The provision of childcare in regional communities including Colac Otway benefits families, children and the local economy by enabling parental workforce participation, improving children's development outcomes and creating jobs.

There are ongoing concerns with access to high-quality childcare in a number of communities across our municipality. Access to childcare is a statewide issue, however data shows that the challenge is heightened in regional areas such as Colac Otway Shire.

While Council doesn't deliver childcare directly, it continues to be a key focus of our advocacy efforts to ensure that both government and the private sector understand the needs of our local communities.

Council has received a number of planning applications for new childcare centres in Colac, however, there remains significant challenges for the future provision of services in more rural and remote areas including Apollo Bay.

Workforce Shortages in Key Services

One pressing challenge facing the organisation from a workforce perspective is the shortage of skills and labour in some critical areas.

Colac Otway Shire Council is not alone, with the Australian Local Government Association reporting that over 90 per cent of councils are facing jobs and skills shortages.

Whilst employee turnover has improved over the year, a significant challenge still exists in attracting and retaining skilled candidates to regional areas, hindered by issues like the housing crisis and persistent skills shortages.

Continuous Improvement Initiatives

Emergency management opportunities

Council committed to a series of workshops to increase its capacity and capability in planning, mitigating and responding to emergencies.

The workshops build knowledge and better integrate our Business Continuity, Crisis Management and Emergency Management Plans while understanding our current capacity and capability, and to understand how we can improve across the organisation.

Planning for a major emergency cannot be done in isolation as there would be a call on many recovery services involving numerous people and agencies.

In October 2024 we hosted the Council cross collaboration Emergency Relief Centre exercise attended by Surf Coast and Corangamite Shires. which was a highly successful day attended by over 80 staff. Council has continued to work actively in collaboration with these other councils, which provides great benefits to our emergency management preparedness.

Council officers have continued to focus on establishing positive and mutually beneficial relationships with external agencies, particularly VicPol, CFA, DEECA and SES.

Council has also reviewed outcomes from the 2024-25 fire hazard inspection program to identify opportunities for improvement in the 2025-26 season.

Supporting Community Asset Committees

Community Asset Committee members willingly volunteer and apply their skills, experience, and local knowledge to ensure public halls, recreation reserves and sporting facilities are maintained to support the health and wellbeing of our small-town communities.

Our committees have settled well into the changes introduced by the *Local Government Act 2020* and are operating effectively.

The 2024-25 year saw a renewed focus on maintaining relationships between Council staff and Committee members. Staff from the Community Places and Governance team met on site with committee members and had productive discussions around the current Instrument of Delegation and took on feedback about improvements that could be made. A reviewed Instrument of Delegation will be distributed to committees in 2025-26.

Internal audits program

Council continues to demonstrate a commitment to continuous improvement and uses the Internal Audit Program as a strategic support for this work. Two internal audits were conducted in 2024-25 with a focus on the effectiveness of controls and measures to manage risks in relation to the following:

- i. Accounts Payable
- ii. Privacy Management

Recommendations are incorporated in action plans and implementation is well underway, with regular status reporting to the Audit and Risk Committee and Council.

Cyber security

Through 2024-25 there has been a strong focus in improving security practices, specifically benchmarking them against the Australian Governments Essential Eight Maturity Model.

Cyber security remains a challenge with many sophisticated attacks. As Council matures in its approach, detection and control, so do the tactics

of malicious actors. The human aspect in the chain of access remains a concern and Council has implemented regular exercises and testing of staff along with an ongoing education campaign.

In addition, Managers receive specialist training in detecting phishing and threats. The use of Artificial Intelligence (AI) in threats has resulted in threats becoming increasingly sophisticated and realistic. Council has implemented additional AI training and education for staff to mitigate against these threats.

Council is also investing by being active in larger networks such as with the Victorian State Government to ensure that the responses are based on current best practice and threats to Government are addressed with a coordinated approach.

Developing our leaders

Council remains committed to strengthening and supporting leadership across the organisation. In partnership with petruc.co, a highly regarded expert in leadership development, we continue to invest in building capability at all levels.

The relationship between an employee and their direct supervisor is one of the most significant factors influencing engagement, wellbeing and performance. Recognising this, a series of rolling workshops were delivered throughout 2024–25, engaging the Executive Management Team, Senior Leadership Team, and a diverse group of approximately 50 People Leaders from across departments at different levels.

These sessions have laid a strong foundation for ongoing leadership growth, with further development opportunities planned for the year ahead.

Performance against the Council Plan

Strategic indicators help us understand what is important to measure. The Council Plan includes indicators that measure the extent to which we have achieved progress against the strategic objectives and planned priorities. Where indicators have been identified, they are reported later in this report. A selection of key indicators are presented in the table below.

Actions

Council, in the adopted Annual Action Plan, set out a series of actions for 2024-25. Of the actions identified in the plan, 96% are complete or underway and progressing well, and 4% have not started due to resourcing constraints. This progress is summarised below.

Annual actions	Completed	Progressing	Not started
Theme 1 - A strong and resilient economy	6	8	1
Theme 2 - Valuing the built and natural environment	8	0	0
Theme 3 - Healthy and inclusive communities	7	1	1
Theme 4 - Strong leadership and management	4	8	0
Total	25	17	2

Projects and Programs

In addition to its day-to-day operations, Colac Otway Shire Council delivers a wide range of capital and operational projects each year. These projects vary in scale and complexity from essential infrastructure upgrades to innovative community programs and reflect Council's commitment to improving services, supporting growth, and enhancing liveability across the Shire. The following selection of projects and programs delivered in 2024–25 highlights the diversity and impact of Council's work.

Capital Works program

Project	Description	Project Expenditure
Buildings Program	Maintaining public halls and facilities.	\$766,418
Ross' Point Footpath Project - Embankment Protection & Footpath Restoration	The purpose of the project was to restore the eroded sections of footpath at Ross' Point to remediate damage caused by high water levels in the lake.	\$247,712
Footpath Renewal Program	The purpose of the program is to ensure that the existing footpath network is maintained in a safe condition. The footpath renewal program aims to replace sections of footpath identified through asset condition assessments.	\$352,284
Open Space Park Furniture Renewals	To replace existing furniture at parks throughout the Shire to provide safe park furniture for the community to enjoy the open space/park areas.	\$14,405
Open Space Program	Maintaining playgrounds, parks and sporting reserves.	\$198,614
Annual Reseal Program	Completed annual program that protects sealed road pavements by maintaining condition of the sealed surface.	\$781,157
Road Major Patch Program	This annual program focuses on major patching of sealed roads at priority locations across the Shire where road surfaces have deteriorated significantly. The works involve removing and replacing damaged pavement sections, improving the structural integrity of the road, and enhancing safety and driving conditions for road users. Sites are selected based on condition assessments and risk priorities, ensuring that funding is directed to areas most in need. This program helps extend the life of Council's sealed road network and reduces the need for larger, more costly reconstructions.	\$575,009
Road Reconstruction Program	The Road Reconstruction Program is a planned set of capital works projects aimed at renewing or upgrading deteriorated road infrastructure. It typically involves full-depth reconstruction of the road pavement and surface, rather than just patching or resurfacing.	\$1,895,620
Storm Water Program	The Stormwater Drainage Renewal Program is a targeted capital works initiative focused on replacing and upgrading ageing stormwater infrastructure to reduce flood risk, improve public safety, and support sustainable urban development. It includes the renewal of pipes, pits, culverts, etc.	\$524,374
Forrest Caravan Park Wastewater Upgrade	The Forrest Caravan Park Wastewater Upgrade replaced the park's outdated wastewater system with a modern onsite treatment solution. The upgrade ensures EPA compliance, supports future park expansion, and includes new tanks, treatment units, and dispersal systems, along with kerb, landscaping, and parking improvements.	\$730,108

Donaldson `s Reserve Play Space Redevelopment	The redeveloped play space features junior and senior play towers with slides, toddler and nest swings, a climbing rope maze, spinner, rocker, and stepping logs, all set on rubber surfacing for improved safety and accessibility. The project was shaped through extensive community consultation, ensuring the design reflects local aspirations.	\$134,353
Colac Aerodrome - Taxiway	Upgrade to improve safety and functionality at the Colac Municipal Aerodrome.	\$61,578
Colac Aerodrome - taxiway - earthworks	Upgrade to improve safety and functionality at the Colac Municipal Aerodrome.	\$61,578

Operational projects

Project	Description	2023-24 Expenditure
Roadside Weeds and Pests Management Project	Planning and implementing control activities for the management of weeds and pests on municipal rural roadsides.	\$63,190
Community Grants	Community Grants Program	\$311,500
Deans Creek Precinct Structure Plan (ongoing)	This is Council's most significant multi-year land use planning project, attracting substantial funding from the Victorian Government.	\$362,523



Environmental Sustainability Achievements

Environmental Sustainability Snapshot

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

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

	100% of electricity sourced from renewable energy	56.2% of kerbside waste diverted from landfill	6,670 people have downloaded the GoodSort app
342 tonnes of glass recovered and processed	3,913 tonnes of organic waste collected for composting	1,543 tonnes of mixed recycling collected for processing	
GreenLinks: Rewilding Barongarook Creek for a Healthier Future. Council successfully secured \$349,410 in grant funding from DECCA for a two-year transformational project to restore, revegetate and enhance 11.7 hectares along the Barongarook Creek corridor within Colac.			150 street trees planted across the Shire
9 community events held with an environmental theme	Council's Nature Strip Planting Policy and Nature Strip Planting Guidelines were adopted in August 2024, to help encourage and support residents in township areas to plant their nature strips, creating more biodiverse, vibrant streetscapes that contribute to urban greening and cooling.		

Environmental and Sustainability Highlights

Barongarook Creek Restoration – GreenLinks Grant Success

The Environment and Sustainability Team worked hard on the GreenLinks Grant application and was successful, securing \$349,410 in funding from DEECA to support the Barongarook Creek Restoration Project, 'Rewilding Barongarook Creek for a Healthier Future'. This transformative initiative will rehabilitate 11.7 hectares of degraded creek frontage, building on Council's previous restoration efforts to create a thriving natural and community asset.

A major focus of the project is the removal of 1.4 hectares of invasive instream Willow trees, which have significantly impacted waterway health. This will be followed by the planting of 11,000 indigenous plants to re-establish native vegetation, enhance biodiversity, and improve ecological resilience in the face of urbanisation and climate change. The project will connect existing restoration sites and remnant habitats, creating a more resilient and sustainable ecosystem.

Delivered in partnership with Central Otway Landcare Network and Eastern Maar Aboriginal Corporation, and guided by cultural heritage values, this initiative will generate lasting environmental, social, and cultural benefits for Colac and the wider region.

Community engagement is at the heart of the project's success, with six major engagement days inviting the public to participate in hands-on planting activities and educational workshops. In addition, twelve school group planting events will involve local primary and secondary schools as well as South West TAFE conservation students, linking environmental education with practical restoration efforts. These activities are designed to foster environmental awareness and stewardship among young people and the broader community.

With a total project value of \$468,173 (including In-kind contributions), and no additional financial contribution required from Council beyond existing operational commitments, this initiative represents a high-impact, cost-effective investment in our region's environmental future.

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

Council continues to work towards delivering the goals and objectives of the Environmental Sustainability Strategy 2023-2033, which provides a strong roadmap to help ensure that Council protects and enhances the local environment and takes appropriate action to mitigate and adapt to a changing climate and create resilient and sustainable communities.

Council's Climate Change Action Plan (CCAP) is also instrumental in facilitating priority actions designed to mitigate the impacts of, and respond to, climate change. The CCAP includes a wide range of measures aimed at reducing greenhouse gas emissions, including energy efficiency and renewable energy, waste reduction and recycling, and sustainable transport. The CCAP also prioritises initiatives aimed at resilience-building, such as emergency management planning, land use planning reforms, urban greening, and biodiversity conservation programs. It also outlines actions to support broad-ranging engagement, collaboration and education.

Nature Strip Planting Policy and Guidelines

Council developed a Nature Strip Planting Policy and associated Nature Strip Planting Guidelines in recognition of the important role that nature strips can play in enhancing our towns and creating more sustainable and liveable environments.

The Policy and Guidelines were formally adopted in August 2024 and create a framework for residents to plant nature strips adjoining properties in city and township areas within Colac Otway Shire. The guidelines have facilitated a simplified process for residents to establish thriving nature strips that balance positive biodiversity outcomes with other important functions of the road reserve (e.g. pedestrian and road safety, accessibility and asset protection).

Council has seen increased community awareness over time of the environmental, social and amenity values of nature strips and the benefits of diverse nature strip plantings that replace the traditional exotic lawn treatment. The new Policy and Guidelines seek to support this by encouraging and empowering residents to contribute to urban greening, urban biodiversity and climate resilience.

Bluewater Electrification Update

In early 2025 Council was successful in securing \$1.3 million in Federal Government funding to electrify the Bluewater Leisure Centre in Colac. The funding comes from the Federal Government's Community Energy Upgrades Fund, which aims to help local government to deliver energy upgrades and lower greenhouse emissions and energy bills. Council is matching the funding.

This will enable Council to replace Bluewater's gas heat pumps and gas-powered air conditioning with an electric system, delivering long-term cost savings and environmental benefits.

The new equipment will use electricity to heat the pool water and pool hall space, supply domestic hot water for showers, and provide air conditioning for the gym and office areas.

Bluewater's electrification is a flagship project for Council and clearly demonstrates its commitment to switch away from natural gas at all Council facilities.

Bluewater Leisure Centre is Council's largest gas consumer and creates the majority of the organisation's gas emissions. Full electrification will reduce Council's overall emissions by almost a quarter, and it will significantly cut our heating bills.

Electric Homes Program

Council was pleased to support Geelong Sustainability once again with its delivery of the 2024-2025 Electric Homes Program. The program aims to support the region's transition to low emissions living and away from gas, by supporting residents to access professional home sustainability advice, as well as to make sustainable changes as easy as possible.

The Electric Homes Program is a collaborative and coordinated community purchasing program at scale across the region (Geelong, Surf Coast, Colac Otway, Golden Plains and Queenscliff), offering community members energy efficiency, cost-saving and home comfort initiatives.

The range of options on offer through the program continues to broaden each year, with the 2024-2025 program including home energy audits, thermal efficiency upgrades in draught proofing and insulation, as well as electrification technologies including solar, battery storage, electric vehicle chargers, reverse cycle split systems and heat pump hot water systems. In the 2024-25 financial year there were an additional 12 new residential installations within Colac Otway Shire under the program.

Three new heat pump hot water systems have also been installed at the following Council facilities as part of the program:

- Apollo Bay Transfer Station
- Maternal Child Health Office
- Winifred Nance Kindergarten

Heat pump hot water systems are, on average, 3-4 times more efficient than traditional electric systems. This efficiency translates to a 50%-80% reduction in energy consumption, emissions, and energy costs per heat pump, making this a great way to reduce energy consumption across multiple Council facilities.

Additionally, we also installed two new solar systems at Council facilities:

- Apollo Bay Transfer Station (10.57kW system), estimated to reduce the site's yearly power costs by 25%, approximately \$1,550 annually.
- Winifred Nance Kindergarten (6.6kW system), estimated to reduce the site's yearly power costs by 51%, approximately \$1,060 annually.

Collectively, these efforts help lower Council's emissions, improve energy efficiency, and reduce operational costs while moving us towards our goals outlined in the Climate Change Action Plan.

Environmental Community Engagement Events and Activities

Council continued to host, facilitate and support a wide range of collaborative, engagement and educational activities with an environmental and sustainability focus in the 2024-2025 financial year.

Council's Environment and Sustainability team continues to seize opportunities to broaden its offerings of creative and engaging educational events for children and young people.

In the 2024-25 financial year, particular highlights were: Creatures in the Garden in January, with an inspiring introduction to potting and planting for young children at Colac Botanic Gardens; World Environment Day celebrations, featuring a live musical show at COPACC that brought Alison Lester's beloved children's book *Imagine* to life; and a range of schools plantings and nature engagement activities that foster a sense of place and understanding of locally indigenous plants.

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

The primary focus of the forums in 2024-25 was on knowledge and capacity building to support the agriculture sector with its emissions reductions ambitions and farming practice initiatives and improvements that can build resilience during difficult conditions, such as drought.

The Environment and Sustainability team also supported the community-led Band Together Colac fundraiser for drought-affected farmers, providing education on drought-resistant native plants and a plant giveaway of hardy, local plants.

Environmental Tree Planting

In 2024-25, Council supported the planting of 1,650 indigenous plants across various sites in the Colac Otway Shire. These plantings were carried out with the involvement of local schools, community groups, and Council staff, aiming to enhance local biodiversity and restore native vegetation.

In addition, Council gave away 600 indigenous plants at community events to encourage residents to contribute to local habitat improvement on their own properties. This work reflects Council's ongoing commitment to caring for the natural environment and fostering community participation in environmental stewardship.

Sustainability Victoria's Education and Behaviour Change Campaign

Council received a grant of \$66,330 under Sustainability Victoria's Education and Behaviour Change Campaign to support residents in reducing contamination in recycling and organics bins, and to promote food waste diversion from landfills through waste education programs.

What we did:

- Ran four campaign milestones from January 2024 to June 2025.
- Used various methods to reach the community, including newspapers, radio ads, distributing magnets and brochures, setting up banners, and promotion through council websites and the GoodSort app.

Results:

- Good Sort App downloads increased from about 3,500 before the campaign to 6,670 after, showing more people became aware of waste sorting.
- Waste sent to landfill decreased slightly, with the diversion rate increasing from 54% to 56%.
- Over the past year, a total of 6,660,858 eligible containers were disposed of by the community into CDS Containers to help reduce contamination, resulting in a rebate to Council of \$6,800.

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

Community Satisfaction Survey Snapshot

The independent annual survey measures community perceptions of Council performance and delivery of key services and provides valuable feedback to the organisation.

Community views on a range of Council services are recorded, and the results are benchmarked against both the state and other large rural councils.

The 2025 survey revealed an eight-point increase in community perception of Council direction, which now sits above the large rural council's average.

COPACC remains one of Council's top rated service areas with our recreational spaces rating highly too.

Improvements were also seen in the areas of enforcement of Local Laws, and Planning and Building permits.

Council's overall performance score of 47 is one point lower than the 2024 result. Council rates on par with large rural councils and state-wide on customer service, and in line with large rural councils for waste management, family support services, sealed local roads, consultation and engagement, and community decisions.

The 2025 results were relatively consistent with the 2024 results and highlight areas where the public perceive Council is performing well and areas for improvement.

A four-point drop in Council's elderly support services may be attributed to uncertainty for clients and families around changes to service delivery in response to the Commonwealth Government's aged care sector reforms.

The survey recommended Council focus on increasing communication and transparency with residents, highlighting decision making being in the community's interest, and a stronger focus on consultation and engagement.

400 community members participated in the survey, which was conducted over several weeks commencing in January 2025.

Financial Summary

Colac Otway Shire Council's performance was generally favourable when compared to the 2024-25 Budget and the previous financial year.

A summary of key results follows, with details on following pages.

Key Results for 2024-25	Adopted Budget \$'000	Actual \$'000	Variance Fav/(unfav) \$'000	Variance %
Rates and charges revenue	37,158	37,454	296	0.8%
Total Revenue	59,282	72,444	13,162	22.2%
Total Expenditure (non-capital)	64,545	70,363	(5,818)	-9.0%
Net surplus	(5,263)	2,081	7,344	139.5%
Cash and cash equivalents	28,015	16,767	(11,248)	-40.2%
Net assets	457,885	580,989	123,104	26.9%
Total Capital projects delivered	11,523	13,727	2,204	19.1%

Detailed information relating to Council's financial performance is included in the Financial Report and Statements at the end of this annual report.

Our Council

Our Councillors

Our Executive

Our Organisational Structure

Our People



Our Councillors

Our Councillors provide the Council's CEO and staff with the strategic direction, policy framework, guidance and resources to achieve the Council Plan goals and objectives.

Working together the seven Councillors:

- Maintain the 'Community Vision'.
- Establish the Council Plan, Financial Plan and Asset Plan.
- Set the strategic and policy framework including the Rating and Revenue Plan.
- Monitor performance against plans.
- Allocate overall resources.

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

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

The table below lists Colac Otway Shire Councillors in 2024-25.

Councillor	Election Date
Max Arnott	First elected as Councillor (via Countback) in 2023
Graham Costin	First elected as Councillor in 2020
Tosh-Jake Finnigan	First elected as Councillor (via Countback) in 2023
Kate Hanson	First elected as Councillor in 2016 and re-elected in 2020
Stephen Hart	First elected as Councillor in 2002 and re-elected in 2008, 2012, 2016 and 2020
Chris Potter	First elected as Councillor in 2016 and re-elected in 2020 and 2024
Margaret White	First elected as Councillor in 2020
Charlie Buchanan	First elected as Councillor in October 2024
Chrissy De Deugd	First elected as Councillor in October 2024
Phil Howard	First elected as Councillor in October 2024
Zoe Hudgell	First elected as Councillor in October 2024
Mick McCrickard	First elected in 2016 (1 year on Council) and re-elected in 2024
Jason Schram	First elected as Councillor in 2016 and re-elected in 2024

Councillor Code of Conduct

From 26 October 2024, all Councillors began observing the Model Councillor Code of Conduct, as set out in Schedule 1 of the Local Government (Governance and Integrity) Amendment Regulations 2024.

This Model Code replaced the previous requirement for each Council to develop its own version, offering a consistent and clear framework for Councillor behaviour and responsibilities across all Councils.

The Code was designed to support Councillors in fulfilling their roles effectively, helping them contribute to the Council's core mission of delivering good governance that enhances the wellbeing of the community.

By establishing shared expectations, the Code empowered Councillors to carry out their duties with integrity, transparency, respect, and accountability. It also encourages a spirit of cooperation and constructive collaboration between Councillors and Council staff.

Importantly, the Code promotes open and respectful discussion, allowing Councillors to express their views freely while maintaining civility and mutual respect. This collaborative approach helps to ensure decisions are made in the best interests of the entire municipality, strengthening civic leadership and community outcomes.

The Model Councillor Code of Conduct also plays a key role in building public trust and confidence in local government. By upholding high ethical standards and a strong commitment to serving the public, Councillors help foster a positive and transparent relationship between Council and the community.

Please note: this Code applies specifically to Councillors. Council staff continue to be guided by the Employee Code of Conduct.



Our Executive

Our organisation is led by an Executive Management Team comprising the Chief executive Officer, the General Manager Corporate Services, the General Manager Community and Economy, the General Manager Infrastructure and Environment, the Executive Officer Governance and the Manager Customer and Communications.

