



Colac Otway
SHIRE

COLAC OTWAY SHIRE

Annual Report

FOR THE YEAR ENDED 30 JUNE 2023

The Colac Otway Shire

Located approximately 160 kilometres south west of Melbourne, Colac Otway Shire sits upon the land of its traditional custodians, the Gulidjan and Gadubanud Peoples of the Maar Nation.

It is a diverse landscape with rugged coastlands, rainforest, fertile farming lands and volcanic inland lakes. Its main industries are agriculture (including farming, cropping and dairying) timber, fishing and tourism especially in the region accessed by the Great Ocean Road.

Located within commuting distance of the major regional cities of Geelong and Ballarat and with Warrnambool to the west, the municipality features two main townships being Colac as the major administrative, retail and commercial centre and Apollo Bay.

The region benefits from a rich tapestry of smaller scenic townships both inland and coastal, which support a diverse range of small and medium sized businesses across a wide range of industries.

Acknowledgement of Traditional Custodians

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

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Annual Report Overview

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About Our Annual Report

Introduction

The Colac Otway Shire Council Annual Report 2022-23 tells the story of the work, achievements and performance of the past financial year. The Annual Report highlights Council's performance against the four-year Council Plan and the annual budget. It details the breadth of our services and operations, our financial performance, our governance and management processes, and the responsibilities fulfilled by our Councillors, Executive Management Team and employees.

The report highlights achievements and challenges, provides comprehensive information about our democratic and corporate governance and presents our audited performance and financial statements. This report also includes statutory reporting and legislative information that fulfils Council's responsibilities under the *Local Government Act 2020* and other legislation.

In presenting this year's annual report, we aim to provide our residents, ratepayers, State and Federal governments, and other key stakeholders with an open and accurate account of our performance during 2022-23.

How to Read the Annual Report 2022-23

Our Annual Report is divided into six broad sections:

Annual Report Overview

This section contextualises the annual report, provides a snapshot of the shire and provides an overview of the year.

Our Performance and Overview

This is a financial update and details information about Council's major capital projects. This section also reviews progress towards achieving the objectives outlined in our Council Plan and provides a snapshot of our Community Satisfaction Survey results and Sustainability Report.

Our Council

This provides an overview of our Councillors, Executive Management Team, organisational structure and employees.

Our Performance

This section is grouped in accordance with the four Council Plan themes. It outlines our performance in a range of activities and includes a review of our budget funded services and prescribed performance measures. Our highlights and challenges are also contained in this section.

Our Governance

This section outlines our legislative obligations and details our democratic and internal governance practices.

This section also includes statutory information required by various pieces of legislation.

Performance and Financial Statements

These have been prepared in accordance with the *Local Government Act 2020* and audited by the Victorian Auditor General's Office (VAGO).

About Colac Otway Shire

The Colac Otway Shire

The Colac Otway Shire is a richly diverse area located less than two hours west of Melbourne, linked by rail and a dual highway.

Colac Otway is one of the most picturesque municipalities in Victoria, from its volcanic lakes, craters and plains in the north, to the lush forests of the Otway Ranges to the iconic Great Ocean Road coastline.

A large proportion of the southern half of the Shire is National Park, boasting waterfalls, bushwalking and some of the most significant environmental assets found in Australia.

The northern area of Colac Otway features equally significant environmental features including Lake Colac, Lake Corangamite and the surrounding Ramsar wetlands, overlooked by Red Rock Reserve.

The original inhabitants of the area are the Gulidjan people (from the Colac region) and the Gadubanud people (from the southern area of the municipality).





The City of Colac population is forecast to reach 20,000 by 2050, and Colac Otway Shire has a strategic plan to guide sustainable residential growth and infrastructure development.



The second major urban centre is Apollo Bay, which has a permanent population of over 2,000 (Apollo Bay and Marengo) that swells to more than 15,000 during the busy summer tourist season.

More than 15 small towns and rural communities are spread across Colac Otway and provide a lifestyle choice for those looking for a quieter life through either a sea change or tree change.

About Colac Otway Shire

Colac Otway Shire has an estimated population of 22,188 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) *	154 approvals were issued in 2022-23 for residential dwellings to be built *
The median weekly household income is \$1,277 ^	The median weekly rent is \$265 *		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 10,491 local jobs	29% of ratepayers are non-resident	65% of people who live in the Shire feel safe alone at night
Gross Regional Product \$1.64B	Largest employing industries Manufacturing (14.2%), Health Care and Social Assistance (13.3%), Agricultural, Forestry and Fishing (11.4%)		30.6% 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		230 babies were born in the Shire in 2022-23

^ Sourced from the Australian Bureau of Statistics (2021 Census) * Sourced from the Colac Otway Shire (Profile ID) # Sourced from Remplan Economy



Our Planning and Accountability Framework

The *Local Government Act 2020* requires councils to design, implement and monitor a suite of strategic documents underpinned by a deliberative engagement process.

These plans must be integrated and be able to demonstrably contribute to the achievement of a long-term community vision.

Community Vision

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

Our Community Vision includes the key themes of:

- Strong and Resilient Economy
- Valuing the Natural and Built Environment
- Healthy and Inclusive Community
- Strong Leadership and Management.

Council Plan 2021-2025

Council adopted its Council Plan, Incorporating the Health and Wellbeing Plan 2021-25 on 27 October 2021.

The Council Plan sets out Council's strategic direction until 2024. It describes the goals we have for the term of the current Council and provides a road map for how we will achieve these goals.

The Council Plan contains four themes that represent the top strategic focus areas for the Council during its four-year term.

Supporting the themes are 17 strategic objectives that summarise what Council will do to achieve the priority attached to each theme. The Council Plan 2021-25 is available on our website.

Annual Action Plan

The 2022-23 Action Plan outlines courses of action and deliverables intended to contribute to the achievement of many Council Plan priorities.

Annual budget

Council prepares an annual budget each financial year that seeks to meet important demands for services and infrastructure, yet remain affordable for our community. It outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan.

The Budget Report 2022-23 (along with Quarterly Reports) is available on our website.

Annual Report

The Annual Report includes a range of information about each of the Council Plan themes. It reports on the implementation of strategies and actions outlined in the plan, along with financial information that relates to initiatives and services necessary to deliver the plan.

This information sits alongside prescribed performance measures and other commentary to present an open and accurate account of our performance during 2022-23.

The following diagram shows the relationship between the key planning and reporting documents that make up the local government integrated strategic planning and reporting framework.

Integrated Planning Framework



Our Performance and Overview

Message from the Mayor

Message from the Chief Executive Officer

A Year in Review

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Message from the Mayor



It is with great pleasure that I present the Colac Otway Shire Council's Annual Report 2022-23 to the community.

It has been another busy year for our Council and community as we continue to live and work in unusual times. The ongoing housing, workforce and cost challenges have required us to stay focussed, be flexible and value all that we have in our wonderful Shire. I am appreciative of the efforts of my fellow Councillors and our staff who have accomplished so much this year.

This report details the operational performance of the Council measured against the key objectives and strategies included in the Council Plan 2021-2025 and the Budget 2022-23.

You will see in this report that we continue to make progress against our many plans for the community, including addressing long-term challenges such as the land supply shortages of recent years. It is rewarding to see a number of growth areas opening up and the progress we are making with our strategic planning work starting to deliver benefits for the community.

Our community survey shows we still have much to do in relation to improving the perception people have of our performance, and Councillors and staff will together rise to this challenge. We will be clearer about our role and our services, learn from our mistakes, build our capabilities and celebrate our successes.


We have welcomed two new Councillors this year, with Cr Tosh-Jake Finnigan and Cr Max Arnott joining the team, replacing Cr Joe McCracken and Cr Jamie

Bell. Our best wishes go to Joe and Jamie and we thank them for their commitment to the community over two years. We are delighted that Cr Finnigan and Cr Arnott have settled into their roles so quickly.

To serve as your Mayor during this period has been extremely rewarding, with my fellow Councillors and the entire organisation striving to get the best outcomes for our community.

Our achievements and challenges are spread throughout this Annual Report, however some that are worthy of highlight include:

- The release of 119 residential lots ready for housing and planning approvals granted for another 212 lots ready for development in the next few years.
- Council attracted \$695,000 in grant funding from the Victorian Government to undertake the Deans Creek Precinct Structure Plan. Work has commenced on the technical studies and community engagement. When complete this will enable 4,500 to 6,000 houses over the next few decades.
- Council sold approximately 4.2 hectares of land at 36-52 Bruce Street, Colac, in November 2022 for \$2.6 million. This land will be developed by its new owner to create 54 residential lots including three lots for social housing.
- Two new floating pontoons, 55 and 60 metres long, were installed at the Port of Apollo Bay, providing more access at all tides and creating more space for boats to be temporarily moored. This work was funded through an \$800,000 grant from Better Boating Victoria.

- 
- Council adopted the Apollo Bay, Skenes Creek and Marengo Community Infrastructure Plan which sets the long-term vision for these coastal communities for the next 20 to 30 years. This is the outcome of many years of collaboration with the Great Ocean Road Coast and Parks Authority and local communities.
 - Council endorsed the drafts of its new Environmental Sustainability Strategy and Climate Change Action Plan, which were informed by extensive community engagement. The draft documents attracted 40 survey responses and 78 written submissions, highlighting the importance of this work.
 - Stage One of the Forrest Mountain Bike Revitalisation Project has delivered upgraded and expanded trails, achieved through a partnership of \$2.07 million funding from the Victorian Government and \$0.25 million from Council.
 - Lighting upgrades were completed at Gellibrand, Irrewillipe, Alvie, Birregurra and Warrowie Recreation Reserves enabling users to train and play safely on these ovals well into the evenings.

These projects take us forward in our goals of facilitating more residential land for future housing, supporting the Apollo Bay Harbour to be the heart of the bay's prosperity and identity, planning for the future and playing our part in addressing and responding to the changing climate.

We will continue to work with our communities to understand what they need and how we support them, and with our Chief Executive Officer and organisation to continuously improve the core services you rely on.

Councillor Chris Potter
Mayor

Message from the Chief Executive Officer



I reflect on the last 12 months with pride in the hard work and achievements of the organisation. Our people have worked with care and commitment to deliver quality programs, projects and services for communities across the Colac Otway Shire.

We understand how important it is to balance achieving the community's aspirations with the cost of our services, and looking forward Council needs to continue to carefully monitor and manage its financial sustainability and performance in light of economic conditions.


Council maintained a positive financial position during 2022-23 recording a surplus of \$6.56 million. Council's total financial assets totalled \$34.07 million on 30 June 2023, which comprised \$21.07 million of cash on hand or on-call, with a further \$13.00 million held in term deposits, totalling \$34.07 million financial assets at 30 June 2023. Much of the cash held by Council is allocated to specific purposes such as capital projects still to be delivered, rehabilitation and aftercare of Council's former landfill sites, and a range of statutory and contractual obligations.