The team plays an important role in ensuring that the Councillors and organisation each have the information required to set priorities and implement decisions.



Anne Howard

Chief Executive Officer

Master of Business Administration
Master of Infrastructure Engineering and Management
Bachelor Civil Engineering (Hons)

Commenced: 16 August 2021



Andrew Tenni

General Manager Corporate Services (and Acting CEO)

Master of Applied Science (Innovation and Service Management)
Graduate Diploma in Business Leadership
Bachelor of Arts (Social Science).

Commenced: 8 August 2022



Ian Seuren

General Manager Community and Economy

Master of Sport Business
Bachelor of Applied Science (Human Movement)

Commenced: 8 November 2018



Doug McNeill

General Manager Infrastructure and Environment

Bachelor of Applied Science (Planning)
Advanced Diploma of Management

Commenced: 15 April 2024



Anita Craven

Executive Officer Governance

Master of Business (Strategy and Planning)

Commenced: 5 May 2025



Steven O'Dowd

Manager Customer and Communications

Bachelor of Applied Science (Physical Education)

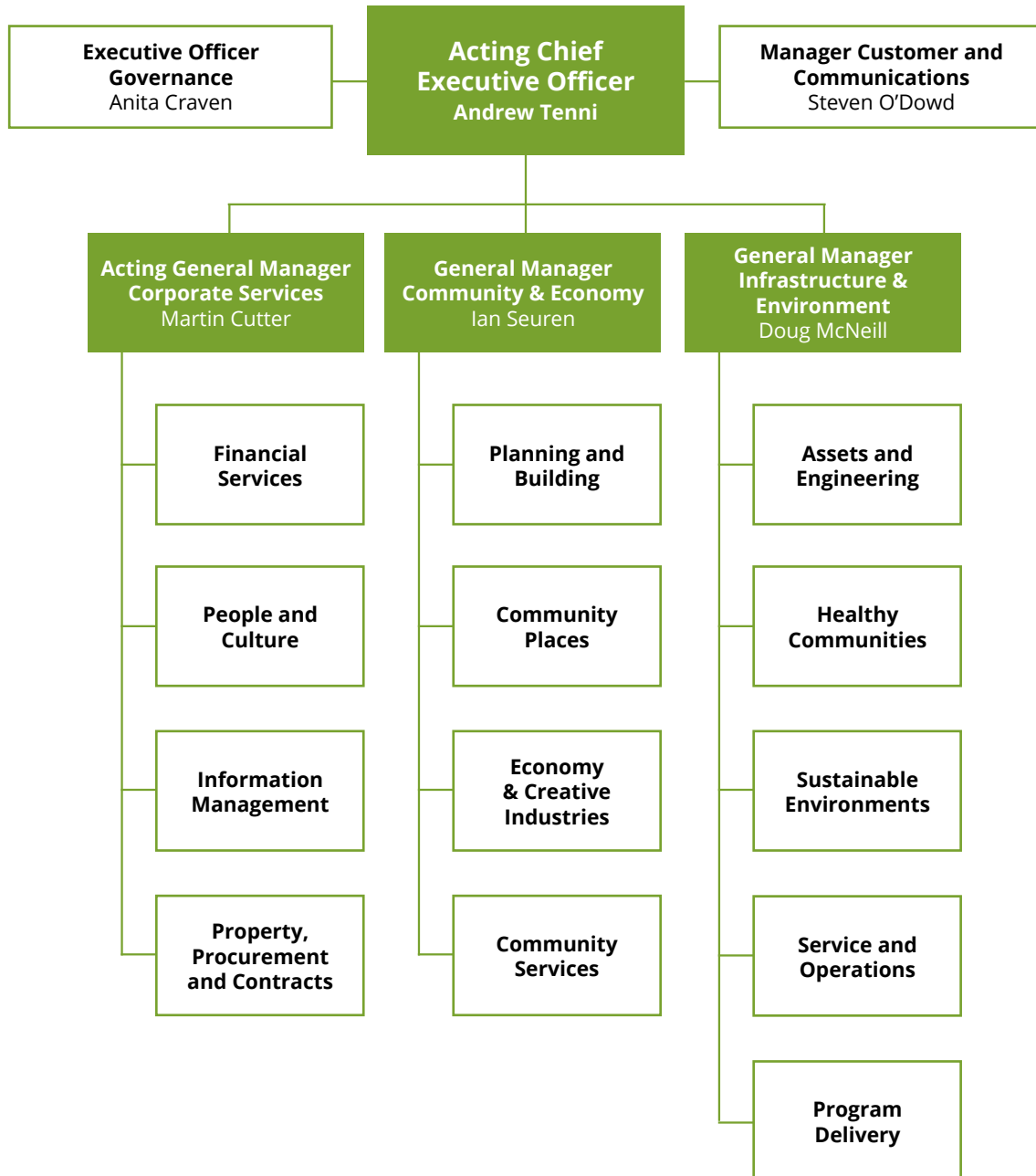
Commenced: 1 October 2024.

Anne Howard resigned from the CEO role late in the financial year. Anne held the position of CEO from 16 August 2021 until being replaced by Andrew Tenni in an Acting CEO role in May. Anne's last day with Colac Otway was June 19 before taking on the role of CEO at the City of Darebin. Andrew was later appointed CEO of Colac Otway in August.

Martin Cutter became Acting General Manager Corporate Services from May 5.

Organisational Structure

(as at 30 June 2025)



Our People

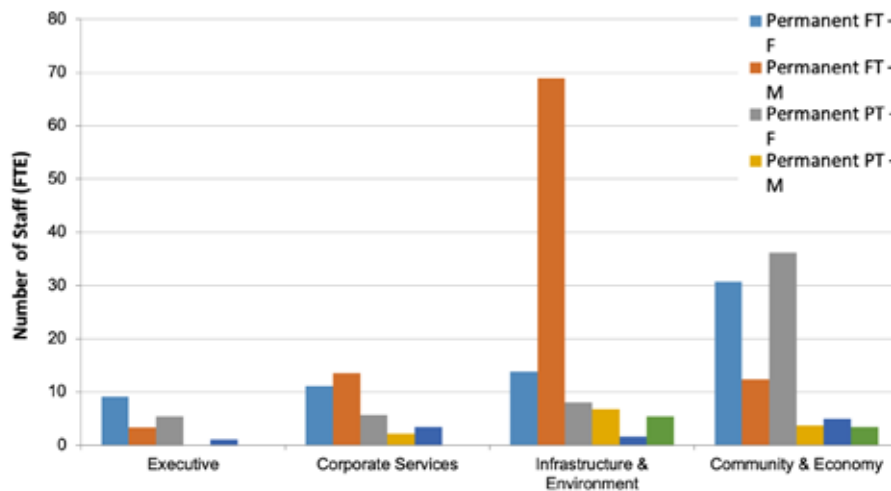
Staff by employment type

A summary of the number of full time equivalent (FTE) Council staff by organisational structure, employment type and gender.

Employee Type/Gender	Executive	Corporate Services	Infrastructure and Environment	Community and Economy	Total
Permanent FT – F	9	11	14	31	65
Permanent FT – M	3	14	69	12	98
Permanent PT – F	5	6	8	36	55
Permanent PT – M	0	2	7	4	13
Casual – F	1	3	2	5	11
Casual – M	0	0	5	3	8
Total	18	36	105	91	250*

Legend: FT-Full time PT-Part time F-Female M-Male

* Figures have been rounded to whole numbers.



Recruitment

During 2024-2025, we advertised 88 positions, attracting 1409 applications. Vacancies ranged across nearly all departments of the organisation, including Finance, Community Services, Governance, Planning, Project Delivery and Service and Operations.

We also continued to embed our recruitment and onboarding platform, which provides us with a proactive approach to recruiting that involves identifying and engaging with potential candidates for vacant roles. The platform also provides for a seamless and streamlined approach to recruitment and onboarding for both candidates and our organisation.

Student Work Placements

Council recognises the importance of supporting young people's careers. We continue to work with schools and universities to provide opportunities for students to gain experience in a workplace setting and to provide them with insight into the important role local government plays in developing and supporting local communities.

This year the following work placements were supported within the organisation:

- Our Maternal and Child Health team hosted two nursing students.
- Three tertiary student placements were hosted at Bluewater Leisure Centre.

- Six students from secondary schools across Colac and Lavers Hill undertook work experience placements across a range of services within Council including: health protection, information technology, leisure services, arts and parks and gardens.

Apprenticeships

Council is proud to support young people in obtaining employment and developing work skills and experience directly from the workplace and continues to offer opportunities to school leavers and mature age trainees and apprentices. Five full-time apprentices worked across Council in the areas of parks and gardens, mechanic technology, civic construction and plant operation. Council hosted one School Based Apprentice in our Parks and Gardens department.

Learning and Development

Council remains committed to fostering a culture of continuous learning and professional growth. In 2024–2025, three employees received study assistance to pursue formal education aligned with their career development.

Our Learning Management System (LMS) underwent further upgrades to improve data insights and track progress across eLearning and external training. The system supports self-paced, compliance-based learning, reinforcing behavioural and policy expectations.

To improve digital access for outdoor and non-PC-based staff, People and Culture partnered with Information Technology to deliver foundational computer training and LMS access. The Outdoor Workers Induction Program was successfully delivered at the Pound Road training facility.

We continued investing in LMS content, including a Safety Suite subscription and compliance modules. Technical training was delivered across key departments such as Aging Well, Bluewater Leisure Centre, Health Protection, Infrastructure, Engineering, Assets, and Statutory Planning.

Emergency preparedness was strengthened through targeted programs including *Introduction to Relief Centre and Relief Centre Exercise*.

Leadership development remained a priority. petruc.co delivered tailored leadership and team development programs, while Preferred Training Network facilitated *Positive Leadership Skills*, equipping staff to manage challenging conversations effectively.

Local Government Professionals provided a suite of courses including *Introduction to Local Government, Governance in Action, Risk Fundamentals*, and a bespoke *Report Writing* course to elevate organisational capability.

Safety awareness was enhanced through sessions led by Maddocks Lawyers and our senior business partner. Staff also completed the *White Card Course* and School Crossing Supervisors undertook specialised safety training with School Crossing Australia.

In response to Aged Care Reforms, leaders promoted ongoing training focusing on Elder Abuse and Cultural Sensitivity.

Diversity and Inclusion efforts were strengthened through SCOPE (Aust) modules such as *See the Person – Disability Awareness, Communication Access, and Accessible Information*, supporting empathetic customer service delivery.

Cultural Sensitivity training included participation in Evolve's *Love and Acknowledgement of Country Yarn* webinar, fostering meaningful engagement with First Nations culture.

The Polykala Diversity and Inclusion program encouraged authenticity and respect in the workplace, equipping participants with tools to be active bystanders and address inappropriate behaviours.

GenderWorks Australia delivered training on Gender Impact Assessments in collaboration with Colac Area Health, supporting compliance with the Gender Equality Act 2020.

All new employees completed a comprehensive induction program covering organisational structure, policies, and systems. Site-specific inductions ensured alignment with local procedures and expectations.

Performance development remains a cornerstone of our employee engagement strategy. Staff collaborate with managers to set measurable goals, supported by formal biannual reviews and ongoing feedback throughout the year.

Equal Employment Opportunity

Our commitment to Equal Opportunity is covered in our local Enterprise Agreement and through Council's Equal Employment Opportunity (EEO), Diversity and Inclusion and Unacceptable Workplace Behaviour Policies.

We commit to compliance with EEO and anti-discrimination legislation and to promoting equality

of opportunity and the elimination of discrimination in employment policies and practices.

We are also committed to ensuring an inclusive workplace culture that values diversity and ensures that the workplace is free from bullying, harassment and other forms of unacceptable workplace behaviour.

We identify ourselves as an Equal Opportunity Employer in all external recruitment advertisements and ensure that all new employees are made aware of our EEO, Diversity and Inclusion and Unacceptable Workplace Behaviour Policies as a mandatory component of our induction program.

We also have a formal internal grievance policy and procedure that enables staff to raise complaints. There were no EEO/discrimination related complaints raised by staff during the year.

Compliance with EEO requirements is monitored by the People and Culture Department.

All staff are required to attend mandatory Equal Opportunity/anti-discrimination and unacceptable workplace behaviour refresher training at regular intervals.

All staff are trained in the Staff Code of Conduct.

The Code outlines the standards of behaviours expected by Council employees and supports our commitment to organisational excellence and our organisation's values.

Diversity and Inclusion

Diversity and inclusivity in the workplace is crucial for fostering an environment where everyone feels valued, respected, and safe to share their diverse perspectives and ideas.

We wholeheartedly embrace this concept and have worked hard to create an inclusive culture to tap into a wider range of perspectives, problem-solving approaches, and innovative solutions – ultimately driving success and better outcomes for the community.

Appreciating our staff

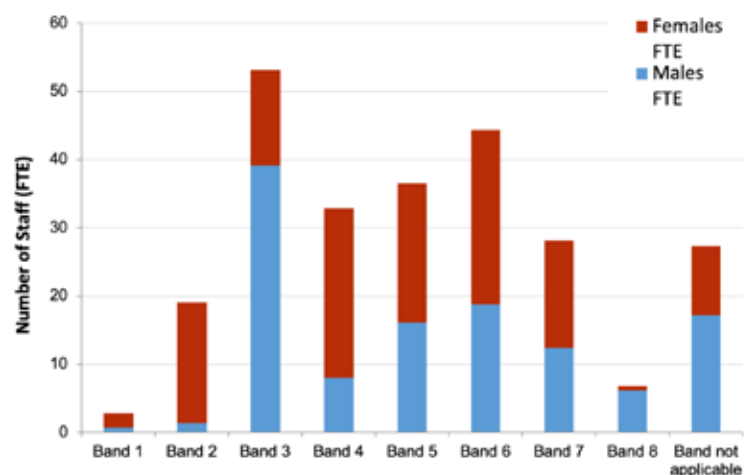
In 2024-25, Colac Otway Shire Council recognised and acknowledged the continuous service of 42 employees from across the organisation. An event was held to acknowledge and highlight the valuable contributions our staff bring to the organisation and community and show appreciation for the work they do. Councillors, employees and guests of recognised employees attended the event to show their appreciation.

Staff by Employment Classification and Gender

Structure Classification	Band 1 FTE	Band 2 FTE	Band 3 FTE	Band 4 FTE	Band 5 FTE	Band 6 FTE	Band 7 FTE	Band 8 FTE	Other FTE	Total FTE
Permanent FT - F	0.00	0.00	1.59	7.97	14.95	23.18	11.73	0.00	5.31	64.72
Permanent FT - M	0.00	0.00	31.35	6.77	14.35	17.19	11.46	5.45	11.59	98.15
Permanent PT - F	1.59	17.29	5.04	16.19	5.06	2.29	3.75	0.63	3.49	55.35
Permanent PT - M	0.68	1.32	4.93	0.85	1.77	1.46	0.97	0.69	0.00	12.68
Casual - F	0.55	0.37	7.34	0.72	0.38	0.10	0.25	0.00	1.37	11.07
Casual - M	0.03	0.07	2.89	0.37	0.00	0.11	0.00	0.00	5.61	9.07
TOTAL	2.85	19.05	53.14	32.87	36.51	44.33	28.15	6.77	27.37	251.04

Legend: FT-Full time PT-Part time F-Female M-Male

Years of Service Milestone	Number of Employees Awarded
5	26
10	1
15	6
20	2
25	2
30	1
35	3
40	1



Gender Equity

The *Gender Equality Act 2020* commenced in March 2021 to improve workplace gender equality. Local Government plays an important role in progressing gender equality in the workplace and the community. Council continues to work towards achieving the actions in our Gender Equality Action Plan (GEAP) which outlines Council's commitment to take positive action on gender equality.

Gender Impact Assessment Training was conducted for 60 of our employees by Gender Works Australia, to ensure Council continues to actively promote gender equality in policies, programs and services provided to our community by completing Gender Impact Assessments. We continued reporting to the Gender Equity Commissioner on our GEAP progress towards workplace gender equity.

Council completed the People Matters Survey in April 2025. The survey was developed in consultation with the Commission for Gender Equality in the Public Sector and helps organisations report on progress made towards gender equality in their workplace.

There was a measurable improvement in relation to a number of key workplaces matters including bullying, discrimination and sexual harassment with the survey respondents reporting less incidence of these unacceptable behaviours when compared to the 2021 and 2023 survey results.

Occupational Health, Safety and Wellbeing

Council has developed a three-year Workplace Health, Safety and Wellbeing Strategy. This strategy outlines a vision of safe and healthy work for all and sets the platform for delivering on key Workplace Health and Safety improvements. To do this, the strategy articulates four key objectives - Culture, Capability, Compliance and Collaboration.

Corresponding to each theme are specific measurable actions deliverable across the three-year period of the strategy that will create system-wide shifts to provide council with the opportunity to achieve a 'proactive and generative' safety culture.

This strategy guides what we do to support Council through the provision of effective health, safety and wellbeing management to prevent injury and ill health at work and to those affected by work activities while evolving our understanding and practice of creating safety of work.

A large focus of this strategy is the development and implementation of a new hazard/incident reporting system – Donesafe. This system provides Council with the best tools to manage and control workplace health and safety hazards and incidents that impact our people.

Council recognises that our employees are our most important asset, and we work to promote and improve our staff's safety, health and wellbeing.

Our staff (and their immediate families) have access to an extensive range of support services through our employee assistance and manager assist programs. Staff can discretely and confidentially access a range of health and wellbeing services including confidential counselling sessions consisting of care models; legal, family, financial, nutrition and lifestyle and career assist. These services are available include online and through the provider app.

During the 2024 year Council's utilisation rate for these services was 9.4%, which is slightly above the industry average of 7.3%. This statistic shows that the service is a vital resource that staff can access for both personal and work issues.

An extensive health and wellbeing program was developed to support our people, including early intervention strategies to reduce the risk of physical and mental injuries. These include wellness self-reflection sessions facilitated by a local provider, webinars provided by our employee assistance provider and our people also raised over \$4000 for Movember. Events celebrating the importance of RUOK? Day, were held across the year and there were also initiatives including food donation stations situated across our operational locations for staff to donate food and personal care items to the Colac Kindness Network.

Our Performance

Our Planning and Accountability Framework

Theme 1: Strong and Resilient Economy

Theme 2: Valuing the Natural and Built Environment

Theme 3: Healthy and Inclusive Community

Theme 4: Strong Leadership and Management

Sustainability Report



Our Planning and Accountability Framework

Under the *Local Government Act 2020*, councils are required to design, implement, and monitor a suite of strategic documents, all shaped through a deliberative engagement process. These plans needed to be integrated and clearly demonstrate how they contributed to achieving a long-term community vision.

Council Plan 2021–2025

On 27 October 2021, Council adopted its Council Plan 2021–2025, which also incorporated the Municipal Public Health and Wellbeing Plan. This Plan outlined Council's strategic direction for the term and served as a roadmap for achieving key goals.

The Plan was built around four key themes, representing the top strategic priorities for Council over the four-year period. Supporting these themes were 17 strategic objectives, each describing the actions Council committed to in order to deliver on its priorities.

The Council Plan 2021–2025 was made available on our website for the community to explore.

Annual Budget

Each financial year, Council prepares an Annual Budget that aims to balance the delivery of essential services and infrastructure with affordability for the community. The budget outlines the financial and non-financial resources needed to achieve the strategic objectives set out in the Council Plan.

The 2024–25 Budget Report, along with Quarterly Reports, was published on our website to ensure transparency and accountability.

Annual Report

The Annual Report provides a comprehensive overview of Council's performance during 2024–25. It includes updates on the implementation of strategies and actions from the Council Plan, as well as financial information related to key initiatives and services.

This report also includes prescribed performance measures and commentary, offering the community a clear and honest account of Council's progress and achievements.

The diagram below illustrated how these key planning and reporting documents worked together as part of the integrated strategic planning and reporting framework in local government.



Annual Plan

The 2024–25 Annual Plan outlines the key actions and deliverables that support the achievement of each priority in the Council Plan.

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

- Clear descriptions of key services and relevant service statistics
- Updates on the progress of initiatives and actions from the Annual Plan
- Insights into how Council is tracking towards its strategic objectives and outcomes, based on measurable indicators or those directly linked to the 2024–25 Annual Plan

In line with the Council Plan, actions in the Annual Plan that contribute to priority health and wellbeing areas are colour coded for easy reference, as outlined below.

Code Health and Wellbeing themes

- Preventing all forms of violence
- Improving mental health and wellbeing
- Increasing active living
- Gender equity
- Tackling climate change and its impact on health
- Panel recommendation

Major Initiatives

Council listed four Major Initiatives to be achieved in 2024-25 that implement the goals of the Council Plan 2021-25. Two of the four Major Initiatives were achieved with the other items well progressed.

Major Initiative	Strategic Theme	Result
Commence the Apollo Bay Structure Plan	Strong and Resilient Economy	Progressing: Consultants have been engaged for the project, which has commenced.
Bluewater Leisure Centre Electrification Project – Stage 1 Planning and Design	Valuing the Natural and Built Environment	Progressing: Council received funding support for the overall project and is progressing to planning and design stage.
Ongoing Council contribution to the Youth Engagement Program	Healthy and Inclusive Communities	Achieved: Council provided funding for its youth engagement program in the 2024-25 Budget and received support from the Victorian Government through the Engage! 2025-2027 Program.
Council Election and new Councillor Term induction	Strong Leadership and Management	Achieved: Council conducted its 2024 elections in October and undertook an extensive Councillor Induction Program.

Theme 1

Strong and Resilient Economy

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

The strategic objectives aligned to this theme are:

- Affordable and available housing will support a growing community and economy
- Attract, retain and grow business in the Shire
- Key infrastructure investments support the economy and liveability
- Colac Otway Shire is a destination to visit
- Grow the Colac Otway Shire's permanent population by at least 1.5 per cent.

Performance of Services Funded in the Budget

The following statement provides information in relation to Theme 1 services funded in the 2024-25 Budget and the people or sections of the community that are provided the service.

2.1 Council Plan Theme 1: Strong and Resilient Economy

Service area	Description of services provided	2024-25 Actual \$'000	
Colac Regional Saleyards	This service provides a vital link in our rural infrastructure by providing a marketplace for buying and selling livestock.	Expenditure	487
		Revenue	(721)
		NET	(234)
Economic Development	This service facilitates a healthy and resilient economy by providing effective leadership, advocacy, and partnership, by working with government business and the community.	Expenditure	1,197
		Revenue	(82)
		NET	1,116
Tourism	This service provides economic benefit by promoting the Shire as a location for visitors to enjoy, explore and return to. Visitor information is provided via Council's two Visitor Information Centres and via media.	Expenditure	719
		Revenue	(178)
		NET	541
Events	This service provides for active community involvement in the provisioning of management and support for community entertainment and events.	Expenditure	93
		Revenue	(46)
		NET	47
Arts and Culture	This service is responsible for running the Colac Otway Performing Arts and Cultural Centre, plus providing support to the arts via events, grants and space provision.	Expenditure	960
		Revenue	(434)
		NET	526
Statutory Planning	This service fulfils Council's statutory obligations in being the responsible authority for the management and regulation of land use and development, with the aim of achieving sustainable outcomes in the interests of current and future generations.	Expenditure	1,817
		Revenue	(479)
		NET	1,338
Strategic Planning	This service ensures that land use planning is undertaken to meet the sustainable long term needs of current and future generations.	Expenditure	521
		Revenue	(109)
		NET	412
Total - Strong and Resilient Economy		Exp	5,794
		Rev	(2,049)
		NET	3,745

Annual Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2024-25 Annual Action Plan.

Number	Year 4 Annual Actions	Progress
1.1.1	Progress Birregurra Structure Plan & Northern Towns Growth Plan 	Completed: The Draft Birregurra Structure Plan was prepared to go out on public exhibition early in 2025-26. Background and issues reports completed for the Northern Towns Growth Plans project.
1.1.2	Commence Apollo Bay Structure Plan 	Completed: Consultants have been engaged for this project and project has commenced.
1.1.3	Continue to work with Developers to promote greater diversity in housing stock  	Progressing: A permit has been issued for the subdivision of land within the Colac West Development Area. Council is still awaiting the submission of a revised Development Plan for Irrewillipe Road, Elliminyt (Bakerland) and has considered a Development Plan for the Hillview residential subdivision. Other Development Plan areas where permits have been issued for the subdivision of land include Ballagh Street, Irrewillipe Road, Jennings Street, Sinclair Street South and Sinclair Street.
1.1.4	Continue to progress the Deans Creek Precinct Structure Plan  	Completed: The majority of the background technical reports for the Deans Creek Precinct Structure Plan have been completed. Further technical flood assessment modelling has been completed to better understand the likely impacts of climate change within the catchment. An Outline Development Plan has been prepared and provided to our funding partner Regional Development Victoria.
1.1.4	Work with land owners to coordinate development in Colac West Development Plan area  	Completed: A permit has been issued to subdivide land in the Development Plan area.
1.1.4	Progress Planning Scheme Amendments for rezoning land to residential in Colac  	Completed: Three significant planning scheme amendments have been completed rezoning land for over 900 residential lots and securing more than a 10-year residential land supply for Colac.
1.1.6	Commence the Colac Otway Adaptable Precincts Project with partners, funded through Regional Precincts and Partnerships Program  	Completed: The funding agreement with Regional Development Victoria was executed in Q4. Appropriate project governance has been established by the project partners, and the project has commenced.
1.3.1	Complete Colac Civic Health and Rail Precinct planning   	Progressing: The Civic Health and Rail Precinct Plan has been on public exhibition. The Plan will be presented to Council for adoption in early 2025-26.
1.3.1	Commence the Cultural and Accommodation Precinct Masterplan if successful in securing external funding   	Not Started: Council has been advised that its funding application to the Victorian Government's Enabling Tourism Fund was not successful.
1.3.2	Complete Colac Civic Health and Rail Precinct planning	Progressing: (as per action 1.3.1)
1.3.4	Support efforts by Barwon Water to introduce reticulated wastewater to Forrest	Progressing: Barwon Water continues its partnership with Colac Otway Shire and the Forrest community to deliver a long-term sustainable wastewater solution for the town. A site for a new water treatment facility has been purchased and work commenced by Barwon Water on design of the proposed system.
1.4.1	Support GORRT review of Otway Destination Action Plan	Progressing: A draft version of the Otway Destination Action Plan has been received and feedback sought from stakeholders.

1.4.3	Support GORRT review of Otway Destination Action Plan and seek ecotourism accreditation	Progressing: (as per action 1.4.1)
1.4.4	Facilitate development of sustainable visitor infrastructure and accommodation	Progressing: (see action 1.3.1) Permit issued for accommodation development in Dennis Street, Colac.
1.5.1	Support business growth through population attraction and retention. This strategic objective is being supported through Council's efforts to create residential land supply to support population growth ●	Progressing: (See section 1.1)

Service Performance Indicators relevant to 2024-25

The following statement provides the results of service performance indicators and measures including explanation of material variations.

Outcomes and Indicators	Results 2024-25	Contribution/Influence 2024-25
Number of regular planning application decisions made within 60 days.	147	This figure represents 50% of the number of planning application decisions made. 6% of planning application decisions were made through VicSmart.
Community satisfaction with business and tourism increases annually from current result of 60	48	This score is the same as the prior year, but it is lower than other large rural councils.
Refreshed Apollo Bay Structure Plan delivered.	Not Achieved	Consultants have been engaged for the project.
Funding secured to deliver wastewater scheme in Forrest.	Not Achieved	Council continues to support Barwon Water in the planning of this project.



Theme 2

Valuing the Natural and Built Environment

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

The strategic objectives aligned to this theme are:

- We mitigate impacts to people and property arising from climate change
- We operate sustainably with a reduced carbon footprint
- Protect and enhance the natural environment
- We will satisfy the community's reasonable expectations to reduce waste going to landfill, increase resource recovery and minimise waste charges
- Provide and maintain an attractive and safe built environment.

Performance of Services Funded in the Budget

The following statement provides information in relation to Theme 2 services funded in the 2024-25 Budget and the people or sections of the community that are provided the service.

2.2 Council Plan Theme 2: Valuing The Natural and Built Environment

Service area	Description of services provided	2024-25 Actual \$'000	
Building services	These services support maintaining a safe built environment by overseeing compliance with building development controls.	Expenditure	313
		Revenue	(122)
		NET	191
Emergency Management	This service provides for the necessary support for the community in the case of an emergency event occurring.	Expenditure	504
		Revenue	(33)
		NET	472
Environment Sustainability	This service provides for management of our natural environment to the betterment and enjoyment of all members of our community.	Expenditure	588
		Revenue	(2)
		NET	586
Civil infrastructure and building maintenance	The civil works team is responsible for the construction, maintenance and day-to-day operation of Council's sealed and unsealed road, bridges, drainage and pathways. The Building maintenance team is responsible for a wide range of Council facilities and associated infrastructure (e.g. indoor sports facilities, recreation, early years, public toilets, community halls).	Expenditure	8,310
		Revenue	(884)
		NET	7,426
Waste Management	This service provides for the efficient and effective control of waste products produced by our community. It includes the provision of waste collection services as well as for disposal to landfill.	Expenditure	10,270
		Revenue	(4,778)
		NET	5,492
Total - Valuing The Natural and Built Environment		Exp	19,985
		Rev	(5,819)
		NET	14,167

Annual Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2024-25 Budget for the year.

Number	Year 4 Annual Actions	Progress
2.1.2	Deliver Council's Street Tree planting program to identified candidate streets 	Completed: Street tree planting started late due to dry conditions but is now complete with 150 trees planted.
2.1.2	Commence implementation of Colac Botanic Gardens Master Plan as per funding capacity allocated 	Completed: Council is working with the Friends group on several smaller projects and assisting them to secure a grant for a self-guided walking tour of the gardens. Council has commenced renovations of the fountain in the Botanic Gardens.
2.1.3	Implement priorities from Municipal Emergency Management Plan 	Completed: The Municipal Emergency Management Plan (MEMP) was adopted in September 2024 and continues to be delivered by the relevant agencies, including Council. Post event reviews were conducted with agencies and the community after local fire events in the Otway ranges in January and February. Council has continued to work with small town communities in high bushfire risk areas to increase community resilience in a fire event. Council has also reviewed its 2024-25 municipal fire prevention program to identify improvements to be implemented in the 2025-26 season.
2.2.1	Implement funded priorities from the Climate Change Action Plan 	Completed: Council participated in the second round of the Electric Homes Program during 2024-25. Council facilities that were upgraded with hot water heat pumps and solar PV generation systems to improve energy efficiency and reduce operational emissions are the Apollo Bay Transfer Station, Colac Maternal and Child Health Centre and Winifred Nance Kindergarten.
2.2.2	Implement funded priorities from the Climate Change Action Plan – support the community to reduce carbon emissions 	Completed: Council convened Community Climate Change Action Forums during the year aimed at increasing collaboration between community groups.
2.2.3	Implement funded priorities from the Climate Change Action Plan – assist the community to act on climate change 	Completed: The second round of the Electric Homes Program was rolled out in 2024-25 to encourage the community to transition away from gas use. Installation of energy efficiency upgrades for Council owned buildings purchased under this program were completed in May 2025. The Sustainability Victoria Grant Project - Small Acts and Big Impacts was also delivered and completed.
2.4.4	Continue to promote the Container Deposit Scheme roll-out in support of State Government reforms 	Completed: Council has continued to run advertisements online, on Council's website and in the local newspapers on glass recycling and producing quality compost from green waste. Glass recycling is also strongly promoted through the Good Sort app. Council is exploring new approaches to reduce landfill waste and improve resource recovery by trialling Container Deposit Scheme baskets on its street litter bins across the Shire.
2.5.3	Commence review of Council's Asset Plan, to enable adoption by 31 October 2025 as per section 92 of LG Act	Completed: A review of asset management plans for the next four years has been completed, which has guided the development of the Asset Plan for the next ten years. The draft Asset Plan was placed on public exhibition at the June Council meeting.

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Outcomes and Indicators	Results 2024-25	Contribution/Influence 2024-25
Number of trees planted in public spaces (open space and streetscape)	150	The Street Tree planting program was delayed by weather conditions but is now complete.
Community satisfaction with emergency and disaster management increases annually from the current result of 73 points	62	This score is 3 points lower than 2024. After local fire events in the Otway Ranges, Council conducted post-event reviews to inform improvements for the 2025-26 season.
Reduction in CO2 emissions for Colac Otway	14.2% reduction	Council's total emissions decreased compared to the previous year largely due to hand over of the Apollo Bay Harbour to the Great Ocean Road Coast and Parks Authority, but also due to continuing energy efficient upgrades of Council facilities.
Reduced waste to landfill, emissions and water usage in the community	6,855	Below is a breakdown of kerbside material diverted from landfill: Organic: 3,913t (31%) Recycling: 1,543t (12.2%) Glass: 324t (2.6%)
Number of community activities and education initiatives that promote stewardship of the natural environment	9	Included a strong focus on agriculture and drought management.
Community satisfaction survey (waste management components)	62	The result of 62 points is three points lower than the result for 2024 and in line with the result for Large Rural Councils.
Community satisfaction with sealed roads increases annually from current result of 53 points	38	The result is one point lower than the result in 2024, one point lower than the result for large rural councils.
Community satisfaction with unsealed roads increases annually from current result of 44	32	The result is one point higher than the 2024 result, and 4 points lower than large rural councils result.
Asset Management Plans completed	Completed	2025-2035 Asset Plan to be adopted in October. Asset management plans reviewed.



Colac Cinemas

Theme 3

Healthy and Inclusive Community

This theme represents Council's commitment to ensuring that Colac Otway Shire continues to be a great place to live. Council commits to embrace our diverse community, take care of our older community and prepare our children for success.

The strategic objectives aligned to this theme are:

- All people have the opportunity to achieve and thrive in the shire
- People are active and socially connected through engaging quality spaces and places
- We are a safe, equitable and inclusive community.

Performance of Services Funded in the Budget

The following statement provides information in relation to Theme 3 services funded in the 2024-25 Budget and the people or sections of the community that are provided the service.

2.3 Council Plan Theme 3: Healthy and Inclusive Community

Service area	Description of services provided	2024-25 Actual \$'000	
Parks gardens and reserves management	The parks and gardens team cares for and manages the maintenance of landscaping in streetscapes and open space areas for the enjoyment of all community members, including the Colac Botanical Gardens.	Expenditure	2,606
		Revenue	(44)
		NET	2,562
Children and Family Services	This service provides support to our children, families and youth to encourage and nurture their growth and development. Council's early years service delivery has a focus on kindergartens, family day care and maternal and child health services, and continues to supporting young people through delivery of state-funded programs.	Expenditure	1,196
		Revenue	(807)
		NET	388
Aged Care Services	This service provides support to older persons and people with disabilities to with services and support that helps people to live independently in their own home for as long as possible.	Expenditure	5,035
		Revenue	(5,548)
		NET	(513)
Recreation Services	This service provides for active community involvement and the promotion of healthy lifestyles by providing for suitable sporting and recreational facilities.	Expenditure	441
		Revenue	(22)
		NET	419
Leisure centre	This service provides for active community involvement and the promotion of healthy lifestyles by providing for suitable sporting and recreational facilities.	Expenditure	2,386
		Revenue	(1,646)
		NET	740
Library Services	The library service provides resources and oversight to the Corangamite Regional Library Corporation for the provision of information, education, recreation and enrichment for the community.	Expenditure	884
		Revenue	-
		NET	884

Local Laws and Animal Management	This service provides for community safety and health by providing for a framework for behaviours which affect our community well-being. The work of the team is supported by Council's Local Laws that control general amenity matters. The team also undertakes animal management, helping lost pets be returned to their families and lost stock to be returned to farmers.	Expenditure	891
		Revenue	(533)
		NET	358
Environmental Health	This service promotes a healthy and safe lifestyle by actively promoting and policing public health issues.	Expenditure	599
		Revenue	(473)
		NET	126
Total - Our Community		Expenditure	15,920
		Revenue	(9,138)
		NET	6,783

Annual Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2024-25 Annual Action Plan.

Number	Year 4 Annual Actions	Progress
3.1.2	Complete the Kindergarten Infrastructure Strategic Plan (KISP) 	Completed: The Kindergarten Infrastructure and Services Plan has been finalised and was presented to Council for endorsement. An EOI process will commence in 2025-26 to select Early Years Management organisations for the continuation of delivery of kindergarten services from the four Council owned and managed sites.
3.1.3	Implement decisions arising from Community Care Best Value Review 	Completed: Council has officially exited from the delivery of Commonwealth Home Support Program, Home and Community Care Program for Younger People, NDIS and Veteran's Care programs as of 30 June 2025, as per the decisions of Council arising from the Review.
3.2.2	Upgrade Wyuna Estate open space and play area 	Completed: This project has been completed.
3.2.5	Review community grants process to encourage projects that encourage physical activity 	Completed: Grants Program reviewed and revised guidelines approved by Council.
3.2.6	Support community and clubs to implement the Fair Access Policy	Progressing: Fair Access Action Plan has been developed and implementation has commenced. Funding applications for netball floodlights and associated facilities at Gellibrand, Irrewillipe and Eastern Reserve were successful under Sport and Recreation Victoria Programs (Regional Community Sports Infrastructure Fund). The applications included the development of Gender Impact Statements for each submission. Designs for Irrewillipe and Elliminyt Recreation Reserve changeroom facilities have been completed which include gender neutral facility provision. The Colac Otway Football (Soccer) Facilities Feasibility Strategy is nearing completion and will consider equitable and gender-neutral facilities
3.3.4	Continue to support partnership event during Reconciliation Week 	Completed: A Reconciliation Week event was held at COPACC in partnership with Traditional Owners, the Na Djinang Circus and Regional Arts Victoria.
3.3.5	Actively explore with partners the re-establishment of a Bushfire Place of Last Resort in Apollo Bay 	Completed: A new Bushfire Place of Last Resort has been designated at the Apollo Bay Golf Club.

3.3.6	Continue to partner with CAH in 16 Days of Activism initiative	Completed: Council has supported Colac Area Health and Respect 2040 with the 16 Days of Activism initiative 'What is 2040?' held in Q2.
3.3.7	Commence development of a Gaming and Licensed Premises policy	Not started: Changes were made to liquor and licensing regulations with planning permits no longer required for liquor licences. This means that Council cannot progress with the development of this policy as originally intended.

Service Performance Indicators

The following statement provides the results of service performance indicators and measures including explanation of material variations.

Outcomes and Indicators	Results 2024-25	Contribution/Influence 2024-25
Community satisfaction for Family Support Services increases annually from current result of 70 points	59	This score was a reduction of 1 point reflecting the changes to Aged Care taking place during 2024-25.
Participation rates in Maternal and Child Health checks	78.06%	The number of children that attended the MCH service in the year increased.
Community satisfaction for recreation facilities increases annually from current result of 72 points	62	This represents a one point increase on the previous years result.
Community satisfaction for appearance of public spaces increases annually from current result of 69 points	58	Result is one point lower than the previous result.
Increased visitation and memberships at Bluewater Leisure Centre and Apollo Bay Aquatic Centre	Total visitation of 162,201 at Bluewater Leisure Centre (excluding stadium usage).	13% increase in visitation to Bluewater Leisure Centre. Apollo Bay Aquatic Centre had over 8,500 swim visits not including school students.
Community satisfaction for enforcement and local laws increases annually from current result of 67 points	62	Represents an increase of 3 points on our previous result.

Theme 4 Strong Leadership and Management

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

The strategic objectives aligned to this theme are:

- We commit to a program of best practice and continuous improvement
- We are a financially robust organisation
- We provide exceptional customer service
- We support and invest in people.

Performance of Services Funded in the Budget

The following statement provides information in relation to Theme 4 services funded in the 2024-25 Budget and the people or sections of the community that are provided the service.

2.4 Council Plan Theme 4: Strong Leadership & Management

Service area	Description of services provided	2024-25 Actual \$'000	
Councillors and Chief Executive Office	This area of governance includes the Mayor, Councillors, Chief Executive Officer, Business Improvement Officer and Public Relations Team and associated support which cannot be easily attributed to the direct service provision areas.	Expenditure	1,164
		Revenue	(7)
		NET	1,156
Procurement and Contract Management	This service provides oversight and governance on contractual and procurement services undertaken by Council.	Expenditure	412
		Revenue	-
		NET	412
Financial Services	This service has the responsibility to generate revenue for Council via rate, levies and charges and to provide sustainable and accountable financial management of Council's resources.	Expenditure	3,060
		Rev - Other	(15,821)
		NET	(12,762)
Information Services	This services provides management and governance of information flows, storage and retrieval within the organisation in accordance with appropriate legislation and standards.	Expenditure	2,774
		Revenue	-
		NET	2,774
Corporate Services Management	This service has the responsibility to maintain strong governance and administrative systems and to ensure that these systems are responsive, accountable and transparent to internal users and community needs.	Expenditure	589
		Revenue	(40)
		NET	549
Governance, Customer and Communications	This service has the responsibility to provide the first point of contact between Council and the public through Council's Customer Service Centres. The service provides overall corporate customer service to the wider community and assists all areas of Council with the provision of corporate responsibility.	Expenditure	2,586
		Revenue	(5)
		NET	2,581

People and Culture	This service provides and develops a culture of high performance, productivity and accountability across the organisation.	Expenditure	1,657
		Revenue	--
		NET	1,657
Risk management	This service has the responsibility to identify, record and manage all business risk associated with Council's activities. This service manages Council's insurance portfolio.	Expenditure	964
		Revenue	(86)
		NET	878
Total - Our Leadership & Management		Expenditure	13,205
		Revenue	(15,959)
		NET	-2,753

Annual Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2024-25 Budget for the year.

Number	Year 4 Annual Actions	Progress
4.1.1	Implement actions arising from the Cybersecurity Internal Audit	Progressing: Good progress has been made against the Essential Eight mitigation strategy implementation, with Council close to achieving the stated goal of reaching level one. Many key milestones have now been met and it is anticipated that this will be fully achieved by November 2025.
4.1.4	Implement outcomes from completed reviews	Progressing: The following work has occurred in 2024-25: • Implementation of the Best Value Review of Aged Care Service Review in September 2024 • Visitor Servicing Review – Council has entered into a lease with an external provider to operate the Colac Visitor Information Centre • An Expression of Interest has been advertised for a private operator to manage COPACC as part of a review of its operations. A review of the Council's Light Fleet and Colac Saleyards have commenced.
4.2.2	Develop asset rationalisation and decommissioning principles ●	Progressing: Council has been reviewing its Asset Management plans which are required to inform development of asset rationalisation and decommissioning principles.
4.2.3	Implement Internal Audit recommendations into Procurement	Progressing: An updated procurement policy has been implemented. The updated procurement procedure was scheduled for review at the end of April, however was delayed due to an internal audit on the use of panel contracts. An extensive staff training program was conducted on the updated policy and requirements that now exist.
4.2.5	Commence review of Council's Financial Plan, to enable adoption by 31 October 2025 as per section 91 of LG Act	Completed: 2025-26 Annual Budget and three years of projections approved. Financial Plan 2025-26 – 2034-35 approved.
4.2.5	Complete outstanding reviews of key financial policies	Progressing: Council's Investment Policy and Asset Accounting Policy are completed, adopted and implemented. The Borrowings Policy and Community Loans Policy have been reviewed by the Audit and Risk Committee and will be brought to Council for consideration in 2025-26. Review of Reserves policies in progress.

4.3.1	Implement Customer Experience improvement program	Progressing: Council has developed a Customer Experience Strategy, which will guide internal training and support for all departments in improving outcomes for customers and in reducing turnaround times for responses and services. The draft will be presented to Council for endorsement in the second quarter of the 2025-26 year. This will be supported by a Customer Service Charter outlining Council's commitment to customer service.
4.4.1	Implement an action plan based on People Matters Survey results ●●	Progressing: The People Matters Survey has been successfully completed, providing staff with the opportunity to share their feedback. As the survey was conducted by the Victorian State Public Service, we are currently awaiting the release of the results. Once received, these insights will inform the development of a targeted action plan to address key themes and opportunities identified. This plan will be implemented to support continuous improvement in our workplace culture and employee experience.
4.4.2	Implement actions from Internal Audit into WHS systems ●	Completed: Council has completed all actions arising from the internal audit into WHS systems. Further to this, Donesafe, a new hazard and incident reporting system was developed and tailored to the organisation's needs.
4.4.3	Implement the organisation wide training program for mandatory and compliance training ●●	Completed: The organisation successfully implemented its mandatory and compliance training programs delivering both eLearning modules (such as OHS and Fraud Awareness) and face-to-face sessions (including Bullying and Harassment Prevention).
4.4.4	Continue "community conversations" with at least two across the Shire	Completed: Community conversations were held in Beeac in July 2024 and Birregurra in August 2024.
4.4.5	Council decisions are open and transparent and the public has access to relevant Council information. No specific Year 4 actions were planned.	Progressing: Council continues to operate under a governance model which requires transparency of decision making and access to Council.

Service Performance Indicators

The following statement provides the results of service performance indicators and measures including explanation of material variations.