It is pleasing to see the community embracing the four-bin kerbside collection service with 5,250 tonnes of material diverted from landfill. 4,062 people have downloaded the GoodSort app which includes the waste calendar and great information about which materials go in which bin. We will continue to use technology to improve our services where we can.

Renewing Council's aging assets will continue to present challenges, particularly as both standards and construction costs are drastically different to the time when most assets were originally constructed.

During 2022-23, Council received \$1.68 million of new assets constructed by Developers, in addition to Council's own Capital Works Program which delivered \$10.34 million in the year. This program had a focus of ensuring that existing assets are fit for the community's needs, with 68 per cent of works relating to asset renewal and a further 29 per cent improving and upgrading existing assets. This work was impacted by storms and floods at times, especially the unsealed road network and those roads through the Otways. Council has been successful in securing disaster recovery funding to minimise the financial impact on Council's ratepayers.

Transitioning to a new organisational structure early in 2022-23 was among our key internal achievements for the year. This has enabled us to find capacity within existing resources to create focus on important internal reforms. These include improving our customers' experience, strengthening asset management and enhancing our project management governance. Over the next few years, these changes will deliver important outcomes for our community in areas that they have told us matter most. Transition to the new structure involved some of our teams merging or shifting divisions and I thank and commend employees for having adjusted so seamlessly.



Council is one of the larger employers in the Shire, and this year our management and employees successfully negotiated a new three-year Enterprise Agreement in late 2022, which provides a strong framework for creating a supportive and effective workplace for our people. This negotiation took place in the midst of a cost of living crisis and our employees rose to the task of balancing their needs with those of the organisation.

Council also recognised the need to commence a Best Value Review of Aged and Disability Services to understand the implications of upcoming Commonwealth Government reforms in the provision of these services. I wish to acknowledge the professional way our employees involved in these services have responded to this review as they go about their work of delivering important services to older people in our community and those who need assistance due to disabilities.

In the last year we commenced a governance review of Council's Community Asset Committees that volunteer to look after and manage many community facilities across the Shire. We know we have more work to do to ensure that the facilities and committees receive the support they need.

I thank and congratulate all of our staff for their contributions and achievements during 2022-23 and look forward to further supporting their work for and with our wonderful community.

Anne Howard
Chief Executive Officer

A Year in Review

Highlights and Major Achievements - Fast Facts

 693 Children who attend the Maternal and Child Health service at least once in the year	 106,259 Physical library collection items loaned
 1,309,812 Kerbside bins collected in the year	 2,978 Active library borrowers this year
 5,250 Tonnes of material diverted from the landfill stream	 \$3.98m Towards the upgrade and renewal of local roads
 412 Planning application decisions made in the year	 \$1.26m Towards the upgrade and renewal of local bridges
 102,808 Visits to Bluewater Leisure Centre	 79 Council grants awarded to business and community groups
 87 Animals were rehomed	 186 Annual food safety assessments completed

Our performance – an overview

Financial Overview

Colac Otway Shire Council's performance was generally favourable when compared to the 2022-23 Budget and the previous financial year, as evidenced by:

- Cash and cash equivalents of \$21.07 million (up from \$13.81 million last year)
- \$67.90 million in revenue (up from \$63.83 million last year)
- \$47.71 million in expenses not including depreciation (compared to \$47.33 million last year)
- Income Statement surplus of \$6.56 million (\$5.75 million last year)
- Zero borrowings, with Council's last loan fully paid in June 2023.

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

Like most businesses, Council has experienced significant increases in the cost of services, commodities and consumables this year. We know many of our contractors and suppliers are still experiencing workforce challenges and high inflation rates. This impacts their availability and the cost of materials and services purchased by Council. This has required Council to carefully manage, and in some cases defer, works that it had planned for the year.

Council had employee turnover rates that were again higher than historic trends. This started with post-covid workforce changes and may continue in the future. Offsetting this was Council's success in recruiting people to a number of positions where there have been prolonged vacancies. As a result, total employee costs in the year are higher than previous years, but these are largely offset by lower expenditure on agency staff and contractors who have traditionally backfilled vacancies. Not only is this financially favourable, it helps to build a more stable workforce and strengthens the underlying capabilities of the organisation.

Storms and floods impacted our annual plans, disrupting day-to-day operations and requiring Council to undertake unplanned repair and recovery work. This will be an ongoing challenge for all Councils and communities as the changing climate causes more frequent and extreme weather events and natural disasters.

Operating Performance

Council's operations delivered a net surplus of \$6.56 million, up by \$0.81 million on last year. An explanation of material variances can be found in Note 2.1.1 in the Notes to the Financial Report included at the end of this report.

Generating a net surplus is important because it enables Council to fund non-operating activities, including the provision of new infrastructure and the renewal of existing community assets. The net surplus also includes funds tied to specific purposes, such as our waste and recycling programs, operating projects and non-cash items such as depreciation and assets handed over to Council by developers. It also includes one-off capital grants that Council is obliged to deliver for specific purposes.

	Budget \$'000	Actual \$'000	Variance Fav/ (unfav) \$'000	% Variance
Revenue	56,423	67,902	11,479	20%
Expenditure	55,952	61,343	(5,391)	(9%)
Net surplus	472	6,559	6,087	1,290%
Cash and cash equivalents	14,234	21,069	6,835	48%
Borrowings	380	0	380	
Net assets	381,933	500,121	118,188	31%
Rates and charges revenue	29,863	33,000	3,137	11%
Capital expenditure	12,334	10,338	(1,996)	(19%)

Working capital

Working capital ratio (current assets/current liabilities) is an indicator of an organisation's ability to meet its financial commitments over the coming 12 months. The working capital ratio at the end of the financial year was 243 per cent, which is higher than the budgeted position of 148 per cent. This variance is mainly driven by the increase of \$13 million in the balance of unrestricted cash but is offset by Conditional Grants unspent of (\$7 million).

Borrowings

Council has fully paid off a borrowing of \$380,000 in June 2023, and ends the financial year with no loans outstanding.

Cash position

Council's cash and investment balance is \$34.07 million, with \$8.16 million of income received that is tied to specific purposes and not able to be redirected to other purposes. Council has made allocations to a series of non-discretionary and discretionary reserves that amount to \$29.5 million. Not all of Council's obligations and commitments will present themselves in the next 12 months. With the progress Council has made in recent years in rebuilding its cash balances, it will be well-placed to meet its obligations when due.

Council's cash position in 2022-23 is more favourable than planned when the budget was adopted due primarily to the following:

- Sale of Bruce Street, Colac, for \$2.6 million.
- Advanced payment of Federal Assistance Grants, higher by \$4.8 million.

Asset Renewal

Council allocated \$8.7 million to renewing its assets in the 2022-23 Budget and delivered \$7.0 million in the year. Some projects were delivered at a lower cost than planned, some projects have been carried forward for completion in 2023-24 and some need further review before they can proceed to ensure that a value-for-money outcome can be achieved.

Projects and Programs

In addition to Council's day-to-day operations, Council funds and delivers a significant number of projects each year. They come in all shapes and sizes, some are straight-forward and some are complex. Below is a selection of projects delivered in 2022-23 that demonstrate the diversity of our programs.

Capital Works program

Project	Description	2022-23 Expenditure
Burrupa Road Bridge Replacement	This bridge was replaced in partnership with Corangamite Shire Council as it crosses the municipal border	\$416,977
King Track Bridge Replacement	Replacement of aged bridge across the Gellibrand River at Chapple Vale	\$255,167
Eastern Reserve Netball Court Upgrades	Rehabilitated and resealed netball court surfaces and installed new spectator seating	\$204,841
Sportsground Lighting upgrades	Sportsground lighting upgrades at Gellibrand, Irrewillipe, Alvie and Warrowie recreation reserves to 150 lux, which enables night football games	\$1,278,217
Wydinia Kindergarten Bathroom upgrade	Upgrade to aged bathroom facilities to provide contemporary fit-for-use facilities and ensure compliant facilities are provided for early years programs	\$88,932
Great Ocean Road Footpath Network Expansion	Completed Stages 1 and 2 of the new footpath along the Great Ocean Road between Costin Street and Marriners Lookout Road, Apollo Bay	\$347,269
Beeac Park Playground Redevelopment	Redevelopment and installation of a new playground and landscaping improvements to the main park in the township of Beeac	\$187,894
Cororooke Open Space and Play Space Development	Development of a new playspace, history walk and landscaping of open spare reserve in the township of Cororooke. The project implemented the majority of the works identified in the masterplan	\$451,217
Heavy Plant Replacement program	Replacement of major plant required for Council's operations, including new Flocon for road maintenance	\$431,056
Crack Sealing program	Annual crack sealing across the sealed road network, protecting road pavements from water infiltration	\$51,463
Unsealed Road resheeting	Completed annual resheeting program of the unsealed road network	\$825,244
Sealed Road Reconstruction	Completed annual road reconstruction program (including major patching, reconstruction and resealing) across the Shire	\$2,317,039
Rail Crossing Interface Safety Improvements	Upgraded level crossing (rail) interface safety with road on Black Larpent Road, Larpent and Whytcross Road, Birregurra	277,409
Landslip works	Addressing landslips resulting from storm events at multiple sites across the Otways	\$662,446
ICT systems	Completed important renewal and upgrade works required to ensure the critical ICT infrastructure is stable and secure and meets the operational needs of the organisation	\$333,967

Operational projects

Project	Description	2022-23 Expenditure
Deans Creek PSP	Council commenced the development of a Precinct Structure Plan (PSP) this year, commencing technical studies and engagement	\$157,484
MoRE program	Delivery of the Modelling of Respect and Equality (MoRE) program developing local leaders to guide and mentor young men	\$42,959
Biosecurity project	Developed response planning and systems in preparedness for potential foot-and-mouth	\$10,994

Performance against the Council Plan

Strategic indicators

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.