Outcomes and Indicators	Results 2024-25	Contribution/Influence 2024-25
Community satisfaction for Council's overall performance increases annually from current result of 48 points	47	Colac-Otway Shire Council's overall performance and performance across most individual service areas, are relatively consistent with 2024 results with few significant shifts.
Community satisfaction for Planning and Building services greater than 50 points by 2025	31	Community satisfaction with these services improved another two points to 31, up from 29 in 2024 and 27 in 2023, but remains lower than the average of 41 points for large rural councils and surveys indicate that time and complexity of applications are issues that contribute to this result. Direct surveys of applicants generally indicate a more positive customer response than the satisfaction survey results suggest.
Community satisfaction for Customer Service increases annually from current result of 69 points	64	Council's customer service index of 64 is unchanged from 2024. Customer service continues to be rated in line with the Large Rural group and State-wide averages (index scores of 65 and 66 respectively).
Number of traineeships/ apprenticeships	5	5 apprentices were employed across various business areas.
Community satisfaction for Consultation and Engagement increases annually from current result of 60 points	47	This score dropped by one point from 48 in 2024. Statewide the indexed score is 50 (Large Rural Council score 48).
Community satisfaction for Council's community decision making increases annually from 58 point	44	This score dropped by one point from 45 in 2024, with highest scores amongst people aged 18-34 years.
Rolling internal audit program implemented	Achieved	Audits are complete for accounts payable and privacy management.

Sustainability Report

Organisational emissions for 2024-25

Council's organisational carbon emissions decreased by 14.24% in 2024-25 compared with the previous year, representing a reduction of 247 tonnes CO₂-e. This substantial decline is primarily attributed to the dredge facility at Apollo Bay Harbour no longer being operated by Council, following its transition to the Great Ocean Road Coast and Parks Authority. This change significantly reduced fuel and fleet-related emissions.

Further reductions were achieved across buildings,

public lighting, and gas use, driven by targeted sustainability upgrades.

Council has installed solar photovoltaic systems to reduce reliance on grid electricity, replaced traditional gas hot water systems with energy-efficient heat pumps, and is incrementally implementing a broad electrification program - phasing out gas appliances in favour of high-efficiency electric alternatives. These initiatives have not only reduced direct emissions but also enhanced the overall energy performance of Council facilities.

Total COS Greenhouse Emissions (CO ₂ -e tonnes)					
Financial Year	Buildings	Gas	Street/Public Lighting	Fleet	Total
2010-11	1,999	311	1,181	2,114	5,605
2011-12	1,916	290	1,202	1,727	5,135
2012-13	1,879	323	1,182	1,698	5,082
2013-14	1,484	186	1,014	1,523	4,207
2014-15	1,356	3	872	1,530	3,761
2015-16	1,846	282	436	1,269	3,833
2016-17	1,881	478	412	1,560	4,331
2017-18	1,887	488	406	1,329	4,110
2018-19	1,747	470	406	1,263	3,886
2019-20	1,389	466	417	1,333	3,605
2020-21	0* (1,121)	412	0* (368)	1,108	1,520
2021-22	0* (1,254)	431	0* (327)	1,276	1,707
2022-23	0* (1,128)	446	0* (321)	1,273	1,719
2023-24	0* (1,106)	383	0* (248)	1,353	1,734
2024-25	0* (986.94)	378	0* (222)	1,109	1,487

*Numbers in brackets show emissions avoided by purchasing 100% clean renewable electricity (VECO)

Note: Emissions figures for 2020/21, 2021/22, 2022/23, 2023/24 and 2024/25 have been revised to reflect the emissions boundary set by Council as part of its carbon emissions inventory verification in line with the National Climate Active Carbon Neutral Standard.

Buildings

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

The 10.8% decrease in building emissions in 2024-25 reflects ongoing energy efficiency improvements, including solar panel installations, heating, ventilation and air conditioning upgrades, and flexible work arrangements that reduce building

occupancy. These efforts have improved overall energy performance across Council facilities.

VECO sources renewable energy from wind farms in western Victoria, which powers council-owned infrastructure including halls, sports grounds, community venues, leisure centres, and streetlights. Collectively, participating councils are preventing 260,000 tonnes of carbon emissions from entering the atmosphere annually equivalent to removing 90,000 cars from the road each year.

Gas

Gas emissions fell by 1.3% in 2024-25, continuing Council's transition away from gas appliances. This reduction is driven by the replacement of gas hot water systems with electric heat pumps and the incremental electrification of community and public buildings. Since 2020-21, gas emissions have declined by 7%, demonstrating Council's commitment to decarbonising its operations.

Street and Public Lighting

Street and public lighting emissions remain at zero, thanks to VECO's supply of 100% renewable electricity. The 10.5% reduction in energy used reflects continued LED lighting upgrades as part of general maintenance and renewal, further improving energy efficiency.

Fleet

Fleet emissions decreased by 18% in 2024-25, following a temporary increase in the previous year due to storm-related clean-up operations. The most significant contributor to this reduction was the handover of the Apollo Bay Harbour dredge facility, which previously accounted for a large share of fuel use. Council continues to progress its fleet electrification strategy, with more hybrid vehicles being introduced where practical.

Water Usage for Council Facilities

Water consumption increased by 23.4% in 2024-25, rising from 90,868 kilolitres to 112,164 kilolitres. This notable increase is primarily attributed to ongoing dry climatic conditions and heightened water usage of Council's sporting and recreational facilities for irrigation. Additionally, water usage from standpipes increased due to the drought conditions across south-west Victoria.

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

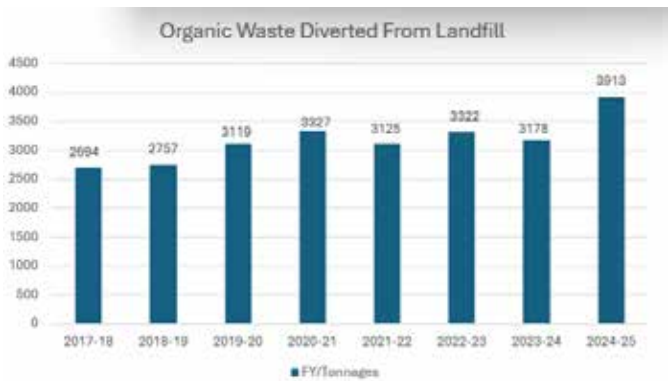
Waste

Organic Waste Diverted from Landfill

The bar graph shows how much organic waste our council has diverted from landfill each year, starting from 2,694 tons in 2017-18 and gradually increasing to a projected 3,913 tons in 2024-25. This steady rise highlights our ongoing efforts to reduce landfill waste through better organic recovery.

Although there were small fluctuations in some years, the overall trend is positive. Alongside this, our landfill waste has slightly decreased, and the diversion rate has improved from 54% to 56.2%, showing progress in our waste management practices.

With our current diversion rate, we are sending less waste to landfill, which helps reduce greenhouse gas emissions, saves valuable landfill space, and protects the environment. By diverting organic waste like food scraps and garden materials into composting or FOGO programs, we can turn it into useful products such as mulch and soil conditioners. This supports a circular economy and encourages better waste habits in our community.



Our Governance

Democratic Governance

Corporate Governance

Statutory Information

Governance and Management Checklist





Democratic Governance

Statutory responsibility for local government lies with each Australian state or territory. An Act of each State Parliament specifies local government powers, duties and functions.

In Victoria, the legal basis for councils is established under the *Constitution Act 1975*, the *Local Government Act 1989* and the *Local Government Act 2020*.

Councillor Code of Conduct

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

Decision-Making Process

Council is authorised to make decisions in only one of two ways:

- By resolution at Council meetings and Delegated Committees of Council; or
- By Council officers under delegated authority. The Chief Executive Officer is authorised under the Act to manage the day-to-day operations of the organisation. The CEO has the power to delegate decisions on operational matters to officers. There are certain powers that Council cannot delegate.

Council meetings

Open Council meetings were held on the fourth Wednesday of the month in 2024, but changed to the fourth Tuesday of each month in 2025 under the direction of the new Council group. These meetings are now held at 1pm. Agendas for these meetings are published on Council's website prior to the meeting and the community is welcome to attend in person or watch via live streaming. Council meeting minutes are also posted on the website following the meeting.

Council Committees

A Council may by instrument of delegation, delegate to members of a delegated committee any of its powers, duties or functions, under the *Local Government Act 2020* or any other Act (with exceptions).

Planning Committee

Colac Otway Shire has a Planning Committee comprised solely of all seven councillors, which considers and determines all matters referred to it pursuant to its instrument of delegation. Planning Committee meetings are generally held on the second Tuesday of the month, as required.

Community Asset Committees

Colac Otway Shire has 19 Community Asset Committees (Committees). The Committees undertake an important role in the management of community facilities across the Shire.

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

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

Officer Delegations

Colac Otway Shire Council's powers under the *Local Government Act 2020* or any other Act may also be delegated to the Chief Executive Officer or individual staff, or sub-delegated to a Colac Otway Shire Council officer by the Chief Executive Officer.

Conflict of Interest

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

During 2024-25, Councillors disclosed eight conflicts of interest during Council meetings and one conflict of interest at Planning Committee meetings.

Appointments to Committees and External Organisations

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

As at 27 November 2024, the current Councillor appointments to committees are detailed in the table below:

Committee	Councillor Representative
Committees Established by Council/Colac Otway Shire	
Planning Committee	All
Submissions Committee	All
Chief Executive Officer Employment Matters Advisory Committee	All
Audit and Risk Committee	Cr Howard and Cr Schram
Colac Municipal Aerodrome Advisory Committee	Cr Chris Potter
Colac Regional Saleyards Advisory Committee	Cr Charlie Buchanan
Lake Colac Co-ordinating Committee	Cr Mick McCrickard and Cr Zoe Hudgell
Mooleric Road Quarry Consultative Committee	Cr Chris Potter
Ondit Road Quarry Consultative Committee	Cr Chris Potter
External Committees and other Bodies	
Colac Road Safety Group	Cr Mick McCrickard
G21 Regional Alliance (Board)	Cr Jason Schram
Geelong Regional Library Corporation	Cr Mick McCrickard (Substitute Cr Chrissy De Deugd)
SouthWest Victoria Alliance (Board)	Cr Jason Schram
Rural Councils Victoria	Cr Chrissy De Deugd
Timber Towns Victoria Committee	Cr Charlie Buchanan
Geelong City Deals Community Reference Group (Observer) – Apollo Bay Harbour, Kennett River Traffic and Parking Representative	Cr Chris Potter
State and Commonwealth Local Government associations	
Australian Local Government Association	Cr Chris Potter (Substitute Cr Chrissy De Deugd)
Municipal Association of Victoria	Cr Phil Howard (Substitute Cr Zoe Hudgell)
G21 Region Alliance Pillars	
G21 Culture and Economic Development Pillar	Cr Zoe Hudgell
G21 Health and Wellbeing Pillar	Cr Mick McCrickard
G21 Sustainability Pillar	Cr Chrissy De Deugd
G21 Transport and Planning Pillar	Cr Chris Potter

Councillor Attendance at meetings

Previous Council term (July 2024 to October 2024)

Councillor	Colac Otway Shire Council meetings (total 6)	Planning Committee meetings (total 2)	Submissions Committee Meetings (total 3)	Chief Executive Officer Employment Matters Committee (total 1)	Audit and Risk Committee meetings (total 2)
Chris Potter	6	2	3	1	Not a member
Margaret White	5	2	2	1	2
Kate Hanson	6	2	3	1	Not a member
Stephen Hart	6	2	3	1	Not a member
Graham Costin	6	2	3	1	Not a member
Tosh-Jake Finnigan	5	2	3	1	Not a member
Max Arnott	6	2	3	1	2

New council term (October 2024 to June 2025) Executive Officer Governance

Councillor	Colac Otway Shire Council meetings (total 8)	Planning Committee meetings (total 4)	Submissions Committee Meetings (total 5)	Chief Executive Officer Employment Matters Committee (total 5)	Audit and Risk Committee meetings (total 3)
Chris Potter	8	4	5	5	Not a member
Jason Schram	8	4	5	5	3
Phil Howard	8	4	4	5	3
Mick McCrickard	8	4	4	5	Not a member
Zoe Hudgell	7	4	5	4	Not a member
Chrissy De Deugd	8	3	3	4	Not a member
Charlie Buchanan	8	4	4	5	Not a member

Election of Mayor

At the 20 November 2024 Council Meeting Councillor Jason Schram was elected unopposed as Mayor for a one-year term.

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

Councillor Support and Remuneration

The Council Expenses Policy provides a broad overview of how the Council assists and supports the Mayor and Councillors in carrying out their roles and official duties. A copy of the Policy is available for inspection on Council's website under Council policies. In line with the Policy, support is provided to the Mayor in the form of a council vehicle. Information and communication technology is available to all Councillors. The Council Expenses Policy contains provisions for reimbursement of expenses for training, registration fees for conferences and functions, travel and child-care.

The following table sets out the allowance paid to Councillors and councillor expenses for the reporting period 2024-25.

Councillor	Allowances including Superannuation	Car Mileage Expenses	Remote Area Travel	Information and Comms Technology Expenses	Conferences and Training Expenses	Other Expenses	TOTAL
Councillor Costin	\$11,001	\$726	\$333	\$87	\$0	\$0	\$12,147
Councillor Hanson	\$11,001	\$198	\$48	\$41	\$0	\$0	\$11,288
Councillor White	\$35,275	\$0	\$0	\$87	\$0	\$142	\$35,504
Councillor Hart	\$11,001	\$1,810	\$380	\$87	\$0	\$172	\$13,450
Councillor Finnigan	\$9,789	\$0	\$0	\$153	\$0	\$209	\$10,151
Councillor Arnott	\$11,001	\$0	\$0	\$92	\$38	\$224	\$11,355
Councillor Potter	\$33,137	\$660	\$0	\$327	\$2,257	\$30	\$36,411
Councillor Schram	\$68,533	\$0	\$0	\$240	\$1,700	\$0	\$70,473
Councillor Hudgell	\$21,535	\$0	\$0	\$240	\$0	\$0	\$21,775
Councillor Howard	\$34,733	\$5,001	\$1,995	\$240	\$199	\$132	\$42,300
Councillor Buchanan	\$21,535	\$869	\$0	\$240	\$55	\$0	\$22,699
Councillor McCrickard	\$21,535	\$0	\$0	\$240	\$0	\$0	\$21,775
Councillor De Deugd	\$22,136	\$3,783	\$1,615	\$240	\$0	\$0	\$27,774
Total	\$312,212	\$13,047	\$4,371	\$2,314	\$4249	\$909	\$337,100

Corporate Governance

Having strong governance and management frameworks leads to better decision making by Council. The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations.

Audit and Risk Committee

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

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

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

Audit and Risk Committee members

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

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

In 2024-25, the independent members were:

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

Melissa Field, B. Comm, MBA, CA appointed from December 2021 and Chair from October 2023

Over 30 years commercial and financial experience, including 15 years in Big 4 Chartered Accounting firms. Melissa is an established independent governance professional. She has held Independent

Non-Executive Director and Chair roles in multiple organisations and industries including privately held and publicly held multinational IT services, national Not for Profit organisations and state government bodies. She is also an experienced Audit and Risk Committee Chair, having held this role in private company, public company, not for profit and local government settings. Her passion is using the levers of governance to add value to all stakeholders.

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

Experienced director in public sector agencies and independent member of Audit and Risk Committees including local government. Over 30 years' experience in professional services specialising in audit, assurance and risk management services in local government and public sector agencies.

John Sutherland Chartered Accountant Diploma of Business Studies Appointed December 2023

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

Richard Trigg appointed from December 2020

Richard has more than 40 years involvement with the accounting profession in tax, business management and audit, including as partner of a large, chartered accounting firm so he is well equipped to contribute to the leadership and governance of Council through the Audit and Risk Committee. Richard also spent 15 years in local government including positions as Finance Manager, Director Corporate Services and Acting CEO, providing valuable insight into the role that the Audit and Risk Committee plays in local government.

Audit and Risk Committee meetings

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

Attendee	Role	22 Aug 24	9 Sept 24	5 Dec 24	13 Mar 25	15 May 25
John Gavens	Independent member	✓	✓	✓	✓	✓
Richard Trigg	Independent member	✓	✓	✓	✓	✓
Melissa Field	Independent member - Chair	✓	✓	✓	✓	✓
John Sutherland	Independent member	✓	✓	✓	✓	✓
Councillor Margaret White	Councillor representative	✓	✓			
Councillor Max Arnott	Councillor representative	✓	✓			
Councillor Jason Schram	Councillor representative			✓	✓	✓
Councillor Phil Howard	Councillor representative			✓	✓	✓

Internal Audit

Council's internal audit service assists in maintaining robust, relevant and effective internal controls. Findex Australia Pty Ltd is contracted to deliver this service for Council. Internal audits were complete for the following functions during the 2024-25 year: Accounts Payable and Privacy Management.

External Audit

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

Risk management

Risk Management has a high organisational profile, reinforced by a corporate risk register which is managed by staff within a specialist risk management software program and monitored by Council's executive management team and Audit and Risk Committee.

The current risk management framework provides for the management of these business enterprise risks in accordance with best practice guidelines and International Standard ISO 31000.

A comprehensive strategic risk register containing 19 revised items has been developed in consultation with Council's Executive Management Team and Audit and Risk Committee to reflect current and emerging risks specific to the Colac Otway Shire.

Business Continuity

After an independent review of its business continuity framework in 2020, Council took the opportunity to capture and apply learnings from the COVID-19 pandemic to further mature its response to business disruption.

Council's approach towards this project has been a collaborative one, combining business continuity planning with various aspects of emergency management planning to develop a cohesive, interlinked plan across the organisation, including the resourcing of key staff during an emergency.

In addition to the ongoing work required to maintain accurate and effective business continuity practices and critical function response plans within each business unit, work will continue into 2025-26 to finalise this project and embed a strong foundation for continuous improvement.

Policies, Strategies and Plans

The following policies, strategies and key plans were reviewed, endorsed and/or adopted by Council during 2024-25:

- Adoption of Revised Governance Rules – 24 July 2024
- Adoption of Procurement Policy – 24 July 2024
- Adoption of Complaints Policy – 24 July 2024
- Adoption of Nature Strip Planting Policy and Guidelines – 28 August 2024
- Adoption of Colac Botanic Gardens Master Plan – 28 August 2024

- Approved Colac West Development Plan – 11 September 2024
- Adoption of Investment Policy – 11 September 2024
- Annual Report – 16 October 2024
- Adoption of Revised Audit and Risk Committee Charter – 25 February 2025
- Adoption of Revised Councillor Expenses and Support Policy – 25 February 2025
- Adoption of 2025-29 Revenue and Rating Plan – 27 May 2025
- Adoption of Colac Otway Shire 2025-26 Budget – 24 June 2025
- Adoption of Asset Accounting Policy – 24 June 2025
- Adoption of Council Internal Resolution Procedure - 24 June 2025

Statutory Information

The following information is provided in accordance with legislative and other requirements.

Documents available for inspection

The following list of documents are available for public inspection. These documents can be viewed at the Colac Otway Shire Offices at 2 6 Rae Street, Colac from 8.30am to 5.00pm Monday to Friday.

Documents
Meeting Agendas and Reports to Council and Delegated Committees
Minutes of Council meetings and meetings of Delegated Committees
Audit and Risk Committee Charter
Terms of Reference: a) Delegated Committees b) Community Asset Committees c) Advisory Committees of Council
Gift Registers for Councillors and Council Staff
Travel Registers for Councillors and Council Staff
Registers of Conflicts of Interest disclosed by Councillors and Council Staff
Registers of Leases entered into by Council
Register of Delegations
Register of Authorised Officers
Register of Election Campaign Donations
Summary of Personal Interests
Councillor Allowances – Category 2
Any other Registers or Records required by the Act or any other Act

Beneficial Enterprises

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

- SouthWest Victoria Alliance (Council resolved to join on 20 April 2022)
- Barwon Southwest Climate Alliance (Council resolved to join on 27 April 2022).

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

Through 2024-25 both organisations have performed their role in accordance with their corporate requirements. No financial or non-financial risks arising from the operations have been identified.

Domestic Management Animal Plan (DAMP)

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

Council adopted the Domestic Animal Management Plan 2021-25 in December 2021. The new Plan was developed in consultation with various departments and was exhibited for a six-week public consultation period from 27 September 2021.

A new Domestic Animal Management Plan will be adopted in 2025.

Food Act Ministerial Directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report. No Ministerial Directions were received by Council during 2024-25.

Freedom of Information

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

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

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

Council received 18 Freedom of Information applications in 2024-25.

More information, including an application form, is available on Council's website

Privacy and Data Protection Act 2014

Standards set out by Victoria's *Privacy and Data Protection Act 2014*, and our Privacy Policy, control how we manage personal information. Privacy compliance is included in our staff induction program. We have a dedicated privacy team to help staff and members of the public with privacy-related queries or issues.

One privacy complaint was received from the Office of the Victorian Information Commissioner in 2024-25. The complaint was dismissed.

Public Interest Disclosure Act 2012

Colac Otway Shire Council is committed to the aims and objectives of the *Public Interest Disclosures Act 2012*. Council has established guidelines for responding to public interest disclosures. Reports of improper conduct, corrupt conduct, criminal offences, serious professional misconduct, conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety by Colac Otway Shire or its employees, can be made to the nominated Council staff or the Independent Broad-based Anti Corruption Commission.

Disclosures may be made by any person including a member, officer or employee of Colac Otway Shire.

A copy of the Public Interests Disclosure Policy is available from Council's website.

During 2024-25 no disclosures were notified to the Independent Broad-based Anti-Corruption Commission.

Road Management Act Ministerial Direction

Council, as a road authority, is required under Section 22 of the Act to publish a copy or summary of any direction received from the Minister in its annual report.

No Ministerial Directions were received during 2024-25.

Infrastructure and Development Contributions

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions, including levies and works in kind.

The report must be published in the Council's Annual Report. Council does not have any development contribution plans recognised under the planning scheme, therefore no contributions were received in 2024-25.

Customer Complaints

During the 2024-25 year, 151 complaints were recorded in the Complaints register. All of these were resolved, with none remaining open.

The average time to resolve complaints was 11 days. Council's target for resolving complaints is within 28 days:

- 48 per cent were upheld, 28 per cent were partially upheld, and 17 per cent were not upheld (2.6% were found not to be complaints)
- 47 recommendations for improvement in service delivery were initiated during the year, with further 14 recommendations made based on analysis of annual results.