Indicators	Achievement	
Theme 1 - A strong and resilient economy		
Increase land supply by 200 new lots annually	119	✓
Number of residential lots approved by planning permits	212	✓
Number of commercial and industrial lots approved by planning permits (use and development)	18	✓
Theme 2 - Valuing the built and natural environment		
Road safety funding attracted and implemented	\$46,846	✓
Reduced waste to landfill	5,250 tonnes diverted	✓
Percentage of organic waste diverted from landfill stream and composted	38%	✓
Theme 3 - Healthy and inclusive communities		
Participation rates in Maternal and Child Health checks	76.26%	✓
Increased participation rates at libraries	13.43%	✓
Increased visitation and memberships at Bluewater Leisure Centre	102,808	✓
Increased visitation and memberships at Apollo Bay Aquatic Centre	6,638	✓
Theme 4 - Strong leadership and management		
Community satisfaction for overall performance increases annually from 63 points	50	✗
85 per cent of planning applications, and 100 per cent of Vicsmart applications, determined within 60 days	77	✗
Number of traineeships/apprenticeships	3 of each	✓

Actions

Council, in the adopted Annual Action Plan, set out 91 Council Plan actions for 2022-23. Of the 91 actions identified in the plan, 65 are complete, 23 have been initiated with implementation ongoing and three are not progressing. Progress of end of year performance for the 2022-23 actions is summarised below.

Annual actions	Completed	Ongoing	Not progressing
Theme 1 - A strong and resilient economy	14	7	0
Theme 2 - Valuing the built and natural environment	21	4	0
Theme 3 - Healthy and inclusive communities	19	3	1
Theme 4 - Strong leadership and management	11	9	2
Total	65	23	3

Community Satisfaction Survey

The results from the 2023 Community Satisfaction Survey provides valuable insights into the community's perception of Council's performance and areas that Council should focus on to better meet community expectations.

The independent survey seeks community views on a range of Council services and is benchmarked against both state-wide and other large rural councils. It provides feedback on councils' overall performance, value for money in services and infrastructure; community consultation and engagement; decisions made in the interest of the community; customer service, local infrastructure, facilities, services and overall council direction.





The report produced by JWS Research, based on a phone survey of 400 residents, outlines that

Council continues to perform significantly higher than state-wide and other large rural Councils in the areas of art centres and libraries and elderly support services. Another positive outcome was Council's rating in the provision of customer service increasing from 63 in 2022 to 66 in 2023, in line with trends seen state-wide and in large rural Councils.

In overall performance, Council received a score of 50 in 2023, which is lower than the 2022 result of 56, and lower than the 'large rural group average' score of 52. Areas highlighted as being in most need of attention include planning and building permits, the maintenance of unsealed roads and sealed local roads and the communication of community decisions.

Sustainability Snapshot

The community's engagement in developing the Community Vision and Council Plan highlighted the importance of environmental sustainability and addressing and responding to climate change. 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	57% of kerbside waste diverted from landfill	4,062 people have downloaded the GoodSort app
577 tonnes of glass recovered and processed	3,298 tonnes of organic waste collected for composting	3,936 tonnes of mixed recycling collected for processing	
Draft Environmental Sustainability Strategy 2023-2033 developed and exhibited for public comment			351 street trees planted across the Shire
15 community events held with an environmental theme	Draft Climate Change Action Plan 2023-2033 developed and exhibited for public comment		

Our Council

Our Councillors

Our Executive

Our Organisational Structure

Our People





Our Councillors

In 2022-23, Colac Otway Shire Council comprised the following elected representatives. The profiles outlined below reflect membership of those bodies and committees that were operating during this time.



**Mayor
Chris Potter**

*First elected as Councillor in 2016
and re-elected in 2020*

The Mayor is Chair of meetings of the Colac Otway Shire Council and Planning Committee.

The Mayor acts as Council's representative (through membership) in relation to the activities and functions of the following committees or external organisations:

- Central Reserve Advisory Committee
- G21 Regional Alliance (Board)
- SouthWest Victoria Alliance (Board).

Contact details

Phone: 0427 821 435

Email: councillor.potter@colacotway.vic.gov.au



**Councillor
Graham Costin**

*First elected as Councillor
in 2020*

Councillor Graham Costin acts as Council's representative (through membership) in relation to the activities and functions of the following committees or external organisations:

- Lake Colac Coordinating Committee
- Port of Apollo Bay Consultative Committee
- Australian Local Government Association
- G21 Managing Growth Advisory Group (G21 Region Alliance Pillar).

Contact details

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**Councillor
Max Arnott**

*First elected as Councillor (via
Countback) in 2023*

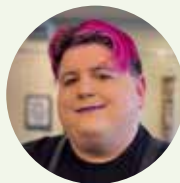
Councillor Max Arnott acts as Council's representative (through membership) in relation to the activities and functions of the following committees or external organisations:

- Colac Municipal Aerodrome Advisory Committee
- Mooleric Road Quarry Consultative Committee
- Ondit Road Quarry Consultative Committee
- Colac Otway Performing Arts Cultural Centre Trust
- Australian Local Government Association (substitute).

Contact details

Phone: 0475 777 002

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**Councillor
Tosh-Jake Finnigan**

*First elected as Councillor (via
Countback) in 2023*

Councillor Tosh-Jake Finnigan acts as Council's representative (through membership) in relation to the activities and functions of the following committees or external organisations:

- Colac Regional Saleyards Advisory Committee
- Rural Council's Victoria (substitute)
- Timber Towns Victoria Committee
- G21 Culture and Economic Development Pillar (G21 Region Alliance).

Contact details

Phone: 0427 749 918

Email: councillor.finnigan@colacotway.vic.gov.au



**Councillor
Kate Hanson**

First elected as Councillor in 2016 and re-elected in 2020

Councillor Kate Hanson acts as Council's representative (through membership) in relation to the activities and functions of the following committees or external organisations:

- Audit and Risk Committee member
- Colac Road Safety Group
- Rural Councils Victoria
- Rural Financial Counselling Service Vic – Wimmera Southwest (RFC)
- Municipal Association of Victoria (substitute).

Contact details

Phone: 0409 038 843

Email: councillor.hanson@colacotway.vic.gov.au



**Councillor
Margaret White**

First elected as Councillor in 2020

Councillor Margaret White acts as Council's representative (through membership) in relation to the activities and functions of the following committees or external organisations:

- Audit and Risk Committee member
- Friends of the Colac Botanic Gardens Advisory Committee
- Lake Colac Coordinating Committee
- Geelong Regional Library Corporation
- G21 Health and Wellbeing Pillar (G21 Region Alliance).

Contact details

Phone: 0475 111 388

Email: councillor.white@colacotway.vic.gov.au



**Councillor
Stephen Hart**

First elected as Councillor in 2002 and re-elected in 2008, 2012, 2016 and 2020

Councillor Stephen Hart acts as Council's representative (through membership) in relation to the activities and functions of the following committees or external organisations:

- Weeds Consultative Committee
- Colac Otway Performing Arts Cultural Centre Trust
- Municipal Association of Victoria
- G21 Sustainability Pillar (G21 Region Alliance).

Contact details

Phone: 0407 962 412

Email: councillor.hart@colacotway.vic.gov.au

**Councillor
Jamie Bell**

First elected as Councillor in 2020 and resigned on 25 January 2023

**Councillor
Joe McCracken**

First elected as Councillor in 2016 and re-elected in 2020. Resigned on 16 December 2022 – elected to Legislative Council for the Western Victoria Region

Councillor Allowances and Expenses

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. The Policy is available 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 and travel.

The following table sets out the allowance paid to Councillors and councillor expenses for the reporting period 2022-23.

Councillor	Allowances (including super)	Travel Expenses	Car Mileage Expenses	Information and Comms Technology Expenses	Conferences and Training Expenses	Other Expenses	TOTAL
Chris Potter Mayor	\$74,234	\$1,036	\$471	\$559	\$1,463	\$0	\$77,762
Kate Hanson	\$56,504	\$0	\$1,372	\$303	\$580	\$33	\$58,792
Graham Costin	\$37,370	\$1,279	\$5,219	\$492	\$2,583	\$33	\$46,976
Tosh-Jake Finnigan #	\$14,088	\$0	\$0	\$0	\$785	\$33	\$14,906
Stephen Hart	\$30,560	\$0	\$3,764	\$246	\$244	\$33	\$34,847
Max Arnott *	\$10,480	\$1,099	\$155	\$0	\$2,896	\$33	\$14,663
Margaret White	\$30,735	\$21	\$635	\$511	\$615	\$33	\$32,550
Jamie Bell ^	\$17,334	\$0	\$0	\$496	\$0	\$0	\$17,831
Joe McCracken*	\$5,429	\$0	\$0	\$621	\$0	\$0	\$6,050
	\$276,733	\$3,434	\$11,615	\$3,228	\$9,166	\$200	\$304,376

* Cr Joe McCracken was on a leave of absence from 5 September until 5 December 2023 and resigned on 16 December 2022.

Cr Tosh-Jake Finnigan commenced as a Councillor on 18 January 2023.

^ Cr Jamie Bell resigned on 25 January 2023.

** Cr Max Arnott commenced as Councillor on 1 March 2023.

Council and Committee meeting attendance

1 July 2022 to 30 June 2023

Councillor	Colac Otway Shire Council meetings (total 15)	Planning Committee meetings (total 6)	Submissions Committee Meetings (total 6)	Chief Executive Officer Employment Matters Committee (total 2)	Audit and Risk Committee meetings (total 5)
Chris Potter Mayor	15	6	6	2	Not a member
Kate Hanson	15	6	5	2	3 (appointed on 14 December 2022)
Graham Costin	15	5	6	2	2 (member until 13 December 2022)
Tosh-Jake Finnigan #	8 (8)	2 (2)	3 (3)	2 (2)	Not a member
Stephen Hart	15	5	5	2	Not a member
Max Arnott **	6 (6)	1 (1)	3 (3)	2 (2)	Not a member
Margaret White	15	6	6	2	5
Jamie Bell ^	7	4	3	0	Not a member
Joe McCracken*	2	1	0	0	Not a member

* Cr Joe McCracken was on a leave of absence from 5 September until 5 December 2023 and resigned on 16 December 2022.

Cr Tosh-Jake Finnigan commenced as a Councillor on 18 January 2023.

^ Cr Jamie Bell resigned on 25 January 2023.

** Cr Max Arnott commenced as Councillor on 1 March 2023.

Executive Management Team

The Executive Management Team assists in the overall leadership and governance of the organisation. The team plays an important role in ensuring that Councillors and organisation each have the information required to set priorities and implement decisions.

In particular, the Executive Management Team:

- provides impartial and professional advice to Council
- implements Council decisions efficiently and effectively
- leads the organisation and its people, including enhancing collaboration and providing stewardship for the future
- manages ongoing programs and services
- builds partnerships and advocates in the best interests of the community, consistent with Council priorities.



Anne Howard
Chief Executive Officer

Anne has 22 years' experience in local government with qualifications that include a Master of Business Administration, Master of Infrastructure Engineering and a Bachelor of Engineering.

As the Chief Executive Officer, Anne has the most senior leadership position at the Colac Otway Shire Council and, in accordance with the *Local Government Act 2020*, is responsible for implementing Council decisions and for the day-to-day operations and affairs of the Council.

The Office of the CEO includes two departments of strategic importance to the operations of the Council, being the Governance Department and the Planning and Strategic Focus Department. This enables the CEO to have close connection to the important work done by these teams.



Heath Chasemore,
General Manager
Infrastructure and
Operations

Heath has over 25 years' experience in local government, with post graduate qualifications in Horticulture, Management and Leadership.

Heath has responsibility for a range of strategic and operational services including operations teams that maintain our civil infrastructure, parks and open space, buildings and streetscapes, as well as plant and fleet needed by the organisation. Heath oversees council's strategic asset management functions that underpins Council's immediate and longer-term asset plans and projects, engineering services, and the regulatory services that protect the natural and built environment. Heath also oversees the Port of Apollo Bay operation.



**Andrew Tenni,
General Manager Corporate
Services**

Andrew has over 20 years' experience in the public sector with qualifications including a Masters of Applied Science (Innovation and Service Management), Graduate Diploma in Business Leadership and Bachelor of Arts (Social Science).

Andrew ensures that Council's corporate services support the workforce and workplace as it goes about its business of service delivery. This includes responsibility for financial services, records management, technology services, procurement and contract management, and property management. Andrew's teams also include the Customer Service and Communications teams that have important frontline responsibilities.



**Ian Seuren,
General Manager
Community and Economy**

Ian has over 25 years' experience in the public service and not-for-profit sectors, with qualifications including a Master of Sport Business and Bachelor of Applied Science (Human Movement).

Ian is responsible for many of Council's functions that help the community stay connected and healthy including recreation, aged and disability services, youth and early years services, and libraries. Ian's teams also work closely with businesses and partners to support a thriving economy with responsibility for economic development, tourism and events, and a number of business enterprises such as the Colac Regional Saleyards, Bluewater Leisure Centre and COPACC.

Under the new structure Ian has taken the lead in ensuring internal project management services work closely with project sponsors and is overseeing important reforms in this team.



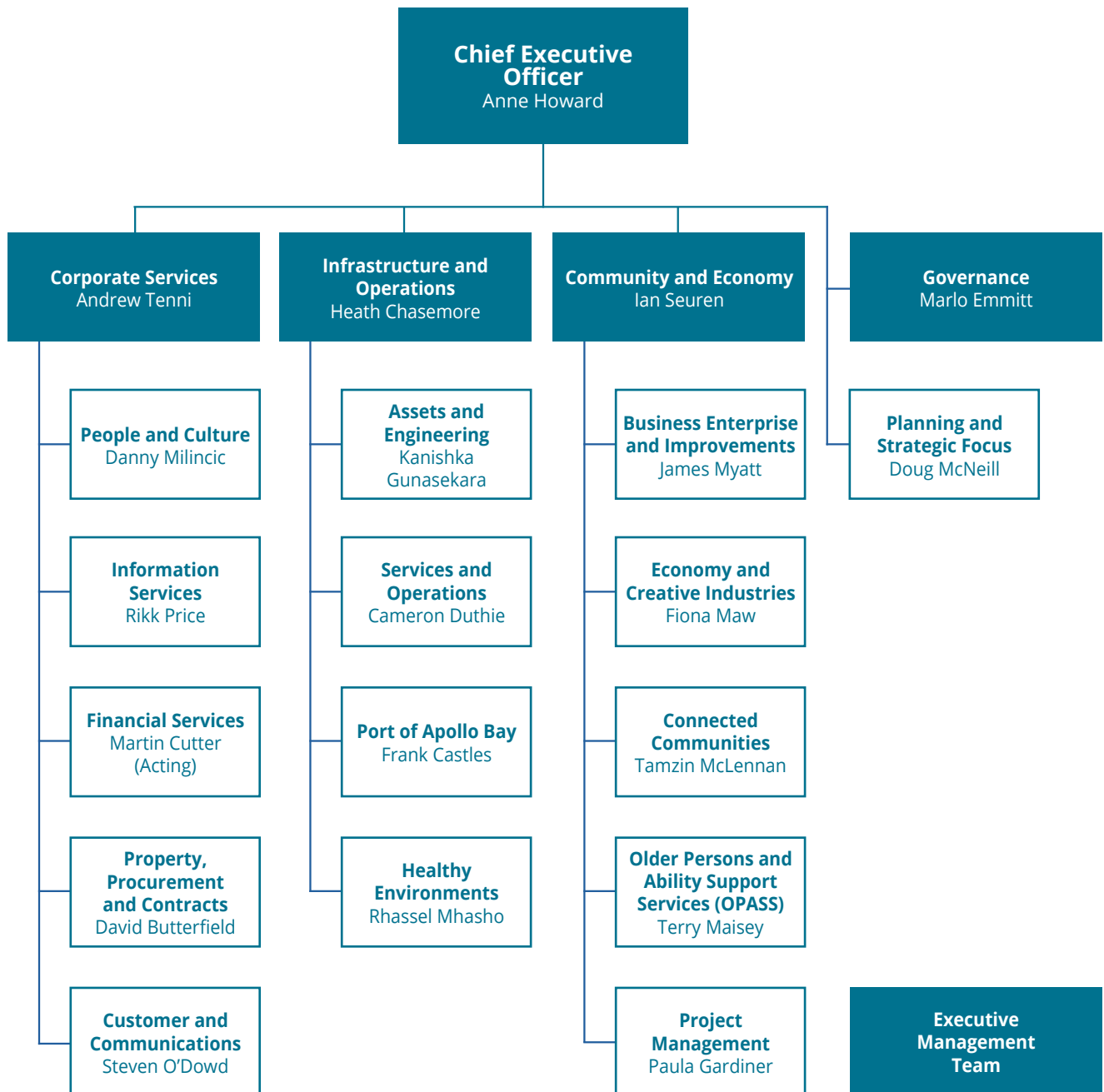
**Marlo Emmitt,
Manager
Governance**

Marlo has over 20 years' experience in Local Government, with qualifications that include a Bachelor of Commerce (Business Law) and Diploma of Business in Hospitality Management.

Marlo provides high level support and advice to Councillors and the wider organisation, ensuring the organisation's reputation is preserved and enhanced, risks are anticipated and managed, well-informed decisions are made by the administration and Council and Council's corporate planning and statutory responsibilities are met.

People and Structure

(as at 30 June 2023)



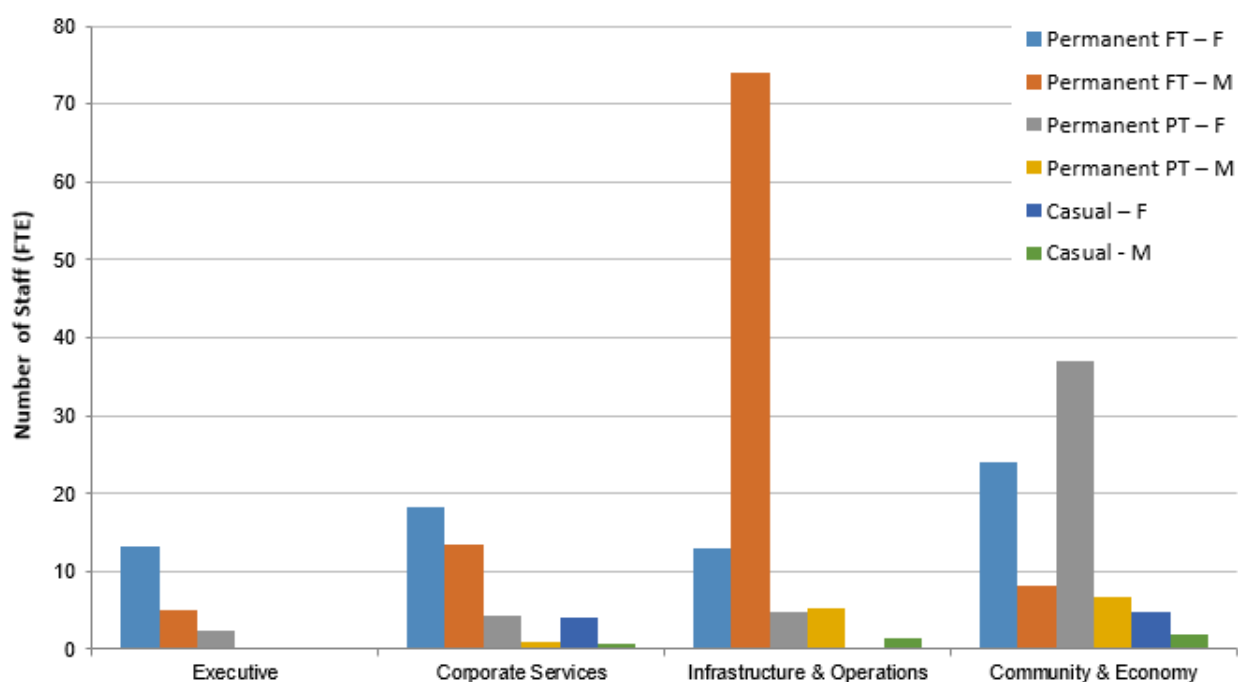
Our People

Staff by employment type

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

Employee Type/Gender	Executive	Corporate Services	Infrastructure and Operations	Community and Economy	Total
Permanent FT – F	13	18	13	24	69
Permanent FT – M	5	14	74	8	101
Permanent PT – F	3	4	5	37	49
Permanent PT – M	0	1	5	7	13
Casual – F	0	4	0	5	9
Casual – M	0	1	1	2	4
Total	21	42	98	83	244

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



Enterprise Agreement

Council successfully re-negotiated a three-year Enterprise Agreement. In developing the new agreement to determine future working conditions for Council staff, twelve negotiation workshops were held with representatives from the Australian Services Union, Australian Nursing and Midwifery Federation, and Professionals Australia along with self-nominated staff bargaining representatives and management. Approval by Fair Work Australia of the new agreement was confirmed in December 2022.

The new Enterprise Agreement provides improved terms and conditions for staff, including greater flexible working arrangements, increased Parental and adoption leave, paid leave for employees undergoing gender transition, blood donation leave and the ability to further contribute to the community by the way of volunteer leave.

Recruitment

During 2022-23, Council advertised 152 positions, attracting 865 applications. Vacancies ranged across nearly all departments of the organisation, including Finance, Community Care, Governance, People and Culture, Assets and Project Delivery and Services and Operations.

Organisational Alignment and Cohesion

During the year, the Executive Management Team oversaw the transition to a new organisational structure. This enabled council to find capacity within existing resources to create focus on important internal reforms. These include improving our customers' experience, strengthening asset management and enhancing our project management governance. These reform areas are essential to ensure that Council continues to build its organisational capabilities for the future.