Governance and Management Checklist 2024-25

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

Governance and Management Items	Assessment
Community Engagement Policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act. Date of adoption: 29/06/2022
Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation. Date of commencement: 03/02/2024
Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act. Date of adoption: 21/10/2021
Asset Plan (plan that sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act. Date of adoption: 29/06/2022
Revenue and Rating Plan (plan setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act. Date of adoption: 27/05/2025
Annual Budget (plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 94 of the Act. Date of adoption: 24/06/2025
Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation Date of commencement: 25/10/2023
Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date of commencement: 25/10/2023
Municipal emergency management planning (Participation in meetings of the Municipal Emergency Management Planning Committee.)	Five MEMPC meetings were attended by one or more representatives of Council (other than the chairperson of the MEMPC) on the following dates: 9/9/24, 2/12/24, 6/2/2025, 3/3/25 and 2/6/25.
Procurement Policy (policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Adopted in accordance with section 108 of the Act. Date of commencement: 24/07/2024
Business Continuity Plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation Date of commencement: 30/09/2022

Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation Date of commencement: 30/11/2022
Complaint Policy (Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints.)	Policy developed in accordance with section 107 of the Act. Date of commencement: 24/07/2024
Workforce Plan (Plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation.)	Plan developed in accordance with section 46 of the Act. Date of commencement: 23/12/2021
Payment of Rates and Charges Hardship Policy (Policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates.)	Assistance to Rates Debtors Policy in operation Date of commencement: 24/07/2020
Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation Date of commencement: 25/10/2023
Audit and Risk Committee (advisory committee of Council under section 53 and 54 of the Act)	Established in accordance with section 53 of the Act. Date of commencement: 25/02/2025
Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged Date of engagement: 05/08/2024
Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Current framework in operation Date of adoption: 28/07/2014
Council Plan report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Reports presented to Council on 27/5/25, 25/2/25, 27/11/24
Quarterly budget reports (quarterly reports to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)	Quarterly reports presented to Council in accordance with section 97(1) of the Act. Quarterly Reports presented to Council on 27/5/25, 25/2/25, 27/11/24
Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Risk reports prepared and presented Dates of report: 06/02/2025 Strategic Risks were reported to Senior Management on 16/9/24, 7/10/24, 28/10/25, 17/2/25, 5/5/25, 2/6/25.
Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act)	Presented at a meeting of Council in accordance with section 98 of the Act on 27/5/25
Annual Report (annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements)	Presented at a meeting of Council in accordance with section 100 of the Act on 16/10/2024

Councillor Code of Conduct (Code setting out the standards of conduct to be followed by Councillors and other matters.)	Code of conduct reviewed and adopted in accordance with section 139 of the Act. Date reviewed and adopted: 11/11/2024 All Councillors took an oath of office on 11/11/2024 which included the following statement: "I will abide by the Model councillor Code of Conduct and uphold the standards of conduct set out in the Model Councillor Code of Conduct."
Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act. Date of review: 25/03/2025 S5 Instrument and S6 Instrument reviewed at Council Meetings in February and March 2025. Instruments published on Council's website and register of Instruments kept in Council systems being RelianSys and Content Manager.
Meeting procedures (Governance Rules governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act. Date rules adopted: 24/07/2024

I certify that this information presents fairly the status of Council's governance and management arrangements.



Andrew Tenni
Chief Executive Officer
Dated: 20/10/2025



Cr Jason Schram
Mayor
Dated: 20/10/2025

Performance and Financial Statements

Non-audited performance statements

Audited statements





Certification of the Performance Statement

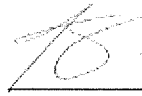
In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.



Martin Cutter CA
Principal Accounting Officer

Dated:

14-10-25



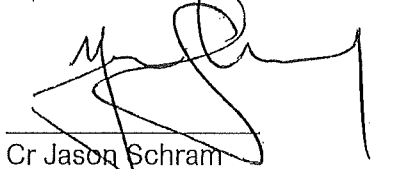
Andrew Tenni
Chief Executive Officer

14/10/2025

In our opinion, the accompanying performance statement of the Colac Otway Shire Council for the year ended 30 June 2025 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity. At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify this performance statement in its final form.



Cr Jason Schram
Councillor

Dated:

14-10-25



Cr Phil Howard
Councillor

Dated:

14/10/25

Independent Auditor's Report

To the Councillors of Colac Otway Shire Council

Opinion	I have audited the accompanying performance statement of Colac Otway Shire Council (the council) which comprises the: • description of municipality for the year ended 30 June 2025 • service performance indicators for the year ended 30 June 2025 • financial performance indicators for the year ended 30 June 2025 • sustainable capacity indicators for the year ended 30 June 2025 • notes to the accounts • certification of the performance statement. In my opinion, the performance statement of Colac Otway Shire Council in respect of the year ended 30 June 2025 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and Local Government (Planning and Reporting) Regulations 2020.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the performance statement	The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and Local Government (Planning and Reporting) Regulations 2020 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

**Auditor's
responsibilities
for the audit of
the performance
statement**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement. As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
21 October 2025



Travis Derricott
as delegate for the Auditor-General of Victoria

Section 1. Description of municipality

Colac Otway Shire is situated about 160 kilometres south-west of the Melbourne CBD and approximately an hour's drive to the large regional cities of Geelong to the east, Ballarat to the north and Warrnambool to the west.

Colac Otway Shire has a unique and precious natural environment containing some of the most picturesque scenery in the State. A large proportion is Forest Park and National Park but it also includes beaches, rugged coastline, rainforests, waterfalls, volcanic lakes and craters.

The municipality offers a great lifestyle, being ideally located for those looking for a rural idyll within a comfortable commuting distance to major centres.

The five major industry sectors include:

- Manufacturing
- Healthcare and Social Assistance
- Agriculture, Forestry and Fishing
- Retail Trade
- Tourism.

Colac Otway Shire Council provides many high-quality services and facilities across a wide range of areas from, community services, environmental management, customer services, health and wellbeing, family and children's services, open spaces, waste management, tourism, parks and gardens; to business development, planning for appropriate development and ensuring accountability for Council' budget.

Section 2. Service performance indicators

For the year ended 30 June 2025

Results						
	2022	2023	2024	2025		Comment
Service / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.73	4.64	6.44	N/A	7.27	A more consistent approach to programming has lead to the increase in attendance.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0%	0%	0%	N/A	100%	Council only initiated one prosecution and was successful.

Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	88.89%	100.00%	95.24%	N/A	90.91%	Council have worked with proprietors to rectify all critical and major non-compliances in a timely manner.
Governance Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	53	47	48	54	47	On trend with last years performance. The satisfaction survey is independent of Council and conducted by consultants for the State Government.
Libraries Participation <i>Library membership</i> [Number of registered library members / Population] x100	N/A	N/A	24.21%	N/A	26.94%	There has been a strong increase in the number of members who have registered activity when compared to the same period last year.

Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	75.84%	76.62%	76.46%	N/A	78.06%	The number of children that attended MCH service in the year increased.
	79.63%	85.71%	84.44%	N/A	67.50%	Overall small numbers. Older children may not be seen within 12 month period of report. Closure of Aboriginal Gathering Place in Colac may have impacted participation.
	96.00%	97.70%	98.54%	100.00%	99.30%	Result is better than previous three years due to increased resources allocated to the construction of sealed roads.
Roads Condition <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100						

Section 3. Financial performance indicators

For the year ended 30 June 2025

	2022	2023	2024	2025		2026	2027	2028	2029	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Efficiency Expenditure level Expenses per property assessment [Total expenses / Number of property assessments]	\$3,668.96	\$3,825.47	\$4,088.50	\$4,019.00	\$4381.80	4,103.07	\$4,295.22	\$4,490.03	\$4,708.00	
Revenue level Average rate per property assessment [Sum of all general rates and municipal charges / Number of property assessments]	\$1,831.50	\$1,871.96	\$1,960.60	N/A	\$2,022.79	\$2,078.87	\$2,130.65	\$2,183.73	\$2,238.14	
Liquidity Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100	187.14%	243.91%	229.32%	266.75%	320.21%	156.72%	164.51%	169.95%	171.03%	Increase driven by higher current assets as a result of the full 2024-25 Federal Assistance Grant Payment being received in the 2024-25 year, and an advance of the 2025-26 grant being received in 2024-25 has resulted in the variance.

Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	-16.72%	64.42%	48.65%	N/A	135.42%	129.38%	136.90%	142.08%	142.92%	Increase driven by higher cash balance as a result of the full 2024-25 Federal Assistance Grant Payment being received in the 2024-25 year, and an advance of the 2025-26 grant being received in 2024-25 and a decrease in Trade and other payables and contract and other liabilities.
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	1.81%	0.00%	0.00%	N/A	0.00%	1.23%	1.09%	0.95%	0.81%	Increase in metric over the forecasted period, will result from the draw down of a \$500,000 loan in 2025-26 year.
Loans and borrowings <i>repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	0.55%	1.86%	0.00%	N/A	0.00%	0.10%	0.16%	0.15%	0.15%	

Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	11.86%	10.98%	10.11%	N/A	20.16%	11.09%	10.65%	10.23%	9.82%	Increase driven by material increase in our non-current liability provision relating to Alvie Landfill Rehabilitation.
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	105.27%	74.11%	75.08%	79.45%	89.53%	68.82%	65.56%	63.34%	61.20%	Increase driven by uplift in completion of asset renewal projects in Roads and the Plant and Equipment asset classes.
Operating position Adjusted underlying result (or deficit) Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	0.91%	1.85%	-17.36%	N/A	-8.04%	-5.04%	-5.86%	-7.14%	-8.91%	Improvement in the metric driven by increased income as a result of the full 2024-25 Federal Assistance Grant Payment being received in the 2024-25 year, offset by increase in materials and services as a result of movement in the Alvie Landfill Rehabilitation provision.

Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	55.67%	54.10%	63.72%	64.50%	57.47%	61.37%	61.04%	61.06%	61.16%	Rates as a proportion adjusted underlying revenue has decreased Year on Year as a result of the full 2024-25 Federal Assistance Grant Payment being received in the 2024-25 year and an advance of 2025-26 grant being received in 2024-25 year.
	0.41%	0.29%	0.29%	N/A	0.30%	0.32%	0.33%	0.34%	0.35%	
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100										

Section 4. Sustainable capacity indicators

For the year ended 30 June 2025

Results

	2022	2023	2024	2025	Comment
Indicator / Measure [Formula]	Actual	Actual	Actual	Actual	
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,726.33	\$2,764.44	\$2,949.31	\$3,155.29	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$17,967.21	\$19,268.12	\$20,920.40	\$22,270.72	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	13.20	13.63	13.63	13.69	
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,919.00	\$1,999.37	\$2,084.14	\$2,117.62	
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$653.40	\$674.75	\$246.89	\$769.51	Increase in metric driven by low population growth and the 2023-24 Federal Assistance Grant Payment being received in the 2024-25 year.
Disadvantage <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	3.00	3.00	3.00	3.00	
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	23.15%	19.81%	19.40%	19.25%	

Section 5. Notes to the accounts

5.1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g., Australian Bureau of Statistics or the Council's satisfaction survey provider).

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by *the Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2025-26 to 2028-29 by the council's financial plan.

The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

5.2. Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities

own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

5.3. Other Matters

Overview of 2025

During the financial year Council experienced growth in residents and demand for services. Extensive capital works were undertaken to improve infrastructure.

Financial Statements

Financial Summary

Colac Otway Shire Council's performance was generally favourable when compared to the 2024-25 Budget and the previous financial year.

Detailed information relating to Council's financial performance is included in the Financial Report and statements included at the end of this annual report.

Influences on performance

The most significant impact on Council's financial performance, when compared to the adopted budget and the prior year result, was the payment of the Financial Assistance Grant, which was expected to be received at the end of the 2023-24 financial year but was instead paid in early 2024-25. In addition to this, balance sheet provisions relating to landfill had to be increased, to account for additional works at the Alvie Landfill. This movement in the provision was recognised as a Materials and Services expense.

Like most businesses, Council has continued to experience significant increases in the cost of services, commodities and consumables this year. In particular the cost of almost all construction activities has increased by unprecedented amounts over the last two years, including 2024-25. This impacts the cost of delivery of infrastructure works and also flows through to asset revaluations and depreciation in Council's accounts.

Operating results

The 2024-25 results show that Council achieved an operating surplus of \$2.08 million for the year, \$7.49 million greater than the (\$5.41) million deficit in the prior year. It is important to note, that the operating result includes non-recurrent items. Any trends and timing differences of grants received need to be assessed over a longer period than year-on-year comparisons.

Revenue

Total revenue for 2024-25 is \$72.44 million (budgeted \$59.28 million) compared with \$60.28 million for 2023-24. Further detail on income can be seen in the Comprehensive Income Statement and notes 3.1 to 3.7 of the 2024-25 Financial Statements.

Notable contributions to the higher revenue are in the following areas:

1. Grants – Operating - Favourable variance to budget due to additional Diesel Fuel Rebates received (\$187K), the Federal Assistance Grant Payment for 2023-24 was received on 5 July 2024 (\$7.5M), and 50% of the Federal Assistance Grant Payment for 2025-26 was received on 23 June 2025 (\$4.6M), therefore both of these were recognised in Financial Year 2024-25.
2. Grants – Capital - Favourable variance to budget due to Income recognised from completed carried forward projects from prior years that exceeded the budgeted grant income
3. Contributions – monetary - Favourable variance to budget due to Council receiving Contributions from developers for Public Open Space Contributions (\$229K).
4. Net (loss) on disposal of property, infrastructure, plant and equipment - Unfavourable variance to budget due to losses for Asset Sales of Bridges (\$1.2M due to removal of bridges off Council's Asset Register) and 69 McLaughlan Street, Apollo Bay (\$800K due to Council's decision to gift the land to the community).

An analysis of Council's revenue sources highlights that 71% of income is derived from two income categories:

- Rates and charges 52% (2023-24: 59%)
- Operating grants 23% (2023-24: 12%)

Expenditure

Total expenses for 2024-25 is \$70.36 million (budgeted \$64.54 million) compared with \$65.69 million for 2023-24. Notable contributions to the higher expenditure are in the following areas:

1. Employee costs - Unfavourable variance to budget due to higher than budgeted costs for Casuals (\$647K), additional Employee Leave taken (\$552K), and a higher than budgeted WorkCover Premium (\$85K), offset by an underspend in Salaries and Wages (\$1.2M)
2. Materials & Services - Unfavourable variance to budget due to Contractors (\$4.7M), and largely due to movement in the Alvie Landfill Provision (being \$4.1M), Expensed Capital Works (\$461K), Agency Staff (\$460K) and Legal Costs (\$140K). This is offset by an underspend in Subscriptions and Memberships (\$346K), Consultants (\$284K) and Insurances (\$149k).

In summary, an analysis of expenses indicates that 97% were in the following three categories:

- Employee costs 36% (2023-24: 40%)
- Materials and services 40% (2023-24: 36%)
- Depreciation and amortisation 22% (2023-24: 22%)

Capital Works

In 2024-25 Council's Capital Works delivery increased by \$2.89 million compared to the prior year, to a total of \$13.7 million.



Renewal of existing assets accounted for \$11.97 million, new assets accounted for \$0.08 million and upgrade to existing assets totalled \$1.67 million. Investment in capital works is a strategic approach to maintaining or renewing the community's existing assets as they age.

Activities included:

- \$7.53 million on road works;
- \$0.52 million on drainage and storm water;
- \$2.15 million on renewal of Council's plant, machinery and equipment;
- \$0.36 million on footpaths and cycle ways;
- \$1.76 million on buildings; and
- \$1.40 million on other infrastructure.

Assets

Total assets are valued at \$602.90 million; primarily consisting of:

- Property, plant, equipment and infrastructure (land, buildings, roads, bridges etc.)
- Cash assets (mainly short-term investments)

The main contributor to the overall increase in the total assets was due to the revaluation of significant asset classes. These included:

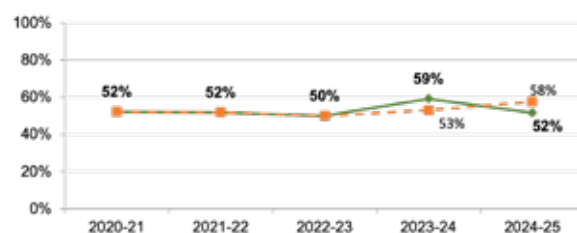
- Other Infrastructure - \$14.74 million
- Bridges - \$9.72 million
- Buildings - \$6.73 million

Liabilities

Total liabilities were \$21.90 million as at 30 June 2025. Liabilities include loans, lease obligations, amounts owed to suppliers, provisions for landfill rehabilitation and amounts owed to employees for leave entitlements. Liabilities decreased by \$1.92 million, in comparison with 2023-24. Unearned income has decreased from 2023-24 by \$1.10 million. This was due to amounts received in advance for specific purpose government grants for operations.

Financial Indicators

The financial indicators included in this report provide information on performance trends over time.



Revenue Ratio

The Revenue Ratio shows the level of reliance on rate revenue. It is an indication of how much total revenue comes from rates and charges. It is influenced by other revenue sources such as government grants, contributions, special charges, user fees and charges.

Rate income is a secure and predictable source of revenue. A low ratio can warn of undue reliance on other forms of revenue, which may or may not be sustainable, e.g. government grants. The preferred position is for a reliance on rates and

other commercial revenue, with a low dependency on government grants.

Financial Assistance Grants (FAGs) in the amount of \$7.47 million relating to the 2024-25 financial year was received in early July of the 2024-25 financial year. This amount was expected to be received in June of the 2023-24 financial year.

As FAGs for the 2025-26 financial year was received in advance, Council in effect received one and a half years of FAGs funding in one year totalling \$13.45 million. When the \$7.47 million is removed from the 2024-25 income the revenue ratio shifts to 58%.

Financial Sustainability

Indicators of Financial Sustainability are defined in a number of different ways. A generally accepted definition is whether local governments have sufficient current and prospective financial capacity (inflows) to meet their current and prospective financial requirements (outflows).

To be sustainable, councils need to have some excess capacity at any point in time to be able to manage future financial risks and shocks without having to radically adjust their current revenue or expenditure policies.

The following seven indicators are utilised and published by the Victorian Auditor General annually, to assess the financial viability of councils. The figures for the prior financial years are taken from the Victorian Auditor-General's Office (VAGO) report that can be found at:

<https://www.audit.vic.gov.au/report/results-2019-20-audits-local-government>

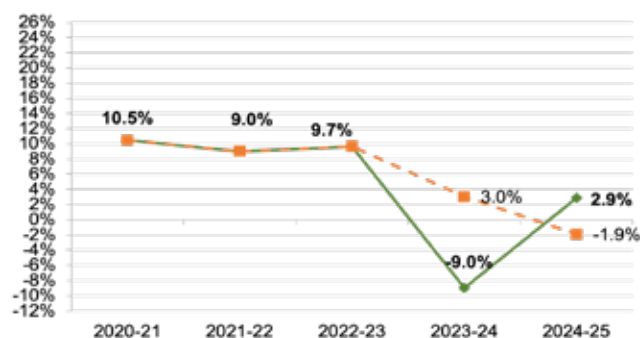
The following table summarises Colac Otway Shire Council's result for 2024-25:

Indicators	Colac Otway Result	Risk Levels		
		High	Medium	Low
Net Result Ratio	2.9%	Less than Negative 10%	Between negative 10% and zero	Greater than zero
Adjusted underlying result	4.7%	Less than 0%	Between 0% and 5%	Greater than 5%
Liquidity Ratio	320.2%	Less than 75%	Between 75% and 100%	Greater than 100%
Indebtedness Ratio	19.5%	Greater than 60%	Between 40% and 60%	Less than 40%
Internal Financing Ratio	130.0%	Less than 75%	Between 75% and 100%	Greater than 100%
Capital Replacement	90.1%	Less than 100%	Between 100% and 150%	Greater than 150%
Renewal Gap	89.5%	Less than 50%	Between 50% and 100%	Greater than 100%

The following information provides a definition for each indicator and the five-year trend for each:

Net Result Ratio

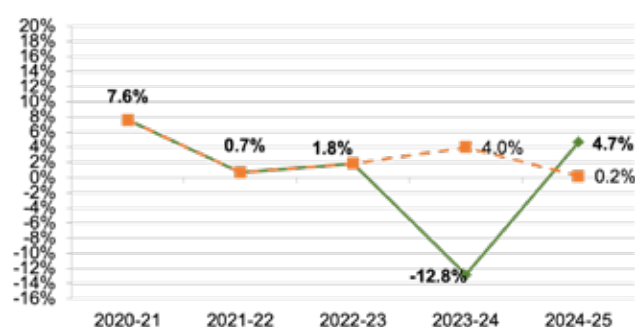
This measures how much of each dollar collected as revenue translates to net result. A positive result indicates a surplus, and the larger the percentage, the stronger the result.



This ratio includes capital grants and grants received in advance that aid in generating a surplus. This can be utilised for new assets or asset renewal. This result places Council within the 'Medium' risk category for financial sustainability. A slight year on year improvement in ratio driven by greater income generated, and slight improvement in surplus. The Net Result with FAGs removed from the 2024-25 results shifts the indicator to (1.9%).

Adjusted Underlying Result

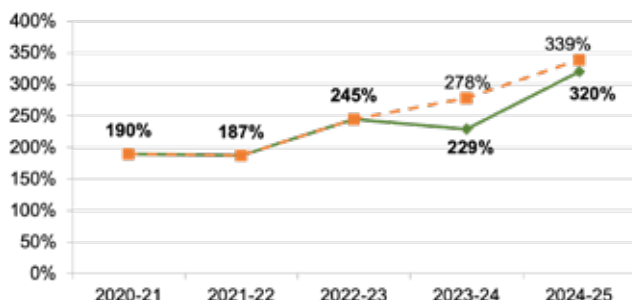
This measures an entity's ability to generate a surplus, or pay for its own operations, in the ordinary course of business—excluding non-recurrent capital grants, non-monetary asset contributions, and other contributions to fund capital expenditure from the net result. A deficit suggests a reduction in the operating position.



This indicator has improved significantly, year on year, primarily due to the timing of receipt of FAGs where \$7.47 million relating to the 2023-24 financial year was received in early July of the 2024-2025 financial year, offset by the movement in the Landfill provision of \$4.16 million, that was recognised as a Materials and Services expense. Adjusted Underlying Result, adjusted for FAGs and the movement in Landfill provision in 2024-25 results shifts the indicator to 0.2%.

Working Capital Ratio

This measures an entity's ability to pay existing liabilities in the next 12 months. A ratio greater than 100% means there are more cash and liquid assets than short-term liabilities.