To further enhance the productivity and cohesion opportunities that were identified with the organisational restructure, a large scale review of officer accommodation and workstation placement was undertaken during the year. The outcomes of the review, and subsequent office relocations will provide a more connected and cohesive work environment by aligning interdepartmental working relationships and connectedness in co-dependent service areas. The added benefits include increasing staff engagement, especially as we transition back to working in the office environment post COVID. The review and implementation of the office accommodation and

workstation placement will further build a positive and vibrant culture across the 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:

- One nursing student obtained experience in the practice of immunisation health with the Health Protection team.
- Our Maternal and Child Health team also hosted one nursing student.
- Two Year 10 students completed work experience and six students completed placements at Bluewater Leisure Centre with one gaining casual employment following placement.
- One Year 10, one Year 11 and one Year 12 student completed work experience at Colac Otway Performing Arts and Cultural Centre.
- Our Parks and Gardens team hosted one Year 10 and one Year 11 student for work experience.

Traineeships/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. Three apprentices and four trainees worked across Council in the areas of workshop mechanics, parks and gardens, civil construction, horticultural and business traineeships.

Two of the students have since completed their traineeships in Business and Civil Construction and gained permanent full-time employment at Colac Otway Shire Council.

Learning and Development

Council provides study assistance for employees wanting to further their education. Two employees were supported to undertake formal studies to further their knowledge.

Throughout the year, staff were trained in areas such as emergency management, introduction to

Local Government, cyber security, first aid, positive communication in the workplace, navigating workplace change and skills and compliance training relevant to their roles.

All new employees participate in our induction program which provides an overview of service areas and key responsibilities and extensive learning in the corporate online programs used across the organisation. New employees are also required to participate in site-specific inductions which covers corporate policies, procedures and business processes.

All employees participate in the Performance Development program. Through this program, each employee works with their manager to develop measurable goals for the year. Formal performance discussions between managers and employees occur twice a year, with more regular informal discussions taking place throughout the year to enable feedback, direction and support.

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 were trained in the new 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.



Appreciating our employees

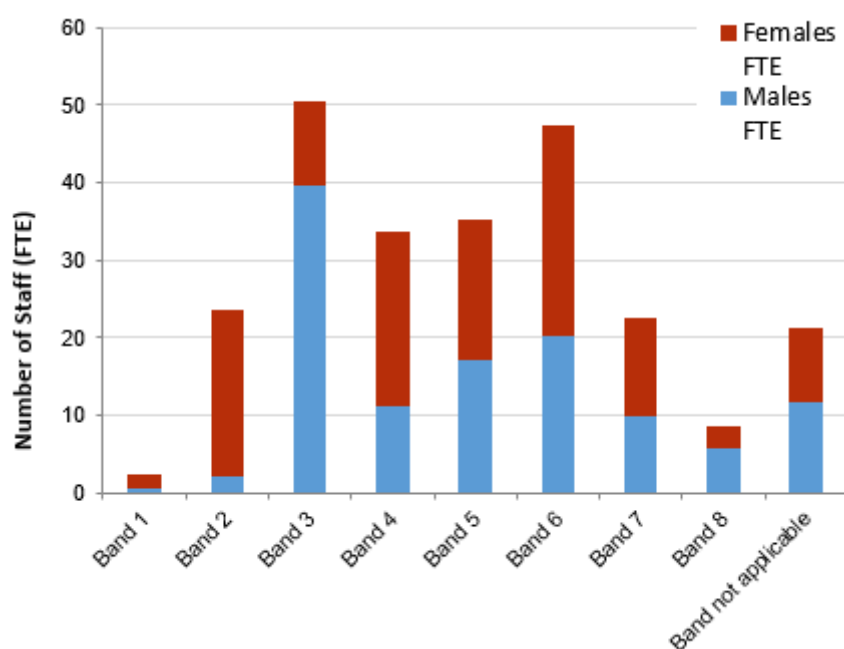
In 2022-2023, Colac Otway Shire Council recognised and acknowledged the continuous service of 36 employees from across the organisation. An event was held to acknowledge and highlight the valuable contributions our staff bring to the organisation and community and show appreciation for the work they do. Councillors, employees and a guest of recognised employees attended the event to show their appreciation.

Years of Service Milestone	Number of Employees Awarded
5	19
10	4
15	3
20	2
25	4
35	3
40	1

Employees 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	0.17	1.89	7.30	13.82	25.73	10.89	2.78	6.12	68.68
Permanent FT - M	0.00	0.00	31.41	10.37	15.01	19.16	9.97	4.97	9.99	100.88
Permanent PT - F	1.35	21.01	2.12	13.74	4.32	1.47	1.76	0.13	2.91	48.81
Permanent PT - M	0.65	2.14	5.93	0.00	2.02	0.67	0.00	0.65	0.89	12.95
Casual - F	0.30	0.25	6.87	1.47	0.00	0.05	0.00	0.00	0.56	9.49
Casual - M	0.00	0.10	2.15	0.68	0.00	0.33	0.00	0.00	0.77	4.04
TOTAL	2.30	23.67	50.37	33.55	35.17	47.41	22.61	8.53	21.24	244.85

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



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 first Gender Equality Action Plan (GEAP) which outlines Council's commitment to take positive action on gender equality.

In February 2023, Councillors endorsed a Statement of Commitment to Gender Equality, as well as committed to flying the rainbow flag on IDAHOBIT Day annually. Council actively promotes gender equality in policies, programs and services by completing ongoing Gender Impact Assessments, and reporting to the Gender Equity Commissioner on its progress towards workplace gender equity.

Council is progressing its work towards compliance with the State Government's Fair Access Policy.

Health and Wellbeing

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

Employees (and their families) have access to an extensive range of support services through our employee assistance program. Employees can discretely and confidentially access a range of emotional, physical and social support services including:

- 24/7 face-to-face and telephone counselling
- Health and wellbeing services
- Extensive online resources e.g. health risk assessment, mortgage assist, finance assist and legal assist.

A range of health and wellbeing activities were held during the year including: celebrating Harmony Week by hosting a "Taste of Harmony" morning tea, IDAHOBIT Day, R U OK? Day; superannuation information sessions; highlighting safety awareness by hosting a National Safe Work Month "SafeTEA" morning tea; and inviting staff to participate in a group working bee at the Colac Botanic Gardens.



Our Performance

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





Theme 1

Strong and Resilient Economy

Introduction

This chapter outlines Council's performance against the key themes and objectives in the Council Plan.

It provides:

- Key achievements and key challenges and future outlook
- Continuous Improvement Initiatives
- Progress in relation to major initiatives identified in the Budget
- Progress in relation to initiatives and actions in the Annual Plans 2021-22 and 2022-23
- Initiatives and actions for the 2023-24 year
- Progress towards the strategic objectives/outcomes in the Council Plan as per the indicators in that document.

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 supports 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.

Measuring Council's performance against the key themes and objectives in the Council Plan



Completed



Carried over



Discontinued

Consistent with the Council Plan, Annual Plan Actions that contribute to the achievement of priority health and wellbeing areas are colour coded with a corresponding infographic, as outlined below:



**PREVENTING ALL FORMS
OF VIOLENCE**



**IMPROVING MENTAL
HEALTH & WELLBEING**



**TACKLING CLIMATE CHANGE
& ITS IMPACT ON HEALTH**



GENDER EQUITY



INCREASING ACTIVE LIVING



**PANEL
RECOMMENDATION**

Achievements

Release of land for housing in Colac

Freeing up land in Colac Otway Shire remains a key priority for the development of affordable housing to support a growing community and economy.

The Deans Creek Growth Area in Elliminyt is approximately 570 hectares and could accommodate from 4,500 to 6,000 houses over the next few decades. To progress this area for housing development, Council needs to complete the Deans Creek Precinct Structure Plan (PSP). Council was successful in attracting significant partnership funding in 2022-23, of \$695,000 from the Victorian Government and has commenced the technical studies and community engagement.

Council has identified the Elliminyt Wetlands Project as a key infrastructure investment to facilitate residential land provision in the Elliminyt area. The project will manage, control and improve the quality of storm water in the Elliminyt catchment with funding of \$3 million from the Victorian State Government and \$1.2 million from the Federal Government received to upgrade the existing storm water retarding basin. This will also help to unlock about 70 hectares of residential land for future development immediately upstream of the basin. The grants for the project will also enable Council to include and develop usable public open space on the site for nearby residents and the local community to enjoy.

The Elliminyt Wetlands Project will be delivered over a number of years. Several elements toward the completion of this project have been achieved including concept plans exhibited with community feedback received that has informed a final concept for the site. Site assessment is also underway, including biodiversity studies to identify flora and fauna; and cultural heritage investigations.

Council sold 4.2 hectares of surplus land at 36-52 Bruce street, Colac in 2022-23. Council exchanged contracts of sale in June 2022 with the property changing ownership in November. The developers acted promptly to submit a planning permit application which underwent public exhibition, and Council approved the planning permit in July 2023, for staged subdivision of this land into 54 lots for residential housing.

Delivery of growth/stimulation projects in partnership with Victorian and Federal government:

'Forrest MTB Revitalisation project'

Visitors and locals keen on mountain bike trail riding have more to experience in the Otways with the completion of a major partnership project with the Victorian Government. The Forrest Mountain Bike Revitalisation Project has enhanced and expanded the existing mountain bike trail offering. Stage One of the Forrest Mountain Bike Revitalisation Project is a capital works program of closed circuit three flow trails. New mountain bike trails and infrastructure has been constructed at the Southern Trails Network. Existing trails within the Southern Network have been reinvigorated to create a network of world-class experiences. All new and reworked trails have been re-profiled, including redirection of trails from areas with sensitive riparian values. Imported gravels have been used to resurface the trails to enable year-round use.

Stage One of the Forrest Mountain Bike Revitalisation Project was funded through a partnership between the Victorian Government and Council. The Victorian Government contributed \$1.57 million through the Victorian Public Land Economic Stimulus package and \$500,000 through the Regional Infrastructure Fund and Council made a contribution of \$250,000.

'Colac Otway Digital Transition Project' which lead into a further program of small business development workshops

25 local businesses benefited from a six month program delivered by Council that was fully funded by the Victorian Government. The businesses represented a wide range of localities and industries with the opportunity to participate in a small business digital support program. The program helped participants build knowledge of the use of digital tools to assist business owners to adapt to future changes in digital practice and market conditions.

The program included a 1:1 business assessment, self-paced online learning, four masterclasses on digital skills, creation of an action plan with an expert, as well as implementation of the action plan and 1:1 mentoring and drop-in sessions.