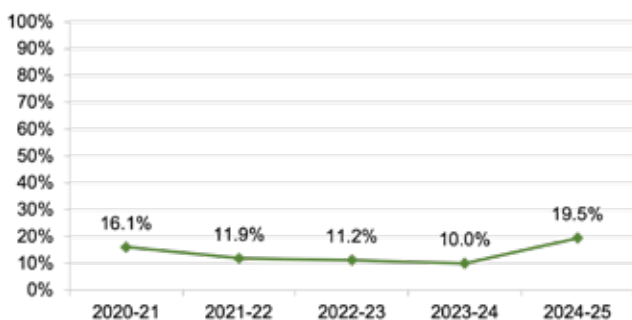


The Working Capital Ratio expresses the level of current assets, such as cash and investments, that Council has available to meet our current liabilities. This includes outstanding creditors and employee entitlements.

The current ratio of 320% represents a 91% year on year increase driven in the most part by an increase in Cash held and a decrease in current liabilities. Working Capital Ratio adjusted for FAGs and the movement in Landfill provision, in the 2024-25 results shifts the indicator to 339%.

Indebtedness Ratio

This assesses an entity's ability to pay liabilities, as and when they fall due, from the funds it generates. The lower the ratio, the less revenue the entity is required to use to repay its total debt. Own-sourced revenue is used, rather than total revenue, because it does not include grants or contributions.

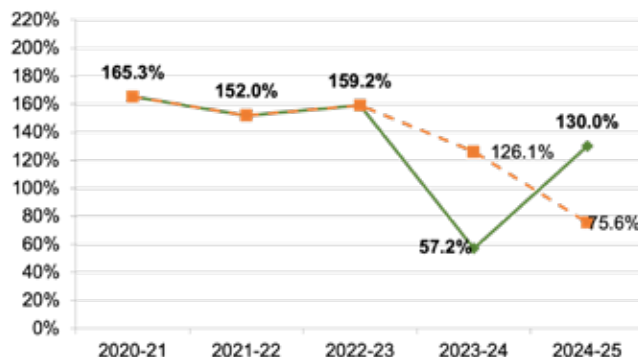


The ratio is comfortably in the low-risk category, indicating that we are generating sufficient funds to cover debt without requiring outside assistance.

This indicator has increased in 2024-25 by 9.5% with minor movement in non-current liabilities.

Internal Financing Ratio

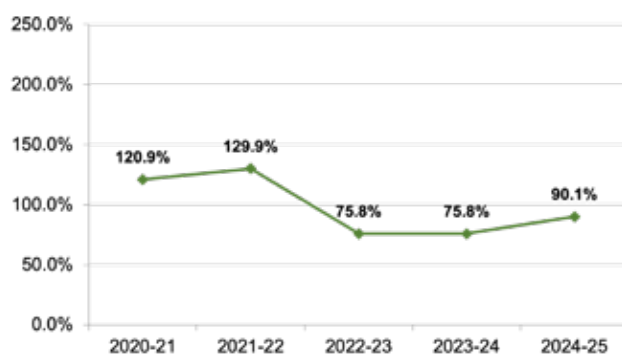
This measures an entity's ability to finance capital works using cash generated by its operating cash flows. The higher the percentage, the greater the ability for the entity to finance capital works from its own funds.



The results indicate that Council's ability to generate sufficient cash from operations to fund the renewal of existing assets has increased year on year driven in the most part by receipt of FAGs (as mentioned above), having a \$7.47 million impact on cash held. The Internal Financing Ratio with FAGs added back to the 2024-25 results shifts the indicator to 75.6%.

Capital Replacement Ratio

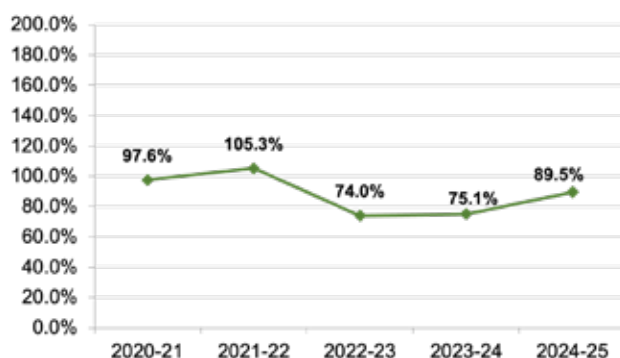
This compares the rate of spending on infrastructure, property, plant and equipment, and intangibles with its depreciation and amortisation. This is a long-term indicator, as capital expenditure can differ in the short term if there are insufficient funds available from operations, and borrowing is not an option. A ratio less than 100% means the spending on capital works has not kept pace with consumption of assets.



This ratio is about the overall spending on assets, both new and existing. The 2024-25 result is assessed as high risk and is impacted by the increase in carry forward of capital projects of \$8.20 million to 2025-26, and year-on-year increases in Plant and Equipment, and Infrastructure depreciation of \$0.95 million.

Renewal Gap Ratio

This compares the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation. Ratios higher than 100% indicate that spending on existing assets is faster than the depreciation rate.



This ratio is about the renewal and upgrade of our existing assets (i.e. replacing one asset with another of the same or better quality). There has been an improvement in the 2024-25 result, which is now in the medium-risk category, driven in the most part by a \$2.92 million net increase in renewal and upgrade capital expenditure.

Understanding the Financial Statements

Introduction

The financial statements show Council's performance during 2024-25 and its overall financial position as at 30 June 2025. Council presents the financial report in accordance with Australian Accounting Standards.

Particular terms required by the standards may not be familiar to some readers. Council's commitment is to be as transparent as possible. It is in this context that the following explanations have been developed to assist readers to understand and analyse the financial report.

Annual Financial Statement

The Annual Financial Report contains the General Purpose Financial Statements. The data throughout this report includes all entities controlled by Council. Council's financial report has two main sections, the Report and the Notes. There are five Statements and ten notes. These are prepared by Council staff, reviewed by Council and Council's Audit and Risk Committee and then given audit approval by the Victorian Auditor-General.

The five statements included in the first few pages of the report are the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement Cash Flows and Statement of Capital Works. The Notes detail Council's accounting policies and give further information about the make-up of the values contained in the statements.

Comprehensive Income Statement

This statement includes all sources of income, less all operating expenses incurred in delivering Council services. It also includes depreciation of the value of buildings, roads, footpaths, drains and all other assets used to deliver Council services.

These assets are depreciated over their life as they are used. Capital costs of new assets acquired or created during the year are excluded from this statement. Preparation of the statement is on an 'accrual' basis.

This means that all income and costs for the year are recognised even though the income may not have been received (interest on bank deposits), or expenses not paid (invoices not received for goods and services already used). Similarly, income, such as grant revenue, that is received in advance is held on the Balance Sheet as a current liability and not recognised as revenue until earned (i.e. the required performance obligations have been met under the funding agreement).

The key figure to look at is the underlying surplus/ (deficit) for the year. A surplus that is positive means that recurrent revenue was greater than recurrent expenses. Continual deficits (losses) may raise questions about Council's ability to be financially viable in the longer-term.

Balance Sheet

The Balance Sheet is a one-page summary of Council's financial position as at 30 June each financial year. It shows what we own (assets) and what we owe (liabilities).

The bottom line of this statement is net assets or the 'net worth' of Council. The assets and liabilities are separated into current and non-current. Current means those assets or liabilities which will fall due or will be used in the next 12 months. The components of the balance sheet are described below.

Current and Non-Current Assets

- Cash and cash equivalents include cash held at bank, petty cash and term deposits with an original investment period of 90 days or less.
- Other Financial Assets include investments, such as term deposits with original investment periods greater than 90 days.
- Trade and Other Receivables are monies owed to Council by ratepayers and other customers.
- Inventories include any stock being held by Council.
- Other assets include accounts which have been prepaid.

- Investment in Associates and joint ventures is the investment in the Geelong Regional Library Corporation.
- Property, Plant and Equipment, Infrastructure is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, and other items.
- Right-of-use assets consist of leased assets, which Council has the right to use over the life of a lease.

Current and Non-Current Liabilities

- Trade and other payables include monies owed by Council as at 30 June each financial year and unearned income received in advance.
- Trust funds and deposits are monies received and held by Council.
- Provisions include landfill rehabilitation works and employee benefits, such as accrued long service and annual leave.
- Interest bearing loans and borrowings includes loans repaid over a set period of time.
- Lease liabilities are financial obligations to make the payments arising from leased assets, where control of the asset is transferred to Council.

Net Assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June each financial year. The net value of Council is also synonymous with total equity.

Total Equity

- Asset revaluation reserve is the difference between the cost of property and infrastructure assets and their current valuations.
- Other reserves are allocations of the accumulated surplus for specific funding purposes. Some are required by legislation, some are mandated under Council policy.
- Accumulated surplus is the value of all net assets accumulated over time.

Statement of Changes in Equity

The value of total equity, as set out in the balance sheet, changes during the year. The statement shows the movement in total equity and any movement between accumulated surplus and reserves. The main reasons for changes in equity are:

- The 'profit and loss' from operations, described in the Comprehensive Income Statement as the surplus/(deficit) for the year.
- The use of monies from Council's reserves and transfers to Council's reserves.
- Revaluation of assets occurs to ensure that assets are correctly valued at current replacement value.

Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. This statement is presented according to a very specific Accounting Standard and needs some care in analysis. The values may differ from those shown in the Comprehensive Income Statement because this statement is prepared on an accrual accounting basis.

The amounts disclosed in the Cash Flow Statement are cash flows generated from, and used in, three main areas:

1. Cash Flow from Operating Activities

Receipts: All cash received into Council's bank account from ratepayers and other monies owed to Council. Receipts also include the interest assets from Council's cash investments. It does not include the costs associated with the sale of assets. Payments: All cash paid from Council's bank account to suppliers, staff and other persons. It does not include the costs associated with the creation of assets.

2. Cash Flow from Investing Activities

The accounting term Investing Activities relates to payments for the acquisition of assets, such as new plant, roads and other long-term revenue producing assets. It also includes the proceeds from the sale of assets, such as plant, and land.

3. Cash Flow from Financing Activities

This is where the receipt and repayment of borrowed funds are recorded, as well as any movement in trust funds and deposits held by Council. The bottom line of the Statement of Cash Flows is Council's total

cash at the end of the financial year. The Statement of Cash Flows is important as it shows the source of Council's funds and details how they are spent.

Statement of Capital Works

The Statement of Capital Works summarises Council spending on assets for the year. The Statement of Capital Works breaks all capital expenditure incurred by Council into three broad headings – Property, Plant and Equipment, and Infrastructure, with relevant sub groups below these. The Statement of Capital Works also shows asset spending by three categories:

- New asset expenditure – spending on assets that Council has not possessed previously.
- Asset renewal expenditure – spending on renewing Council's existing assets back to their original service provision capacity.
- Asset upgrade expenditure – spending on improving the service capacity of Council's existing assets.

Notes to the Accounts

The Notes are an important and informative section of the report. The Australian Accounting Standards are not prescriptive on a lot of issues.

Apart from the accounting policies, the Notes also give details behind many of the summary figures contained in the statements. The Note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity and the Statement of Cash Flows.

Note 1 provides for a comparison between end of year actual results and Council's adopted budget, highlighting and providing explanations for major variances.

Where Council wishes to disclose other information that cannot be incorporated in the statements, then this is shown in the Notes. Other Notes include:

- The cost of the various functions of Council.
- The breakdown of expenses, revenues, reserves and other assets.
- Transactions with persons related to Council.
- Financial performance indicators.

The Notes should be read in conjunction with the other parts of the Financial Statements to get a clear picture of the accounts.

What is the Performance Statement?

The Performance Statement reports on Council's progress for the financial year against the Local Government Performance Reporting Framework indicators adopted as part of the annual budget. They include financial and non-financial data. Council's external auditors review the evidence and accuracy of the results.

Statements by Principal Accounting Officer and Councillors

The Certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council. It assures that, in her/his opinion, the financial statements have met all the statutory and professional reporting requirements.

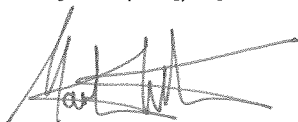
The Certification of Councillors is made by two Councillors on behalf of Council confirming that in their opinion the financial statements are fair and not misleading. The Chief Executive also endorses and signs the certification.

Auditor General's Report

The Independent Auditor's Report provides an external opinion on the financial statements. The opinion covers statutory and professional requirements as well as addressing the fairness aspects of the financial statements.

Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Martin Cutter CA
Principal Accounting Officer

Dated : 14/10/25
Colac



Andrew Tenni
Chief Executive Officer

Dated : 14/10/25

In our opinion, the accompanying financial statements present fairly the financial transactions of the Colac Otway Shire Council for the year ended 30 June 2025 and the financial position of the Council as at that date.

At the date of signing, we are not aware of any circumstances that would render any particulars in the financial statements to be misleading or inaccurate.

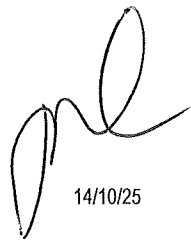
We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.



Cr Jason Schram
Councillor

Dated : 14/10/25
Colac

Cr Phil Howard
Councillor



Dated : 14/10/25
Colac

Independent Auditor's Report

To the Councillors of Colac Otway Shire Council

Opinion	I have audited the financial report of Colac Otway Shire Council (the council) which comprises the: • balance sheet as at 30 June 2025 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including material accounting policy information • certification of the financial statements. In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2025 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the financial report	The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

**Auditor's
responsibilities
for the audit of
the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
21 October 2025

Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Income/revenue			
Rates and charges	3.1	37,454	35,720
Statutory fees and fines		935	964
User fees	3.2	8,305	8,191
Grants - operating	3.3	16,447	7,069
Grants - capital	3.3	5,662	4,288
Contributions - monetary		267	498
Contributions - non monetary	3.4	2,845	2,006
Net gain / (or loss) on disposal of property, infrastructure, plant and equipment		(1,695)	(444)
Share of net profits of associates and joint ventures		25	71
Other income		2,199	1,918
Total income/revenue		72,444	60,281
Expenses			
Employee costs	4.1	25,525	25,977
Materials and services	4.2	28,065	23,814
Depreciation	4.3	15,240	14,287
Depreciation - right of use assets		101	101
Allowance for impairment losses		-	58
Finance costs - leases		32	-
Other expenses	4.4	1,400	1,453
Total expenses		70,363	65,690
Surplus/(deficit) for the year		2,081	(5,409)
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain	9.1	31,188	53,006
Total other comprehensive income		31,188	53,006
Total comprehensive result		33,269	47,597

The above comprehensive income statement should be read in conjunction with the accompanying notes.

Balance Sheet As at 30 June 2025

	Note	2025 \$'000	2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	16,767	15,422
Trade and other receivables	5.1	4,607	3,934
Other financial assets	5.1	17,000	14,000
Inventories		218	177
Prepayments		368	111
Non-current assets classified as held for sale		-	590
Other assets		688	832
Total current assets		39,648	35,066
Non-current assets			
Trade and other receivables	5.1	42	41
Property, infrastructure, plant and equipment	6.1	560,176	529,499
Investments in associates, joint arrangements and subsidiaries		243	218
Right-of-use assets	5.6	2,781	2,881
Total non-current assets		563,242	532,639
Total assets		602,890	567,705
Liabilities			
Current liabilities			
Trade and other payables	5.2	3,606	4,565
Trust funds and deposits		705	998
Contract and other liabilities	5.2	3,431	4,524
Provisions	5.3	4,641	5,195
Lease liabilities		-	9
Total current liabilities		12,383	15,291
Non-current liabilities			
Provisions	5.3	9,518	4,694
Lease liabilities		-	-
Total non-current liabilities		9,518	4,694
Total liabilities		21,901	19,985
Net assets		580,989	547,720
Equity			
Accumulated surplus		134,693	138,919
Reserves	9.1	446,296	408,801
Total Equity		580,989	547,720

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity For the Year Ended 30 June 2025

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2025					
Balance at beginning of the financial year		547,720	138,919	387,127	21,674
Surplus for the year		2,081	2,081	-	-
Net asset revaluation gain	9.1	31,188	-	31,188	-
Transfers to other reserves	9.1	-	(24,346)	-	24,346
Transfers from other reserves	9.1	-	18,039	-	(18,039)
Balance at end of the financial year		580,989	134,693	418,315	27,981

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2024					
Balance at beginning of the financial year		500,122	136,496	334,121	29,505
(Deficit) for the year		(5,408)	(5,408)	-	-
Net asset revaluation gain	9.1	53,006	-	53,006	-
Transfers to other reserves	9.1	-	(20,584)	-	20,584
Transfers from other reserves	9.1	-	28,415	-	(28,415)
Balance at end of the financial year		547,720	138,919	387,127	21,674

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows For the Year Ended 30 June 2025

		2025 Inflows/ (Outflows) \$'000	2024 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates and charges		36,454	35,395
Statutory fees and fines		935	964
User fees		8,265	6,837
Grants - operating		16,236	5,284
Grants - capital		4,877	3,470
Contributions - monetary		267	498
Interest received		1,440	1,280
Trust funds and deposits (paid)		(291)	(123)
Other receipts		758	638
Net GST refund/(payment)		266	(592)
Employee costs		(25,377)	(25,511)
Materials and services		(25,984)	(21,942)
Net cash provided by operating activities	9.2	17,847	6,198
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(13,727)	(10,835)
Proceeds from sale of property, infrastructure, plant and equipment		267	-
Payments for investments		(24,000)	(2,000)
Proceeds from sale of investments		21,000	1,000
Net cash used in investing activities		(16,460)	(11,835)
Cash flows from financing activities			
Interest paid - lease liability		(42)	-
Repayment of lease liabilities		-	(8)
Net cash used in financing activities		(42)	(8)
Net increase/(decrease) in cash and cash equivalents		1,345	(5,645)
Cash and cash equivalents at the beginning of the financial year		15,422	21,067
Cash and cash equivalents at the end of the financial year		16,767	15,422
Financing arrangements	5.4		

The above statement of cash flows should be read in conjunction with the accompanying notes.

Statement of Capital Works For the Year Ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Property			
Buildings		1,758	2,463
Total buildings		1,758	2,463
Plant and equipment			
Plant, machinery and equipment		1,776	847
Fixtures, fittings and furniture		10	3
Computers and telecommunications		367	284
Total plant and equipment		2,153	1,134
Infrastructure			
Roads		7,533	4,989
Bridges		-	33
Footpaths and cycleways		358	343
Drainage		521	353
Other infrastructure		1,404	1,520
Total infrastructure		9,816	7,238
Total capital works expenditure		13,727	10,835
Represented by:			
New asset expenditure		83	108
Asset renewal expenditure		11,972	7,256
Asset upgrade expenditure		1,672	3,470
Total capital works expenditure		13,727	10,835

The above statement of capital works should be read in conjunction with the accompanying notes.

Note 1 Overview

Introduction

The Colac Otway Shire Council was established by an Order of the Governor in Council on 23 September 1994 and is a body corporate. The Council's main office is located at 2-6 Rae Street Colac Victoria 3250.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Accounting policy information

(a) Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Note 1 Overview

(a) Basis of accounting (cont'd)

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.3)
- the determination of landfill provisions (refer to Note 5.3)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with AASB 16 *Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.6)
- other areas requiring judgements.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Note 2 Analysis of our results

2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 Income/Revenue and expenditure

	Budget 2025 \$'000	Actual 2025 \$'000	Variance \$'000	Variance %	Ref
Income/Revenue					
Rates and charges	37,158	37,454	296	0.8	
Statutory fees and charges	915	935	20	2.2	
User fees and charges	7,970	8,305	335	4.2	
Grants - Operating	10,747	16,447	5,700	53.0	1
Grants - Capital	1,703	5,662	3,959	232.5	2
Contributions - monetary	25	267	242	968.0	3
Contributions - non-monetary	-	2,845	2,845	-	4
Net (loss) on disposal of property, infrastructure, plant and equipment	-	(1,695)	(1,695)	-	5
Share of net profits (or loss) of associates and joint ventures	(100)	25	125	(125.0)	6
Other income	864	2,199	1,335	154.5	7
Total income/revenue	59,282	72,444	13,162		
Expenses					
Employee costs	25,333	25,525	(192)	(0.8)	
Materials and services	23,253	28,065	(4,812)	(20.7)	8
Depreciation	14,503	15,240	(737)	(5.1)	
Depreciation - right of use assets	101	101	-	-	
Allowance for impairment losses	10	-	10	100.0	
Finance costs - leases	10	32	(22)	(220.0)	
Other expenses	1,335	1,400	(65)	(4.9)	
Total expenses	64,545	70,363	(5,818)		
Surplus/(deficit) for the year	(5,263)	2,081	7,344		

Note 2 Analysis of our results

2.1 Performance against budget (cont'd)

2.1.1 Income/revenue and expenditure (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - Operating	Favourable Variance due to additional Diesel Rebates received (\$187k), Federal Assistance Grant Payment for 2023-24 was received on 5 July 2024 (\$7.5m), and 50% of the Federal Assistance Grant Payment for 2025-26 was received on 23 June 2025 (\$4.6m), therefore both of these were recognised in Financial Year 2024-25.
2	Grants - Capital	Favourable Variance due to Income recognised from completed carried forward projects from prior years that exceeded the budgeted grant income.
3	Contributions - monetary	Favourable Variance due to Council receiving Contributions from developers for Public Open Space Contributions (\$229k).
4	Contributions - non-monetary	Favourable Variance due to Developer Contributed Assets were received relating to new Subdivision Infrastructure, Roads, Drainage and Footpath Assets, not budgeted due to the difficulty in estimating the quantity and value of Contributed Assets Council may receive during the year.
5	Net (loss) on disposal of property, infrastructure, plant and equipment	Unfavourable variance due to losses for Asset Sales of Bridges (\$1.2m) and 69 McLachlan Street, Apollo Bay (\$800k).
6	Share of net profits of associates and joint ventures	Favourable variance due to an increase in net equity of Geelong Regional Library Corporation due to a surplus in its operations during 2024-25.
7	Other income	Favourable Variance due to higher than budgeted Interest on Investments (\$891k).
8	Materials and services	Unfavourable Variance due to an overspend in Contractors (\$4.7m) largely due to movement in the Alvie Landfill Provision (being \$4.1m), Expensed Capital Works (\$461k), Agency Staff (\$460k) and Legal Costs (\$140k). This is offset by an underspend in Subscriptions and Memberships (\$346k), Consultants (\$284k) and Insurances (\$149k). Monitor Fee (\$121k)

Note 2 Analysis of our results

2.1 Performance against budget (cont'd)

2.1.2 Capital works

	Budget 2025 \$'000	Actual 2025 \$'000	Variance \$'000	Variance %	Ref
Buildings	861	1,758	897	104	1
Total buildings	861	1,758	897	104	
Plant and equipment					
Plant, machinery and equipment	1,500	1,776	276	18	2
Fixtures, fittings and furniture	87	10	(77)	(89)	
Computers and telecommunications	458	367	(91)	(20)	3
Total plant and equipment	2,045	2,153	108	5	
Infrastructure					
Roads	7,671	7,533	(138)	(2)	
Bridges	60	-	(60)	(100)	4
Footpaths and cycleways	235	358	123	52	5
Drainage	320	521	201	63	6
Other infrastructure	331	1,404	1,073	324	7
Total infrastructure	8,617	9,816	1,199	14	
Total capital works expenditure	11,523	13,727	2,204	19	
Represented by:					
New asset expenditure	115	83	(32)		
Asset renewal expenditure	11,344	11,972	628		
Asset upgrade expenditure	64	1,672	1,608		
Total capital works expenditure	11,523	13,727	2,204		

Note 2 Analysis of our results

2.1 Performance against budget (cont'd)

2.1.2 Capital works (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Projects delayed in the 2023-24 year were completed which resulted in the extra spend in this area.
2	Plant, machinery and equipment	Supply issues have caused delays with Major Plant items while additional projects were added during the year as needs arose - carry over from last year was completed during 2024-25.
3	Computers and telecommunications	Replacement of some computers will carry over to the 2025 -26 year.
4	Bridges	Projects were removed from program.
5	Footpaths and cycleways	Original footpath renewal program completed - Ross Point Works carried from Last year completed Expansion works carried forward to 2026.
6	Drainage	Carry over projects from the 2023 - 2024 year were completed during the year as well as additional projects allocated during the year.
7	Other Infrastructure	A number of projects carried over from 2023-2024 program were completed this year including Birregurra and Donaldson Street Playspaces.