Working to upgrade Port boating facilities, floating pontoons, replacement of wooden jetty \$800,000

The \$800,000 upgrade of boating facilities has created better access and increased space for boats at the Port of Apollo Bay. The existing wooden jetty was replaced and a floating pontoon with larger and more durable floating pontoons was installed on each side of the boat ramp, creating provisions for all abilities. The two 55 and 60 metre long floating pontoons have created significantly more space for boats to be temporarily tied up, freeing up capacity at the ramp and improving the efficiency of vessel launching and retrieval. Access at all tides has been made easier through the pontoon replacement work and by dredging alongside construction. The project is part of the Victorian Government's investment into boating through Better Boating Victoria (BBV).

Challenges and Future Outlook

Key worker and affordable housing

Communities in the Colac Otway and broader region continue to face significant housing and accommodation pressures, impacting business and communities.

In February 2023, Council allocated \$300,000 for strategic planning work to support opening up additional residential land in the shire and \$120,000 of funds toward exploring development for key worker housing at the Nelson Street Depot in Apollo Bay.

Economic climate and cost pressures

Council and the community will continue to share the challenge of increasing costs for almost every commodity. Despite signs that this is abating, it will be some time before any relief is felt.

Council identified internal efficiencies and improvements in 2022-23 that led directly to a cost reduction in our recurrent operations of \$0.257 million. Council will continue to strengthen our financial, asset and project management practices to ensure that public money is used effectively and services are delivered in cost-effective ways.

Continuous Improvement Initiatives

Planning processes streamlined

Council has had a focus on stream-lining planning processes, removing unnecessary steps where possible. Council adopted Amendment C119 which reduces the extent of land covered by the Erosion Management Overlay by approximately 7 per cent, representing over 500 properties. Areas to benefit include parts of Skenes Creek, Kennett River, Grey River and farmland at the northern edges of the Otways.

Amendment C118 was also adopted by Council to reduce planning permit requirements for minor works, including specific types of advertising signs, in the Colac Commercial Centre. The amendment adjusted the Design and Development Overlay and introduced exemptions within the Heritage Overlay for some development types that do not affect heritage values in the streetscape. Such exemptions do not apply to individually significant heritage buildings.

Council continued its work to understand the experience of planning customers, both through regular feedback surveys of people with real-life experience of the planning system, and through a practitioners' forum in December 2022. This feedback has been important to Council as it works to improve the customers' experience.

Work has commenced on a review of Council's website to simplify processes and information available.

Events Policy streamlined

Community and economic events are important to the region and Council had a focus in 2022-23 on improving the way it supports external events. Council's Grants Program was reviewed, including the events category, and the events application procedures were refreshed after consultation with event organisers and benchmarking of other Councils. Following this a comprehensive review of the Events Policy commenced. A draft policy with changes was exhibited and two workshops held to allow discussion as well as submissions. A new Events Policy will be finalised in 2023-24.

Building capacity of local businesses

Council and other levels of government invest significant funding through capital and other programs. It is important that local businesses are well-placed to participate in a variety of procurement activities so that they can also benefit from this work.


















Council plans to deliver targeted workshops for local businesses in 2023-24, to assist them to understand government procurement and how to approach participating in processes to quote or tender for public works.








Performance












Priorities and Initiatives

The table below lists our Annual Plan and Budget initiatives against our four-year Council Plan priorities.

2022-23 Major Initiative	Status	Progress comments	
Facilitate the process of making additional residential land available			
<p>Of major significance in the Budget 2022-23 will be the progression of the strategic planning to unlock residential land development in the Deans Creek Growth Corridor, which will be supported by financial assistance from the Victorian Government. This important strategic work will result in the development of a Precinct Structure Plan that will establish the location of key open space reserves and linear linkages, drainage requirements, roads and key traffic intersections, and any other social and community infrastructure.</p> <p>The project will also deliver a Development Contributions Plan to guide how the required infrastructure would be delivered across the growth area. Upon completion, the Precinct Structure Plan and associated planning scheme changes will result in rezoned land for residential development.</p>		<p>Important progress has been made with preparation of the Deans Creek Precinct Structure Plan. The project governance has been established and a range of consultants have been engaged to prepare technical studies that are required to support the development of a concept plan for the precinct, including cultural heritage, stormwater/flooding, landscape significance, bushfire risk, flora and fauna and soil suitability.</p> <p>The development of the Plan is a multi-year project and work on the technical studies will continue in 2023-24. A community reference group will be established to further guide the project. The project will conclude with the planning scheme amendment which is expected to be completed in 2026.</p>	
Our 4-year priorities are	Our 2021-22 focus was	Our 2022-23 focus was	Over the next year we will
Deliver a Strategic Growth Plan for the shire and settlement strategy for all small towns and rural living areas 	✓ Participate in Great Ocean Road Authority Strategic Framework Plan	✓ Participate in Great Ocean Road Authority Strategic Framework Plan	Commence Birregurra structure plan review  Commence Northern Towns Growth Plan project 
Deliver a refreshed Apollo Bay Structure Plan 			<i>Prepare information for Council to consider funding this as a 2024-25 project</i>
Facilitate the delivery of more diverse housing stock in Colac and Apollo Bay  	<ul style="list-style-type: none">✓ Progress sale of the Council owned land at Bruce Street Colac for development with social housing✓ Work with the Apollo Bay community to progress actions that achieve key worker housing	✓ Continue to participate on and work with the Apollo Bay Key Worker Housing Action Group	Continue to work with Developers to promote greater diversity in housing stock, particularly developers of the Great Ocean Road subdivision at Apollo Bay, Bruce Street in Colac and the two sites being rezoned at Elliminyt in Irrewillipe Road and Harris Road/Colac Lavers Hill Road.  
Increase residential land supply in Colac  	<ul style="list-style-type: none">✓ Commence Deans Creek Outline Development Plan and Development Contributions Plan✓ Support the sale of land process at Bruce Street for residential housing🕒 Complete Colac West Development Plan and Shared Infrastructure Plan✓ Process privately led Colac residential housing planning scheme amendments	<ul style="list-style-type: none">🕒 Continue to progress the Deans Creek Precinct Structure Plan🕒 Finalise the Colac West Development Plan🕒 Progress Planning Scheme Amendments for rezoning land to residential in Colac	Continue to progress the Deans Creek Precinct Structure Plan   Finalise the Colac West Development Plan   Finalise Planning Scheme Amendments for rezoning land to residential in Colac  

Our 4-year priorities are	Our 2021-22 focus was	Our 2022-23 focus was	Over the next year we will
Deliver a Social Housing Strategy 	<ul style="list-style-type: none"> ✓ Adopt Social Housing Strategy ✓ Work with G21 regional partners to finalise a regional plan ✓ Work with Homes Victoria and housing providers to deliver social housing projects under the State's Big Housing Build program ⌚ Support the delivery of social housing through development of the Council land at Bruce Street, Colac 	<ul style="list-style-type: none"> ✓ Work with G21 regional partners to finalise a regional plan ⌚ Work with Homes Victoria and housing providers to deliver social housing projects under the State's Big Housing Build Program ✓ Support the delivery of social housing through development of the Council land at Bruce Street, Colac 	<p>Continue to work with Homes Victoria to advocate for social housing projects in the Shire</p>
Increase access to affordable accommodation for essential workers 	<ul style="list-style-type: none"> ✓ Work with the Apollo Bay community to progress actions that achieve key worker housing ✓ Participate in a regional Key and Essential Housing Worker project ✓ Investigate site options for future provision of key worker housing in Apollo Bay ✓ Advocate to State and Federal Government for support towards key worker accommodation ✓ Review Council's local law exemption process to consider increased facilitation of short term accommodation on residential lots for essential workers 	<ul style="list-style-type: none"> ✓ Work with the Apollo Bay community to progress actions that achieve key worker housing ✓ Work with regional partner Councils to complete the regional Key and Essential Housing Worker project ✓ Investigate site options for future provision of key worker housing in Apollo Bay ⌚ Advocate to State and Federal Government for support towards key worker accommodation 	<p>Commence Stage 1 exploration of Key Worker Housing Feasibility on Council owned land at Nelson Street Apollo Bay</p> <p>Continue to advocate to State and Federal Government for funding support towards provision of key worker accommodation</p> 
Deliver Economic Development Strategy		<ul style="list-style-type: none"> ⌚ Prepare targeted accommodation investment prospectus for Colac and present to industry stakeholders 	<p>Prepare targeted accommodation investment prospectus for Colac and present to industry stakeholders</p>
Attract and retain a diverse range of businesses and industries, particularly those with green credentials 	<ul style="list-style-type: none"> ⌚ Deliver small business Digital Transformation program 	<ul style="list-style-type: none"> ✓ Deliver small business Digital Transformation program 	
Deliver City Deals project in Colac Otway Shire's coastal towns 	<ul style="list-style-type: none"> ✓ Complete year one milestones in projects plans 	<ul style="list-style-type: none"> ✓ Implement City Deal projects to agreed plans 	<p><i>NOTE: Council no longer has a delivery responsibility but will continue to support the implementation of the City Deals projects to achieve the community's aspirations</i></p>

Our Performance – Theme 1

Our 4-year priorities are	Our 2021-22 focus was	Our 2022-23 focus was	Over the next year we will
Develop the Apollo Bay Harbour precinct for community activity, commerce and tourism 			<i>Support GORCAPA's delivery of Great Ocean Road City Deal projects</i> 
Attract investment to implement key master plans and projects that will drive economic growth including but not limited to Lake Colac Foreshore Masterplan, Public Toilet Strategy, CBD and Entrances Plan, Apollo Bay, Marengo and Skenes Creek CIP, Murray Street upgrades, township masterplans, Colac Civic Health and Rail Precinct, Memorial Square Masterplan Tourism Traffic and Parking Strategy 	<ul style="list-style-type: none"> ✓ Finalise a list of Council priority projects for funding advocacy 	<ul style="list-style-type: none"> ✓ Advocate to State and Federal government for funding towards Council's priority projects 	Complete Memorial Square Toilets project 
Deliver improvements to Colac and Apollo Bay CBD's to support their role as a hub for commerce, tourism and the community	<ul style="list-style-type: none"> 🔄 Finalise the Colac Civic Precinct Master Plan 🔄 Complete the Apollo Bay Community Infrastructure Plan 	<ul style="list-style-type: none"> 🔄 Finalise the Colac Civic Precinct Master Plan ✓ Complete the Apollo Bay Community Infrastructure Plan 	Finalise the Colac Civic Precinct Master Plan
Advocate to relevant authorities for new and upgraded infrastructure to support business growth e.g. roads, utilities, NBN	<ul style="list-style-type: none"> ✓ Complete a Digital Infrastructure Gap Analysis study 	<ul style="list-style-type: none"> ✓ Advocate to the Department of Transport for road improvements 	Seek grant funding to upgrade Mooleric Road
Advocate for implementation of the Forrest Wastewater scheme	<ul style="list-style-type: none"> ✓ Advocate to Barwon Water and State government to fund Forrest Wastewater Upgrade 	<ul style="list-style-type: none"> ✓ Continue to advocate to Barwon Water and State government to fund Forrest Wastewater Upgrade 	Support efforts by Barwon Water to introduce reticulated wastewater to Forrest 
Include consideration of arts and culture in strategic processes and projects			Engage with arts groups as the Civic Precinct Plan progresses 
Promote the Shire as a destination, not a gateway 			Continue to participate with GORRT promotions 
Maximise our key tourist attractions			Forrest Mountain Bike Trails 
Work with our community to promote our towns as places to stop, visit and explore		<ul style="list-style-type: none"> ✓ Promote uptake of the GORRT partnership program to local tourism business 	Consult with community stakeholders to complete the visitor servicing review 
Facilitate development of sustainable visitor infrastructure and accommodation	<ul style="list-style-type: none"> ✓ Assist GORCAPA with information necessary to conduct the preliminary assessment required to start the Ecotourism certification process 		
Support business growth through population attraction and retention 			<i>NOTE: Council is not actively promoting population growth as this is currently self-driven but constrained by accommodation access</i>

How we performed against our Indicators

Colac Otway Shire aims for several outcomes over the four years of its Council Plan 2021-2025. We measure progress by the indicators below.

Outcomes and Indicators	Results 2021-22	Results 2022-23	Contribution/Influence 2022-23
Outcome: Affordable and available housing will support a growing community and economy			
Indicators			
Strategic Growth Plan and Settlement Strategy developed	Not applicable. Was not a funded initiative in 2021-22	Not applicable. Was not a funded initiative in 2022-23	Significant progress has been made in the provision of more residentially zoned land for housing in Colac. Many initiatives are multi-year projects that will continue beyond 2022-23. It is expected that rezoning of land at two precincts in Elliminyt will be finalised after completion of amendment processes, facilitating development of at least 800-900 residential lots. This will be supplemented by finalisation of a Colac West Development Plan for residential land adjoining the former Colac High School which will facilitate a further 450-500 lots for housing. Substantial progress has been achieved with the technical assessment phase of the Deans Creek Precinct Structure Plan, with this being a longer term project to accommodate the growth of Colac and ensure the availability of affordable housing. There is also progress being made to stimulate new social housing development. Negotiations with developers for land being rezoned in Colac will result in agreements for social housing to be provided as part of new housing estates in Colac. The developer of land at Bruce Street Colac, sold by Council in 2022, will result in at least three new social housing dwellings.
Relevant Planning Scheme Amendments adopted	No residential amendments finalised in 2021-22	Planning scheme amendments progressed for two sites in Elliminyt at Harris Road/Colac Lavers Hill Road and Irrewillipe Road and an amendment submitted to the Minister for approval of land in Sinclair Street Colac to facilitate housing.	
Refreshed Apollo Bay Structure Plan delivered by 2022-23	Not applicable. Was not a funded initiative in 2021-22	Not applicable. Was not a funded initiative in 2022-23	
Increase land supply by 200 new lots annually	210 lots created	119	
Increased availability of affordable housing	Not available	Not available	
Levels of housing stress including rental and mortgage stress	Not available	Not available	
Number of hectares rezoned	No rezonings finalised	No rezonings finalised	
Number of residential lots approved by planning permits	51 new residential lots approved for Colac	212 new residential lots approved (91 in Colac/Elliminyt, 67 Apollo Bay/Marengo, 41 Birregurra and 13 elsewhere in the shire)	
Social Housing Strategy completed and implemented	Strategy adopted August 2021	Negotiations advanced with developers of land being rezoned at two sites in Elliminyt for provision of social housing, and advocacy to State Government for development on state owned land.	
Number of dwellings made available for social housing	Three additional dwellings under construction by Homes Victoria	Fourteen additional dwellings committed by Homes Victoria in Colac.	
More accommodation options are available in towns including Apollo Bay, Birregurra, Forrest and Colac, specifically for workers	Not available	Not available	

Our Performance – Theme 1

Outcomes and Indicators	Results 2021-22	Results 2022-23	Contribution/Influence 2022-23
Outcome: Attract, retain and grow business in the Shire			
Indicators			
At least 80% of actions from Economic Development Strategy completed	30 per cent complete. Note that the measure will be unachievable due to the percentage of actions that are ongoing rather than project based	67 per cent complete. Note that the measure will be unachievable due to the percentage of actions that are ongoing rather than project based	<p>Acknowledging the economy will continue to take time to recover from the COVID pandemic, interest in business development remains strong.</p> <p>The manufacturing and agricultural sectors continue to prosper, which provides ongoing benefits to our business community, particularly in the regional service centre of Colac.</p> <p>Cost of living pressures are being experienced across the country, with both community and visitors reviewing their discretionary spend.</p> <p>Council continued the development of the J Barrys Road Development Plan, which is anticipated to be completed in 2023-24 and will facilitate a significant amount of industrial land to be developed in Colac.</p> <p>Number of berthings at the Port of Apollo Bay can't be increased until reconstruction works for the breakwater wall and associated structures are complete in 2024.</p>
Community satisfaction with business and tourism increases annually from current result of 60%	The result of 59 points is similar to the average of large rural shires of 58 points and Council's 2020 result also of 58 points	The result of 51 points is lower than the average of large rural shires of 56 points for 2023 and Council's 2022 result of 59 points	
Increased level of investment in the region by 2025	No data available	No data available	
Number of commercial and industrial lots approved by planning permits (use and development)	17 properties issued permits for use and/or development	18 properties issued permits for use and/or development	
Gross Regional product increased	GRP decreased from \$1.497 billion in 2020 to \$1.491 billion in 2021 (Data Source: REMPLAN)	GRP increased from \$1.491 billion in 2021 to \$1.642 billion in 2022 (Data Source: REMPLAN)	
Greenfield industrial land in Colac developed (subdivision)	No new industrial subdivision approved	Thirteen lot subdivision approved in Colac	
All three City Deals projects delivered on time and on budget	Not applicable. Multiyear projects not due for completion in 2021-22	Not applicable. Projects transferred to GORCAPA for delivery.	
Doubled berthings for recreational and commercial boats (currently 33 combined)	Not available	32 berthings	
Funding secured from private sector or government for commercial development of the harbour waterfront	\$4,563,268 secured from Victorian Government across four projects	Projects funded under the City Deal program transferred to GORCAPA for delivery.	

Outcomes and Indicators	Results 2021-22	Results 2022-23	Contribution/Influence 2022-23
Outcome: Colac Otway Shire is a destination to visit			

Indicators

Increased visitor spend and stay	No current data available	No current data available	The regional tourism sector continues to recover from the COVID pandemic, and is anticipated to take a number of years to return to pre-pandemic visitation levels. Policy changes in other countries (eg: China) is expected to result in increased visitation in coming years. The availability of a diverse range and quality of accommodation across the Shire continues to influence our ability to attract visitation and increase length of stay. GORCAPA is the lead agency for the provision of infrastructure in our coastal areas. Council continues to work with GORCAPA to advocate for quality infrastructure to support a sustainable visitation economy.
Increased total visitor overnight stays	No current data available	No current data available	
Delivery of Destination Actions Plans	Not applicable	Not applicable	
In partnership with GORCAPA, achieve Ecotourism Certification	Completed the preliminary ecotourism certification assessment for the region	No further action was required by Council	
Increased availability of visitor accommodation	No current data available	No current data available	
Public Toilet Strategy completed and 60% of actions delivered by 2025	Draft Public Toilet Strategy was endorsed and exhibited, with public submissions received	Public Toilet Strategy adopted by Council in August 2022. Memorial Square toilet replacement was funded and project commenced	

Outcome: Grow the Colac Otway Shire's permanent population by at least 1.5%

Indicators

Increase total population of working-aged people and young families	13,310 residents between the ages of 15 and 65 (ABS census 2021)	13,310 residents between the ages of 15 and 65 (ABS census 2021)	Housing availability and affordability is a key factor in growing the Shire's population. Council's key focus on increasing residential land supply is expected to improve its ability to attract people to live in our Shire.
1.5% annual population growth achieved	Average growth 1 per cent pa. Population increased from 21,362 in 2016 to 22,423 in 2021 (ABS Census)	Estimated resident population for 2022 is 22,188, which indicates a decline of 1%	
Reduced seasonality impacts on businesses by having stable permanent population	Not applicable	Not applicable	

Theme 2

Valuing the Natural and Built Environment

Introduction

This chapter outlines Council's performance against the key themes and objectives in the Council Plan.

It provides:

- Key achievements and key challenges and future outlook
- Continuous Improvement Initiatives
- Progress in relation to major initiatives identified in the Budget
- Progress in relation to initiatives and actions in the Annual Plans 2021-22 and 2022-23
- Initiatives and actions for the 2023-24 year
- Progress towards the strategic objectives/outcomes in the Council Plan as per the indicators in that document.

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.

Measuring Council's performance against the key themes and objectives in the Council Plan



Completed



Carried over



Discontinued

Consistent with the Council Plan, Annual Plan Actions that contribute to the achievement of priority health and wellbeing areas are colour coded with a corresponding infographic, as outlined below:



Achievements

Draft Environmental Sustainability Strategy and Climate Change Action Plan

Protection of the environment and Council taking a leadership role to demonstrate best practice and what can be achieved to help protect our natural resources, has been highlighted as a matter of great importance to our community.

Informed by extensive community consultation, Council developed drafts of the Environmental Sustainability Strategy and Climate Change Action Plan. When finalised in 2023-24, these will become key documents to guide Council's direction and action for the next decade.

Consultation with community, businesses, stakeholders and agencies took place across the shire in Colac, Beeac, Apollo Bay, Wye River, Lavers Hill, Gellibrand, Birregurra and Forrest. An online community information session was also held in addition to an online survey and written submissions.

Council endorsed the draft documents for public exhibition and received a total of 40 survey responses and 78 written submissions. These valuable submissions will inform the final documents.

Adoption of Council's Domestic Wastewater Management Plan (DWMP)

Council adopted its DWMP in August 2022, providing strategic direction to ensure services and assets meet the changing needs of the community and evolving environmental and financial conditions. The DWMP sets out how Council and the community manage onsite domestic wastewater management systems. This includes septic tank systems, treatment plants, worm farm systems and sand filter systems.

Apollo Bay, Skenes Creek and Marengo Community Infrastructure Plan

Council adopted the Apollo Bay, Skenes Creek and Marengo Community Infrastructure Plan (CIP) in April 2023, which sets the long-term vision for the next 20 to 30 years.

The CIP was developed in consultation with the community and Great Ocean Road Coast and Parks Authority (GORCAPA) over a number of years and provides a clear pathway for Council to advocate to other levels of government about projects important to the community.