Note 2 Analysis of our results

2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Chief Executive Office

Chief Executive Office provides efficient, effective and proactive support services to the Mayor and Councillors. Chief Executive Office provides effective governance oversight of the organisation. Service areas include Customer Service, Risk Management, Communications, Corporate Planning and Strategic Focus.

Corporate Services

Corporate Services provides support services across Council to enable the delivery of policy commitments, council vision and mission. The provision of these services includes financial services, digital information and technology, property, procurement and contract management. People and culture management provides support, including Occupational Health and Safety and payroll to the organisation.

Community and Economy

Community and Economy provides high quality community focused programs, activities and services. Community and Economy is comprised of aged care, family services, healthy and active communities, developing and maintaining Council's buildings, and is responsible for community engagement processes. Economy services includes business development and investment attraction, supporting local festivals and events and advocating on behalf of the community for major events, tourism and cultural opportunities. The planning services area includes urban growth and town development, along with strategic land use planning.

Infrastructure and Environment

Infrastructure and Environment is responsible for delivery of capital works and managing existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community including buildings, roads, footpaths, parks and drains. The Division also provides services related to engineering, environment, waste management and landfill rehabilitation, environmental health, emergency management, and operation of the Colac Aerodrome and Colac Regional Saleyards.

Note 2 Analysis of our results

2.2.2 Summary of income/revenue, expenses, assets and capital expenses by program

	Income/ revenue	Expenses	Surplus/ (Deficit)	Grants included in income/ revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2025					
Chief Executive Office	97	4,400	(4,303)	-	2,917
Corporate Services	55,635	28,682	26,953	13,701	53,487
Community and Economy	9,611	17,830	(8,219)	2,437	26,984
Infrastructure and Environment	7,101	19,451	(12,350)	5,971	519,502
	72,444	70,363	2,081	22,109	602,890
	Income/ revenue	Expenses	Surplus/ (Deficit)	Grants included in income/ revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Chief Executive Office	1,167	5,587	(4,420)	-	2,851
Corporate Services	40,370	22,665	17,705	425	48,771
Community and Economy	9,679	13,902	(4,223)	2,922	26,374
Infrastructure and Environment	9,065	23,535	(14,470)	8,010	489,708
	60,281	65,690	(5,409)	11,357	567,704

Note 3 Funding for the delivery of our services	2025	2024
3.1 Rates and charges	\$'000	\$'000

Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its value of the land plus buildings and other improvements.

The valuation base used to calculate general rates for 2024/25 was \$12,426 million (2023/24 \$11,778 million).

General rates residential	18,758	18,611
General rates farm / rural	7,293	6,795
General rates commercial / industrial	3,237	2,974
Municipal charge	3,194	3,121
Garbage charge	4,341	3,750
Interest on rates and charges	351	166
Special rates and charges	22	52
Revenue in lieu of rates	258	251
Total rates and charges	37,454	35,720

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2024 and the valuation was first applied in the rating year commencing 1 July 2024.

Annual rates and charges are recognised as income when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

Note 3 Funding for the delivery of our services (cont'd)	2025	2024
3.2 User fees	\$'000	\$'000
Aged services fees	4,402	4,558
Leisure centre fees	1,623	1,441
Colac livestock selling centre fees	720	554
Parking, animal control and local laws fees	330	287
Visitor information centre fees	178	176
Waste disposal fees	339	352
Council properties fees and rental	135	256
Other fees and charges	515	365
Apollo bay harbour fees	-	151
Childrens programs	62	51
Total user fees	8,305	8,191
User fees by timing of revenue recognition		
User fees recognised over time	62	52
User fees recognised at a point in time	8,243	8,139
Total user fees	8,305	8,191

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

3.3 Funding from other levels of government

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	18,331	3,725
State funded grants	3,779	7,632
Total grants received	22,110	11,357

Note 3 Funding for the delivery of our services (cont'd)	2025	2024
3.3 Funding from other levels of government (cont'd)	\$'000	\$'000
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial assistance grant - untied base grant	8,233	227
Financial assistance grant - local roads	5,215	147
Aged and disability services	40	98
Family and community services	265	235
Diesel rebate scheme	253	-
Public health	3	4
Recurrent - State Government		
Aged and disability services	1,095	1,266
Port management	-	878
Maternal and child health	468	397
Corporate Services	-	51
Public health	161	25
Environment and protection services	48	-
Economic development	71	68
Recreation and culture	117	118
Total recurrent operating grants	15,969	3,514
Non-recurrent - Commonwealth Government		
Family and community services	7	4
Non-recurrent - State Government		
Aged and disability services	10	3
Port management	-	2,567
Economic development	76	150
Family and community services	6	11
Strategic planning	63	429
Public health	105	157
Recreation and culture	96	175
Waste management	-	5
Environment	115	54
Total non-recurrent operating grants	478	3,555
Total operating grants	16,447	7,069

Note 3 Funding for the delivery of our services (cont'd)	2025	2024
3.3 Funding from other levels of government (cont'd)	\$'000	\$'000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	1,191	1,985
Total recurrent capital grants	1,191	1,985
<i>Non-recurrent - Commonwealth Government</i>		
Roads	911	148
Bridges	69	-
Recreation and culture	311	61
Buildings	900	504
Drainage	162	-
Footpaths and cycleways	411	-
Environment and protection services	358	312
<i>Non-recurrent - State Government</i>		
Recreation and culture	467	369
Port of Apollo Bay - Breakwall Remediation Project	420	-
Roads	4	27
Buildings	117	642
Drainage	164	6
Footpaths and cycleways	176	60
Plant and equipment	-	174
Total non-recurrent capital grants	4,471	2,303
Total capital grants	5,662	4,288

(c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15 Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the point in time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income of Not-for-Profit Entities*.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

Note 3 Funding for the delivery of our services (cont'd)	2025	2024
3.3 Funding from other levels of government (cont'd)	\$'000	\$'000
(c) Recognition of grant income (cont'd)		
Income recognised under AASB 1058 <i>Income of Not-for-Profit Entities</i>		
General purpose	13,701	374
Specific purpose grants to acquire non-financial assets	238	1,985
Other specific purpose grants	2,228	3,331
Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i>		
Specific purpose grants	5,942	5,667
	22,109	11,357
(d) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	1,660	4,475
Received during the financial year and remained unspent at balance date	1,054	406
Received in prior years and spent during the financial year	(1,367)	(3,221)
Balance at year end	1,347	1,660
Capital		
Balance at start of year	2,864	3,682
Received during the financial year and remained unspent at balance date	754	779
Received in prior years and spent during the financial year	(1,539)	(1,597)
Balance at year end	2,079	2,864
Unspent grants are determined and disclosed on a cash basis.		
3.4 Contributions		
Monetary	267	498
Non-monetary	2,845	2,006
Total contributions	3,112	2,504
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Drainage	1,104	849
Roads	1,339	900
Footpath	402	256
Total non-monetary contributions	2,845	2,006

Monetary and non monetary contributions are recognised as income at their fair value when Council obtains control over the contributed asset.

Note 4 The cost of delivering services	2025	2024
4.1 (a) Employee costs	\$'000	\$'000
Wages and salaries	17,286	18,328
Employee leave	2,644	2,587
Superannuation	2,491	2,330
Casual staff	1,380	1,125
Sick leave	726	598
WorkCover	722	616
Fringe benefits tax	181	208
Other employee benefits	95	185
Total employee costs	25,525	25,977

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

68	95
68	95

Employer contributions payable at reporting date.

-	-
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

1,010	1,160
1,412	1,420
2,422	2,580

Employer contributions - other funds

Employer contributions payable at reporting date.

-	192
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Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

Note 4 The cost of delivering services (cont'd)	2025	2024
4.2 Materials and services	\$'000	\$'000
Contract Payments	10,829	12,168
Landfill rehabilitation	4,268	401
Materials	4,056	4,144
Subscriptions and memberships	2,643	2,454
Expensed Capital Works	461	-
Consultants	1,347	872
Utilities	1,212	990
Agency staff	1,268	996
Plant and equipment maintenance	255	187
Insurances	875	689
Legal costs	308	568
Training costs	464	322
Other	16	7
Hire costs	62	14
Permits	1	1
Total materials and services	28,065	23,813

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

4.3 Depreciation

Property	2,337	1,866
Plant and equipment	1,805	1,810
Infrastructure	11,098	10,611
Total depreciation	15,240	14,287

Refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.

4.4 Other expenses

Community grants and donations	706	617
Councillors' allowances	332	311
Other	141	309
Rates and charges written off	41	58
Fire services levy	79	70
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	71	61
Animal registration levy	22	23
Royalties and commissions	8	4
Total other expenses	1,400	1,453

Note 5 Investing in and financing our operations	2025	2024
5.1 Financial assets	\$'000	\$'000
(a) Cash and cash equivalents		
Cash on hand	3	5
Cash at bank	16,764	11,951
At Call Deposit	-	3,466
Total cash and cash equivalents	16,767	15,422
(b) Other financial assets		
Current		
Term deposits	17,000	14,000
Total current other financial assets	17,000	14,000
Non-current		
Term deposits	-	-
Total non-current other financial assets	-	-
Total other financial assets	17,000	14,000
Total cash and cash equivalents and other financial assets	33,767	29,422

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

Note 5 Investing in and financing our operations (cont'd)	2025	2024
5.1 Financial assets (cont'd)	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates Debtor	3,350	2,585
Government operating grants	144	245
Net GST receivable	24	290
Parking infringement debtor	114	101
Other infringements	186	155
Allowance for expected credit loss - infringements	(26)	(19)
<i>Non-statutory receivables</i>		
Other debtors	829	650
Allowance for expected credit loss - other debtors	(14)	(73)
Total current trade and other receivables	4,607	3,934
Non-current		
<i>Statutory receivables</i>		
Special Charge Scheme Debtor	42	41
Total non-current trade and other receivables	42	41
Total trade and other receivables	4,649	3,975

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

Note 5 Investing in and financing our operations (cont'd)	2025	2024
5.2 Payables, trust funds and deposits and contract and other liabilities		
(a) Trade and other payables		
Current		
<i>Non-statutory payables</i>		
Trade payables	2,427	4,032
Accrued expenses	1,179	533
Total current trade and other payables	3,606	4,565
(b) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance - operating	1,347	1,660
Grants received in advance - capital	2,079	2,864
Other	5	-
Total contract liabilities	3,431	4,524

Contract liabilities

Contract liabilities reflect consideration received in advance from customers in respect of grants received in advance. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Note 5 Investing in and financing our operations (cont'd)

5.3 Provisions

	Employee	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000
2025			
Balance at beginning of the financial year	4,967	4,923	9,890
Additional provisions	1,687	4,405	6,092
Amounts used	(1,581)	(137)	(1,718)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	8	(113)	(104)
Balance at the end of the financial year	5,081	9,078	14,159
Provisions - current	4,507	134	4,641
Provisions - non-current	574	8,944	9,518
2024			
Balance at beginning of the financial year	4,582	4,609	9,190
Additional provisions	1,348	641	1,989
Amounts used	(1,558)	(239)	(1,797)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	595	(88)	507
Balance at the end of the financial year	4,967	4,923	9,889
Provisions - current	4,378	817	5,195
Provisions - non-current	588	4,106	4,694

Note 5 Investing in and financing our operations (cont'd)	2025	2024
5.3 Provisions (cont'd)	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,400	1,288
Long service leave	193	214
Time in lieu	150	118
	1,743	1,620
Current provisions expected to be wholly settled after 12 months		
Annual leave	549	482
Long service leave	2,215	2,277
	2,764	2,759
Total current employee provisions	4,507	4,378
Non-current		
Long service leave	574	588
Total non-current employee provisions	574	588
Aggregate carrying amount of employee provisions:		
Current	4,507	4,378
Non-current	574	588
Total aggregate carrying amount of employee	5,081	4,966

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months.
- present value if the Council does not expect to wholly settle within 12 months.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

Key assumptions:

- discount rate	4.20%	4.35%
- index rate	4.25%	4.45%

Note 5 Investing in and financing our operations (cont'd)	2025	2024
5.3 Provisions (cont'd)	\$'000	\$'000
(b) Landfill restoration		
Current	134	817
Non-current	8,944	4,106
	9,078	4,923

Council is obligated to restore various landfill sites to a particular standard, including Alvie, Birregurra, Barwon Downs, Forrest, Gellibrand, Colac (Wilson Street and Bruce Street), Beeac, Cressy and Marengo. The forecast life of the sites are based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Change in EPA requirements has resulted in an increase in associated costs, and an increase in provisions.

Key assumptions:

- discount rate	3.87%	4.73%
- index rate	2.10%	3.80%

Note 5 Investing in and financing our operations (cont'd)

5.4 Financing arrangements

2025 2024

\$'000 \$'000

The Council has the following funding arrangements in place as at 30 June 2025.

Business Card Facility (balance cleared monthly)

50 50

Total facilities

50 50

Used facilities

- -

Unused facilities

50 50

5.5 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

(a) Commitments for expenditure

2025	Later than 1 year and not later than 2 years		Later than 2 years and not later than 5 years		Total
	Not later than 1 year	later than 2 years	later than 5 years	Later than 5 years	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection	5,832	6,080	2,157	-	14,069
Cleaning Services	955	975	410	-	2,340
Consultancies	424	121	30	-	575
Information Technology	584	139	38	-	762
Total	7,795	7,315	2,635	-	17,745
Capital					
Civil works	4,957	-	-	-	4,957
Roads	871	-	-	-	871
Plant and Equipment	171	171	11	-	353
Total	5,999	171	11	-	6,181
2024	Later than 1 year and not later than 2 years		Later than 2 years and not later than 5 years		Total
	Not later than 1 year	later than 2 years	later than 5 years	Later than 5 years	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection	4,880	5,056	1,809	-	11,744
Consultancies	521	-	-	-	521
Total	5,401	5,056	1,809	-	12,265
Capital					
Civil Works	3,368	-	-	-	3,368
Total	3,368	-	-	-	3,368

Note 5 Investing in and financing our operations (cont'd)

5.6 Leases

At inception of a contract, Council would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- Council has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- Council has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Under *AASB 16 Leases*, Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Note 5 Investing in and financing our operations (cont'd)

5.6 Leases (cont'd)

Right-of-Use Assets

	Land and Buildings	Plant and Equipment	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2024	2,835	47	2,882
Additions	-	-	-
Depreciation charge	(82)	(19)	(101)
Balance at 30 June 2025	2,753	27	2,781

The Colac Regional Library facility was reclassified at 1 July 2021 from land and buildings to a right-of-use asset and amortised following a review of the joint user agreement between Council and the Minister for Education.

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2024	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	Carrying amount 30 June 2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	143,777	843	-	6,727	(2,337)	(210)	-	-	148,800
Plant and equipment	8,293	3,269	-	-	(1,805)	(69)	-	(2,077)	7,610
Infrastructure	366,703	8,681	2,845	24,460	(11,098)	(1,539)	-	5,965	396,018
Work in progress	10,726	935	-	-	-	-	(484)	(3,428)	7,749
	529,499	13,727	2,845	31,187	(15,240)	(1,818)	(484)	460	560,176

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	1,131	915	(15)	-	2,031
Plant and equipment	436	20	-	-	456
Infrastructure	9,159	-	(469)	(3,428)	5,262
Total	10,726	935	(484)	(3,428)	7,749

(a) Property

	Land - specialised	Land - non-specialised	Land under roads	Total Land & Land Improvements	Buildings - specialised	Buildings - non-specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2024	12,145	50,874	521	63,539	77,470	35,112	112,582	1,131	177,253
Accumulated depreciation at 1 July 2024	-	-	-	-	(24,161)	(8,184)	(32,345)	-	(32,345)
	12,145	50,874	521	63,539	53,309	26,929	80,238	1,131	144,908
Movements in fair value									
Additions	-	-	-	-	544	299	843	915	1,758
Revaluation	-	-	-	-	6,673	2,737	9,410	-	9,410
Disposal	-	-	-	-	(192)	(18)	(210)	-	(210)
Write-off	-	-	-	-	-	-	-	(15)	(15)
	-	-	-	-	7,025	3,018	10,043	900	10,943
Movements in accumulated depreciation									
Depreciation	-	-	-	-	(1,651)	(686)	(2,337)	-	(2,337)
Revaluation	-	-	-	-	(1,810)	(873)	(2,683)	-	(2,683)
	-	-	-	-	(3,462)	(1,559)	(5,020)	-	(5,020)
At fair value 30 June 2025	12,145	50,874	521	63,539	84,495	38,131	122,626	2,031	188,196
Accumulated depreciation at 30 June 2025	-	-	-	-	(27,623)	(9,742)	(37,365)	-	(37,365)
Carrying amount	12,145	50,874	521	63,539	56,872	28,389	85,261	2,031	150,831

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Work in Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2024	14,449	13,501	2,144	436	30,531
Accumulated depreciation at 1 July 2024	(10,163)	(9,816)	(1,823)	-	(21,802)
	4,286	3,685	322	436	8,729
Movements in fair value					
Additions	1,768	822	679	20	3,289
Disposal	(69)	-	-	-	(69)
Transfers	461	(5,875)	-	-	(5,414)
	2,160	(5,053)	679	20	(2,194)
Movements in accumulated depreciation					
Depreciation	(1,200)	(359)	(246)	-	(1,805)
Transfers	(2)	3,338	-	-	3,336
	(1,202)	2,979	(246)	-	1,531
At fair value 30 June 2025	16,608	8,448	2,823	456	28,336
Accumulated depreciation at 30 June 2025	(11,365)	(6,837)	(2,069)	-	(20,271)
Carrying amount	5,243	1,611	755	456	8,065

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2024	345,818	57,525	44,915	69,659	13,363	9,159	540,441
Accumulated depreciation at 1 July 2024	(87,671)	(30,799)	(11,465)	(26,762)	(7,881)	-	(164,578)
	258,147	26,726	33,450	42,897	5,482	9,159	375,862
Movements in fair value							
Additions	2,561	307	1,057	112	4,642	-	8,681
Contributions	1,339	-	402	1,104	-	-	2,845
Revaluation	-	3,324	-	-	10,292	-	13,617
Disposal	(294)	(1,186)	(15)	-	(43)	-	(1,539)
Write-off	-	-	-	-	-	(469)	(469)
Transfers	3,428	-	-	-	5,875	(3,428)	5,875
	7,034	2,445	1,445	1,216	20,767	(3,897)	29,010
Movements in accumulated depreciation							
Depreciation	(6,939)	(1,288)	(649)	(710)	(1,511)	-	(11,098)
Revaluation	-	6,395	-	-	4,449	-	10,843
Transfers	-	-	-	-	(3,338)	-	(3,338)
	(6,939)	5,107	(649)	(710)	(401)	-	(3,592)
At fair value 30 June 2025	352,852	59,971	46,360	70,876	34,130	5,262	569,450
Accumulated depreciation at 30 June 2025	(94,610)	(25,693)	(12,114)	(27,472)	(8,282)	-	(168,170)
Carrying amount	258,242	34,278	34,246	43,404	25,848	5,262	401,280

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont'd)

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

	Depreciation Period	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Land		
land	-	-
land under roads	-	-
land improvements	-	5
Buildings		
heritage buildings	90 - 180 years	10
buildings	10 - 120 years	10
shelters	10 - 90 years	10
building improvements	10 - 180 years	10
leasehold improvements	10 - 180 years	10
<u>Plant and Equipment</u>		
Furniture		
art work	0 - 100 years	4
indoor furniture	5 - 30 years	4
Plant		
heritage plant and equipment	-	10
fixed plant, machinery and equipment	3 - 50 years	10
fleet (vehicles)	3 - 30 years	10
major plant	3 - 50 years	10
minor plant	3 - 10 years	4

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont'd)

	Depreciation Period	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Equipment		
appliances	3 - 60 years	4
fixed equipment / fixtures and fittings	5 - 55 years	4
computers and telecommunications	3 - 21 years	4
leased plant and equipment	-	4
<u>Infrastructure</u>		
Roads		
road and tarmac formation and earthworks	-	10
road and tarmac pavements	10 - 100 years	10
road and tarmac seals	10 - 80 years	10
road and tarmac kerb, channel and minor culverts	45 - 80 years	2.5
footpaths and cycleways	15 - 50 years	2.5
Bridges		
bridges deck	10 - 90 years	10
bridges substructure	10 - 90 years	10
bridges major culverts	50 - 90 years	10
Drainage		
open drainage network	10 - 100 years	10
pit and pipe network	40 - 100 years	10
water retention structures	80 - 100 years	10
Other Infrastructure		
gardens and landscaping	5 - 50 years	10
playing surfaces	10 - 50 years	10
retaining structures	10 - 70 years	10
other structures	25 - 100 years	10
aerodromes	25 - 100 years	10
playgrounds	10 - 50 years	10
sports ancillaries	10 - 40 years	4
fences and barriers	10 - 40 years	4
surfaces	10 - 60 years	10
signs & signposts	10 - 40 years	4
guard rails	10 - 40 years	5
lighting & electrical	10 - 40 years	4
irrigation	10 - 60 years	4
public art and monuments	10 - 70 years	4
outdoor furniture and accessories (e.g. bins, drinking fountains, fitness eq	10 - 40 years	4
<u>Intangible assets</u>		
software	5 years	4

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont'd)

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of land and buildings

An Indexed based valuation was conducted in the current year, for the buildings class of assets, by Azura Keys Pty Ltd - Robert Uebergang (BE (Civil); BSc (Geol); Dip URP; IPWEA Professional Certificate in Asset Management Planning; IPWEA Professional Certificate in Infrastructure Financial Management; Registered Professional Engineer Victoria (PE0005344); Registered Professional Engineer of Queensland (RPEQ 20728). This valuation was based on an indexation amount of + 8.50 percent. This amount represents the average change in the Non- Residential Building Construction Index (Class 3020, ABS, Victoria) of 2.90% and the application of changes in AASB13 being an increase in building unit rates of 5.60%. This indexation had a result of increasing building assets by \$6.72 million. This class is next scheduled for full revaluation in the 2027-28 year.

A valuation of land under roads was undertaken as at 31 March 2024 utilising an average indexation in line with the land asset class be applied from the revaluation process from that year consider to be a reasonable basis for its fair value.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement. Revaluation for land and buildings will be undertaken in the 2027/2028 year.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont'd)

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2025 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land	-	50,874	-	31/03/24	Full
Specialised land / land under roads	-	-	12,666	31/03/24	Indexed
Buildings	-	28,389	56,872	31/03/25	Indexed
Total	-	79,263	69,538		

Valuation of other infrastructure

A full valuation of other infrastructure assets was carried out at 31st March 2025 by independent valuers Rapid Map Services Pty Ltd and Azura Keys Pty Ltd - Robert Uebergang (BE (Civil); BSc (Geol); Dip URP; IPWEA Professional Certificate in Asset Management Planning; IPWEA Professional Certificate in Infrastructure Financial Management; Registered Professional Engineer Victoria (PE0005344); Registered Professional Engineer of Queensland (RPEQ 20728). A full valuation of Bridge assets was undertaken by Tasman Associates Pty Ltd - Michael Littlefair B Eng. Civil (RPEQ 33377), NER registration Number 642767.

The asset revaluations undertaken through 2024-25 had the impact of increasing the Other Infrastructure class by \$14.74 million and the Bridges asset class by \$9.7 million. The date and type of the current valuation for infrastructure is detailed in the below table.

Revaluations on roads, footpaths and drainage assets were undertaken by Azura Keys Pty Ltd - Robert Uebergang (BE (Civil); BSc (Geol); Dip URP; IPWEA Professional Certificate in Asset Management Planning; IPWEA Professional Certificate in Infrastructure Financial Management; Registered Professional Engineer Victoria (PE0005344); Registered Professional Engineer of Queensland (RPEQ 20728) as at 30/6/2023.

The next schedule for revaluation of Roads is to be in the 2025-2026 year, Footpaths and Drainage are to be revalued in 2026-27 year.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2025 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	258,242	31/03/25	Indexed
Bridges	-	-	34,278	31/03/25	Full
Footpaths and cycleways	-	-	34,246	30/06/23	Full
Drainage	-	-	43,404	30/06/23	Full
Other infrastructure	-	-	25,848	31/03/25	Full
Total	-	-	396,018		

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont'd)

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$217 to \$12,695 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 years to 180 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 5 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2025	2024
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	521	521
Parks and reserves	12,145	12,145
Total specialised land	12,666	12,666

Note 6 Assets we manage	2025	2024
6.2 Investments in associates, joint arrangements and subsidiaries	\$'000	\$'000

(a) Investments in associates

Investments in associates accounted for by the equity method are:

- Geelong Regional Library Corporation

Geelong Regional Library Corporation

Background

At the 1 July 2021 the Council transitioned to the Geelong Regional Library Corporation by agreement with five (5) member councils, the results of this are shown below.

The Geelong Regional Library Corporation is a corporation owned by five (5) councils: Borough of Queenscliff, City of Greater Geelong, Colac Otway Shire, Golden Plains Shire and Surf Coast Shire. Colac Otway Shire has a 1.36% equity interest.

Fair value of Council's investment in Geelong Regional Library	243	218
Council's share of accumulated deficit		
Council's share of accumulated deficit at start of year	(1)	(1)
Council's share of accumulated deficit at end of year	(1)	(1)
Movement in carrying value of specific investment		
Carrying value of investment at start of year	218	147
Change in equity share due to population change	25	71
Carrying value of investment at end of year	243	218

Significant restrictions

The associate is not required to repay dividends, loans or advances to Council.

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Note 6 Assets we manage	2025	2024
6.2 Investments in associates, joint arrangements and subsidiaries	\$'000	\$'000
(b) Investments in joint ventures		

Colac Community Library and Learning Centre

Background

The Colac Community Library and Learning Centre is a joint venture between the Colac Otway Shire and Victorian Department of Education and Early Childhood Development and the Colac Secondary College, which results in Colac Otway Shire legally contributing 50% of the assets.

The venture's purpose is to construct and operate a joint use library facility.

Council's commitment to the venture is limited to providing a contribution to the construction and fitout costs. Council's share is 50% of costs.

Council accounts for its interests in the joint venture by applying the proportionate consolidation method and by combining Council's share of each of the assets, liabilities, incomes and expenses of the jointly controlled entity with similar items line by line in council's financial statements.

Council's share of accumulated surplus/(deficit)

Council is not entitled to a share of any accumulated surplus or deficit.

Council's share of reserves

Council is not entitled to a share of any reserves

Movement in carrying value of specific investment

Carrying value of investment at start of year	2,535	2,610
Depreciation/Amortisation	(75)	(75)
Carrying value of investment at end of year	<u>2,460</u>	<u>2,535</u>

Council's share of expenditure commitments

Council is not exposed to any further expenditure commitments.

Council's share of contingent liabilities and contingent assets

There are no known contingencies outstanding as at 30 June 2025.

Significant restrictions

The joint venture is not required to repay dividends, loans or advances to Council.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

Note 7 People and relationships	2025	2024
7.1 Council and key management remuneration	No.	No.

(a) Related Parties

Parent entity

Colac Otway Shire Council is the parent entity.

Associates

Interests in associates are detailed in Note 6.2.

(b) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Colac Otway Shire Council. The Councillors, Chief Executive Officer and General Managers are deemed KMP.

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors

Councillor Margaret White - Mayor (01/07/24 to 26/10/24)
Councillor Jason Schram - Mayor (11/11/24 to 30/06/25)
Councillor Chris Potter (01/07/24 to 26/10/25), recommenced (11/11/2024 to 30/06/25)
Councillor Stephen Hart (01/07/24 to 26/10/24)
Councillor Graham Costin (01/07/24 to 26/10/24)
Councillor Kate Hanson (01/07/24 to 26/10/24)
Councillor Max Arnott (01/07/24 to 26/10/24)
Councillor Tosh-Jake Finnigan (01/07/24 to 14/10/24)
Councillor Zoe Hudgell (11/11/24 to 30/06/25)
Councillor Phil Howard (11/11/24 to 30/06/25)
Councillor Charlie Buchanan (11/11/24 to 30/06/25)
Councillor Mick McCrickard (11/11/24 to 30/06/25)
Councillor Chrissy De Deugd (11/11/24 to 30/06/25)

Chief Executive Officer and other Key Management Personnel

Chief Executive Officer - Anne Howard (up to 19/06/25)
Acting Chief Executive Officer - Andrew Tenni (20/06/25 to 30/06/25)
General Manager Corporate Services - Andrew Tenni
General Manager Infrastructure and Operations - Doug McNeill
General Manager Community and Economy - Ian Seuren

Total Number of Councillors	13	7
Total of Chief Executive Officer and other Key Management Personnel	4	5
Total Number of Key Management Personnel	<u>17</u>	<u>12</u>

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Note 7 People and relationships	2025	2024
7.1 Council and key management remuneration (cont'd)	\$'000	\$'000

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

Total remuneration of Key Management Personnel was as follows:

Short-term employee benefits	1,257	1,293
Other long-term employee benefits	(147)	21
Post-employment benefits	136	149
Termination benefits	15	76
Total	<u>1,261</u>	<u>1,539</u>

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

\$0 - \$9,999	1	-
\$10,000 - \$19,999	4	-
\$20,000 - \$29,999	3	-
\$30,000 - \$39,999	3	4
\$40,000 - \$49,999	1	1
\$50,000 - \$59,999	-	1
\$70,000 - \$79,999	1	2
\$160,000 - \$169,999	1	-
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	1	-
\$230,000 - \$239,999	-	1
\$240,000 - \$249,999	1	1
\$270,000 - \$279,999	1	-
\$310,000 - \$319,999	-	1
	<u>17</u>	<u>12</u>

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$170,000 and who report directly to a member of the KMP.

Total remuneration of other senior staff was as follows:

Short-term employee benefits	1,001	1,121
Other long-term employee benefits	24	48
Post-employment benefits	105	114
Total	<u>1,130</u>	<u>1,283</u>

Note 7 People and relationships

7.1 Council and key management remuneration (cont'd)

The number of other senior staff are shown below in their relevant income bands:

	2025	2024
Income Range:	No.	No.
\$170,000 - \$179,999	1	3
\$180,000 - \$189,999	2	3
\$190,000 - \$199,999	3	-
\$200,000 - \$209,999	-	1
	<u>6</u>	<u>7</u>

7.2 Related party disclosure

(a) Transactions with related parties

The following is the aggregate amount of transactions with
Investments in associates.

	\$'000	\$'000
Payments made to Geelong Regional Library Corporation	859	836

All transactions Council enter into with related parties are undertaken on commercial terms, within Council Policy.

(b) Outstanding balances with related parties

At the end of period, Council had no outstanding balances with related parties.

(c) Loans to/from related parties

There are no loans in existence at balance date that have been made, guaranteed or secured by the Council to any related parties.

(d) Commitments to/from related parties

There are no commitments in existence at balance date that have been made, guaranteed or secured by the Council to a related party.

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

(a) Contingent assets

Contingent assets are:

- possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

At balance date Council has no contingent Assets

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Aging Well Service

In September of 2021 the method by which the Federal government funds Council's Aging well service (previously known as Older Persons & Ability Support Services) changed from an instalment in advance model to that of monthly reimbursement of individual plans. At the time of change to the funding method, several Aging Well accounts were in surplus. This surplus is reported to the Federal Government on a monthly basis and has reduced over time as participating members draw down on their funds or leave the scheme. At balance date, these unspent funds were \$269,000.

(c) Guarantees for loans to other entities

Council has no guarantees in place for loans to other entities.

Note 8 Managing uncertainties (cont'd)

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period. Council assesses the impact of these new standards. As at 30 June 2025 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2025 that are expected to impact Council. In September 2024 the Australian Accounting Standards Board (AASB) issued two Australian Sustainability Reporting Standards (ASRS). This followed Commonwealth legislation establishing Australia's sustainability reporting framework. Relevant entities will be required to undertake mandatory reporting of climate-related disclosures in future financial years. Public sector application issues remain under consideration and Council will continue to monitor developments and potential implications for future financial years.

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Note 8 Managing uncertainties (cont'd)

8.3 Financial instruments (cont'd)

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any allowance for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

Note 8 Managing uncertainties (cont'd)

8.3 Financial instruments (cont'd)

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 2.50% and -2.50% in market interest rates (AUD) from year-end rates of 3.85%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Note 8 Managing uncertainties (cont'd)

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

Council has considered the amendments to AASB 13 Fair Value Measurement that apply for the 2024-25 financial year as a result of AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities. For assets, where the Council adopts a current replacement cost approach to determine fair value, the Council now considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation.

The AASB 13 amendments apply prospectively, comparative figures have not been restated.

The AASB 13 amendments have not resulted in any material impacts to Council's financial statements.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Note 8 Managing uncertainties (cont'd)

8.4 Fair value measurement (cont'd)

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced Council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation frequency
Land	1 to 3 years
Buildings	1 to 3 years
Roads	1 to 3 years
Footpaths and cycleways	1 to 3 years
Bridges	1 to 3 years
Drainage	1 to 3 years
Other infrastructure	1 to 3 years

Where the assets are revalued, the revaluation increases are credited directly to the asset revaluation reserve except to the extent that an increase reverses a prior year decrease for that class of asset that had been recognised as an expense in which case the increase is recognised as revenue up to the amount of the expense. Revaluation decreases are recognised as an expense except where prior increases are included in the asset revaluation reserve for that class of asset in which case the decrease is taken to the reserve to the extent of the remaining increases. Within the same class of assets, revaluation increases and decreases within the year are offset.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

Subsequent to 30 June 2025, Council has appointed Acting CEO Andrew Tenni, for a four year term as the Chief Executive Officer, beginning 26th of August 2025.

Note 9 Other matters

9.1 Reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation reserves			
2025			
Property			
Land	56,037	-	56,037
Buildings	52,866	6,727	59,593
	108,903	6,727	115,630
Plant and Equipment			
Fixed plant, furniture and equipment	293	-	293
	293	-	293
Infrastructure			
Roads	199,232	-	199,232
Bridges	21,649	9,719	31,368
Footpaths and cycleways	21,058	-	21,058
Kerb and channelling	11,619	-	11,619
Other Infrastructure	1,709	14,742	16,451
Drainage	22,664	-	22,664
	277,931	24,461	302,392
Total asset revaluation reserves	387,127	31,188	418,315
2024			
Property			
Land	43,261	12,776	56,037
Buildings	13,345	39,521	52,866
	56,606	52,297	108,903
Plant and Equipment			
Fixed plant, furniture and equipment	293	-	293
	293	-	293
Infrastructure			
Roads	199,232	-	199,232
Bridges	21,649	-	21,649
Footpaths and cycleways	21,058	-	21,058
Kerb and channelling	11,619	-	11,619
Other Infrastructure	1,000	709	1,709
Drainage	22,664	-	22,664
	277,222	709	277,931
Total asset revaluation reserves	334,122	53,006	387,127

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Note 9

Other matters (cont'd)

9.1 Reserves (cont'd)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2025				
Carried Forward Projects	7,045	8,678	(7,045)	8,678
Port of Apollo Bay	819	-	(819)	-
Waste Management	1,704	4,785	(4,418)	2,071
Long Service Leave	2,934	2,982	(3,094)	2,822
Landfill rehabilitation (Alvie)	978	-	(92)	886
Recreational lands	1,830	229	-	2,059
Colac livestock selling centre	99	721	(680)	140
Rehabilitation	1,115	-	(45)	1,070
Plant replacement	2,752	2,297	(1,821)	3,228
Tirrengower Drainage Scheme	76	22	(24)	74
Water Saving Urban Design	85	3	-	88
Strategic Projects	2,236	-	-	2,236
Financial Assistance Grants received in advance	-	4,629	-	4,629
Total Other reserves	21,672	24,346	(18,039)	27,981
2024				
Carried Forward Projects	3,621	7,048	(3,624)	7,045
Port of Apollo Bay	3,889	3,846	(6,916)	819
Waste Management	2,175	3,766	(4,237)	1,704
Long Service Leave	3,013	3,079	(3,158)	2,934
Landfill rehabilitation (Alvie)	1,151	-	(173)	978
Recreational lands	1,408	422	-	1,830
Colac livestock selling centre	-	632	(533)	99
Rehabilitation	1,190	-	(75)	1,115
Plant replacement	1,683	1,721	(652)	2,752
Tirrengower Drainage Scheme	82	52	(58)	76
Water Saving Urban Design	67	18	-	85
Strategic Projects	2,804	-	(568)	2,236
Financial Assistance Grants received in advance	8,421	-	(8,421)	-
Total Other reserves	29,504	20,584	(28,415)	21,672

Note 9

Other matters (cont'd)

9.1 Reserves (cont'd)

Purposes for Reserves

Carried forward projects reserve

This reserve is to recognise the funds allocated and received in prior financial periods that are committed to unfinished projects. This includes grants received in advance for specific projects and funds allocated from prior financial years for projects that are still incomplete at the end of the current financial year.

Port of Apollo Bay reserve

These funds are bound by an agreement with the Department of Transport concerning the operations of the Port of Apollo Bay and are the value of cash assets owed.

Waste Management reserve

This reserve was set up as a source of funding the replacement of kerbside bins. All funds in this reserve are collected from the waste collection service charge and are to be used only in connection with the waste collection service.

Long service leave reserve

The purpose of this reserve is to ensure that the nominal long service leave balances owing to employees are maintained.

Landfill rehabilitation (Alvie) reserve

This reserve relates to the funds required to restore the Alvie landfill. The rehabilitation reserve will continue to grow until the Alvie landfill closes, at which time, the funds will be utilised to meet this obligation.

Recreational lands reserve

Statutory reserve to be used for the development of recreational reserves and public open space.

Colac livestock selling centre reserve

This reserve is for the purpose of funding works at the Colac Livestock Selling Centre and all funds are derived from any surplus made from the operations of the Colac Livestock Selling Centre.

Rehabilitation reserve

This reserve is to fund the rehabilitation of the various waste disposal sites across the Colac Otway Shire.

Plant replacement reserve

This reserve is to fund the replacement of Council's plant at the end of their useful lives. Inflows to the reserve accrue out of any plant operating surplus with the funds then being used for the changeover of plant.

Tirrengower Drainage Scheme reserve

These funds are collected via a special rate and must be expended against the purpose of the drainage scheme at Tirrengower.

Water Saving Urban Design reserve

The purpose of this reserve is for the construction of future water quality infrastructure.

Note 9 Other matters (cont'd)	2025	2024
9.1 Reserves (cont'd)	\$'000	\$'000
<u>Strategic Projects Reserve</u>		
The purpose of this reserve is for strategic projects and acquisitions of new or expanded assets that are of an intergenerational nature.		
<u>Financial Assistance Grants received in advance</u>		
The purpose of this reserve is to set aside any Commonwealth Financial Assistance Grant funding received in advance of its intended allocation.		
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	2,081	(5,408)
Non-cash adjustments:		
Landfill rehabilitation movement	4,155	313
Depreciation/amortisation	15,341	14,388
Finance costs	32	-
Share of net profits of associate	(25)	(71)
Loss on disposal of property, infrastructure, plant and equipment	1,695	444
Contributions - non monetary assets	(2,845)	(2,006)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(676)	121
Increase in prepayments	(257)	(20)
(Increase)/decrease in accrued income	145	(206)
(Decrease)/increase in trade and other payables	(488)	2,026
Decrease in contract and other liabilities	(1,093)	(3,633)
Increase in inventories	(41)	(10)
Increase in trust funds & deposits	(291)	(123)
Increase in employee provisions	114	383
Net cash provided by operating activities	17,847	6,198

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2025, this was 11.5% as required under Superannuation Guarantee (SG) legislation (2024: 11.0%)).

Note 9 Other matters (cont'd)

9.3 Superannuation (cont'd)

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding Arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. As at 30 June 2024, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2024 (of which Council is a contributing employer) was 105.4%. The financial assumptions used to calculate the VBI were:

Net investment returns	5.6% pa
Salary inflation	3.5% pa
Price inflation (CPI)	2.7% pa

As at 30 June 2025, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2025. Vision Super has advised that the VBI at 30 June 2025 was 110.5%. Council was notified of the 30 June 2025 VBI during August 2025 (2024: August 2024). The financial assumptions used to calculate this VBI were:

Net investment returns	5.7% pa
Salary inflation	3.5% pa
Price inflation (CPI)	2.6% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2024 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer Contributions

Regular Contributions

On the basis of the results of the 2024 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2025, this rate was 11.5% of members' salaries (11.0% in 2023/24). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Note 9 Other matters (cont'd)

9.3 Superannuation (cont'd)

Funding Calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024 (previously 97%).

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2024 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2024 while a full investigation was conducted as at 30 June 2023.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2024	2023
	(Triennial)	(Interim)
	\$m	\$m
A VBI surplus	108.4	84.7
A total service liability surplus	141.4	123.6
A discounted accrued benefits surplus	156.7	141.9

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2024.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2024.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2024.

Note 9 Other matters (cont'd)

9.3 Superannuation (cont'd)

The 2025 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2025 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2025. The last interim actuarial investigation conducted prior to 30 June 2025 was at 30 June 2024. The VBI of the Defined Benefit category at that date was 110.5%. The financial assumptions used to calculate the 30 June 2024 VBI were:

Net investment returns	5.7% pa
Salary inflation	3.5% pa
Price inflation (CPI)	2.6% pa

It is anticipated that this actuarial investigation will be completed by 31 October 2025.

The 2023 triennial investigation

The last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

	2020 Triennial investigation	2023 Triennial investigation
Net investment returns	5.6% pa	5.7% pa
Salary inflation	2.5% pa for two years and 2.75% pa thereafter	3.5% pa
Price inflation	2.0% pa	2.8% pa

Note 9 Other matters (cont'd)

9.3 Superannuation (cont'd)

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2025 are detailed below:

Scheme	Type of Scheme	Rate	2025 \$'000	2024 \$'000
Vision super	Defined benefits	11.5% (2024:11.0%)	68	95
Vision super	Accumulation	11.5% (2024:11.0%)	1,010	1160
Australian Super	Accumulation	11.5% (2024:11.0%)	330	314
Aware Super	Accumulation	11.5% (2024:11.0%)	200	167
REST Industry Super	Accumulation	11.5% (2024:11.0%)	91	82
HESTA	Accumulation	11.5% (2024:11.0%)	83	64
Cbus	Accumulation	11.5% (2024:11.0%)	68	54
Australian Retirement Trust	Accumulation	11.5% (2024:11.0%)	67	68
HOSTPLUS Superannuation Fund - Industri	Accumulation	11.5% (2024:11.0%)	59	75
MyNorth Super	Accumulation	11.5% (2024:11.0%)	28	25
Other	Accumulation	11.5% (2024:11.0%)	485	571
			2,490	2,675

In addition to the above contributions, Council had paid unfunded liability payments to Vision Super totalling \$0 during the 2024/25 year (2023/24 \$0).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2025.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2026 is \$100,000.

Note 10 Change in accounting policy

There have been no changes to accounting policies in the 2024-25 year.



Colac Otway
SHIRE

Contact us

PO Box 283, Colac 3250

Email: inq@colacotway.vic.gov.au

Phone: 03 5232 9400

Colac Customer Service Centre

2-6 Rae Street, Colac

Open: Monday - Friday 8:30am - 5pm

Apollo Bay Customer Service Centre

100 Great Ocean Road, Apollo Bay

Open: 7-days a week, 9am - 5pm

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