Key components of the CIP include a district plan outlining walking and cycling trails, master plans for Skenes Creek foreshore, the Apollo Bay central foreshore and Marengo foreshore, and design guidelines for the Apollo Bay streetscape.

Tree planting across the municipality

Council's annual Street Tree Planting program saw 351 trees planted across towns in the shire including Beeac, Colac, Elliminyt and Birregurra, with Apollo Bay to have trees planted in the next financial year.

In addition to the Street Tree Planting program, Council planted a selection of trees based on the local environment at Wyuna Reserve, Elliminyt to mark the Jubilee of Her Majesty, Queen Elizabeth II.

Challenges and Future Outlook

Increasing variability of climatic conditions

Council acknowledges our communities are facing a global climate change and biodiversity crisis that requires urgent action by all levels of government, including local councils.

Colac Otway experienced a number of extreme weather events during 2022-23 which created landslips, impacted roads and caused extensive flooding. Council, alongside the community and other levels of government will continue to face significant challenges as we plan, respond and recover from extreme weather events that are expected to increase in both severity and frequency.

Changes in climate also present a challenge for Council's assets that were often constructed with materials and to a standard of a different time. As assets age, Council will have to be proactive in future-proofing its infrastructure to be fit for different conditions.

Supporting the implementation of CDS

Council welcomes the introduction of the new Container Deposit Scheme (CDS) as an exciting initiative for Victoria's waste and recycling system. Proposed collection points in the Shire are being investigated with consideration to be given to coastal communities within Colac Otway and access to collection points, particularly during peak holiday season when visitor numbers increase dramatically.

Council's kerbside data shows that glass and recycling materials increases from 19 to 58 tonnes

for comingled recycling, while glass increases from the 15 to 32 tonnes during the summer months. The Victorian CDS will provide shared benefits to the community, environment and economy by delivering more and better recycling and less waste.

Continuous Improvement Initiatives

Increased emergency management opportunities

Council has committed to a series of workshops to increase its capacity and capability in planning, mitigating and responding to emergencies. The workshops will build knowledge and better integrate our Business Continuity, Crisis Management and Emergency Management Plans while understanding our current capacity and capability, and 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.

To address that concern, Council will conduct the workshops in collaboration with Surf Coast Shire and Corangamite Shire to develop strong inter-agency relationships, build capacity through training and coordinate the planning process.

Council's fleet transition and electric charging stations to be installed in Colac and Apollo Bay Council/public spaces

Council continues to pursue emission reduction and prepare for the changing climate. A key action to reduce Council's emissions and demonstrate Council's commitment to mitigating climate change impacts is to transition to a clean energy electric fleet (light fleet and heavy plant and equipment).

Approximately 75 percent of Council's residual emissions are associated with fleet and plant fuel use. It is important to understand how Council may transition to a clean energy fleet.













An opportunity through the Barwon South West Climate Alliance (BSWCA) has allowed Council to partner with Golden Plains and Warrnambool City Council in the development of fleet transition plans for each council. This partnership allows councils to realise cost savings through economies of scale and share information and learnings.















Performance




Priorities and Initiatives

The table below lists our Annual Plan and Budget initiatives against our four-year Council Plan priorities.

2022-23 Major Initiative	Status	Progress comments	
Remaining Carbon Neutral			
<p>Council determined to become carbon neutral in the 2021-22 Budget through a series of important initiatives to reduce carbon emissions and a one-off budget allocation to offset residual carbon emissions.</p> <p>The Adopted Budget 2022-23 embeds that commitment through the introduction of a recurrent financial commitment to Council achieving its Carbon Neutral Target in the years ahead.</p>		<p>Offsets were purchased for 2020-21 emissions to achieve net zero emissions for Council operations in that year. Council resolved to defer the purchase of offsets for emissions in the 2021-22 year until community feedback was provided during consultation on the draft Environmental Sustainability Strategy and Climate Change Action Plan.</p> <p>A decision on whether Council will proceed with purchase of offsets will be made late in 2023. The operational budget contains funding for the purchase of offsets in 2023-24.</p>	
Our 4-year priorities are	Our 2021-22 focus was	Our 2022-23 focus was	Over the next year we will
<p>Deliver our Climate Change Action Plan in partnership with other organisations</p> <p></p>		<p> Develop the COS Climate Change Action Plan</p>	<p>Finalise the Climate Change Action Plan for Council Adoption</p> <p></p>
<p>Green our streets and public places</p> <p></p>	<p>✓ Deliver Council's Street Tree planting program to identified candidate streets</p>	<p>✓ Deliver Council's Street Tree planting program to identified candidate streets (Year 2)</p> <p> Deliver the Colac Botanic Gardens Master Plan</p>	<p>Deliver Council's Street Tree planting program to identified candidate streets (Year 3)</p> <p>Complete the Colac Botanic Gardens Master Plan</p> <p></p>
<p>Minimise the effects of climate change and extreme weather events on our community</p> <p></p>	<p>✓ Review and update (as required) emergency plans for emergency events and ensure Council is prepared to undertake its functions (e.g. Council's Pandemic Plans)</p> <p>✓ Provide support and input to community sustainability projects such as the Apollo Bay Neighbourhood Battery Feasibility Study, the Geelong+ Community Solar Program and the BSW Community Power Hub and Small Business Energy Saver Program</p> <p>✓ Complete scheduled capital works projects that address impacts from climate change and extreme weather events</p>	<p>✓ Implement and review emergency plans for emergency events and ensure Council is prepared to undertake its functions, if and when, required</p>	<p>Finalise the Climate Change Action Plan for Council Adoption</p> <p></p>
<p>Improve Council's sustainability practices through the reduction of Council's carbon emissions and/or need to pay for carbon offsets</p> <p></p>	<p>✓ Establish and verify Council's net-zero emissions/carbon neutral status by participating in a not-for-profit, revegetation based offsetting program</p> <p>✓ Conduct feasibility study into the opportunity to install electric heat pumps at Bluewater Leisure Centre to replace the existing Gas Heat Pumps</p>	<p> Develop a discussion paper relating to Council's Scope 3 GHG emissions</p>	<p>Investigate further the electrification of heat pumps and other plant at Bluewater Leisure Centre, including exploration of external funding programs</p> <p></p>

Our Performance – Theme 2

Our 4-year priorities are	Our 2021-22 focus was	Our 2022-23 focus was	Over the next year we will
Council supports the community to reduce carbon emissions  	<ul style="list-style-type: none"> ✓ Explore membership of a regional greenhouse alliance ✓ Support community initiated environmental projects through the Colac Otway Shire Grant Program 	<ul style="list-style-type: none"> ✓ Raise awareness of and promote whole-of-community climate change mitigation/adaptation focused education opportunities, programs and forums ✓ Support community initiated environmental projects through the Colac Otway Shire Grant Program ✓ Review the Council Grant Program to assess for carbon emission outcomes 	<p>Progress actions prioritised in the adopted Climate Change Action Plan (duplicate of action against priority 2.1.1) – will be subject to funding</p>    <p>Support community initiated environmental projects through the Colac Otway Shire Grant Program</p>
Educating and assisting our community to act on climate change by reducing waste, emissions and water usage 	<ul style="list-style-type: none"> ✓ Conduct detailed and targeted educational activities including bin audits, to educate the community in the correct sorting of household waste at the source 	<ul style="list-style-type: none"> ✓ Conduct detailed and targeted educational activities including bin audits, to educate the community in the correct sorting of household waste at the source 	
Environment Strategy reviewed 	<ul style="list-style-type: none"> ✓ Review the existing Environment Strategy and commence community and stakeholder consultation for the new Environmental Sustainability Strategy 2023-2033 	<ul style="list-style-type: none"> ⌚ Develop the new Environmental Sustainability Strategy 2023-2033 	<p>Finalise and adopt an Environmental Sustainability Strategy 2023-2033</p> 
Protect native vegetation, ecosystems, flora and fauna 	<ul style="list-style-type: none"> ✓ Deliver and support community and corporate environmental events (e.g. National Tree Day, World Environment Day, Clean Up Australia Day) 	<ul style="list-style-type: none"> ✓ Deliver and support community and corporate environmental events (e.g. National Tree Day, World Environment Day, Clean Up Australia Day) 	<p>Finalise and adopt an Environmental Sustainability Strategy 2023-2033</p> 
Undertake pest plant and animal management control programs and community education to target and reduce invasive species in natural systems 	<ul style="list-style-type: none"> ✓ Coordinate and deliver annual pest plant and animal control programs across environmental reserves, road reserves and other council managed land 	<ul style="list-style-type: none"> ✓ Coordinate and deliver annual pest plant and animal control programs across environmental reserves, road reserves and other council managed land ✓ Collaborate with, support and connect Landcare groups/networks and other environmental interest groups to facilitate regional pest plant and animal programs and projects 	<p>No Year 3 actions planned beyond BAU</p>
Increase community satisfaction by community education, phone apps, reducing waste to landfill, pursuing joint waste contracts and other innovative approaches in partnership with our community and business sectors 	<ul style="list-style-type: none"> ✓ Continue to implement year one actions from the Colac Otway Resource Recovery and Waste Management Strategy, including roll out of the Colac Otway Shire Council “Good Sort” app for residents ✓ Continue to identify opportunities to collaborate with regional partners, including Barwon Water and Barwon South West Waste Resource & Recovery Group 	<ul style="list-style-type: none"> ✓ Continue to implement year two actions from the Colac Otway Resource Recovery and Waste Management Strategy, including roll out of the Colac Otway Shire Council “Good Sort” app for residents ✓ Continue to identify opportunities to collaborate with regional partners, including Barwon Water and Barwon South West Waste Resource & Recovery Group 	<p>Support the roll out of the Victorian Government reforms including the Container Deposit Scheme.</p>

Our 4-year priorities are	Our 2021-22 focus was	Our 2022-23 focus was	Over the next year we will
Reduce the % of food and organic (FOGO) waste in the landfill waste stream (red bin) by awareness raising and innovative approaches 	<ul style="list-style-type: none"> Review Events Policy and include provisions for waste wise events Conduct detailed and targeted educational activities including bin audits, to educate the community in the correct sorting of household waste at the source 	<ul style="list-style-type: none"> Review Events Policy and include provisions for waste wise events Conduct detailed and targeted educational activities including bin audits, to educate the community in the correct sorting of household waste at the source 	<i>Finalise the Events in a Public Place policy</i>
Reduce the % of contamination of the recycling waste stream (yellow bin) by awareness raising and innovative approaches 	<ul style="list-style-type: none"> Conduct detailed and targeted educational activities including bin audits, to educate the community in the correct sorting of household waste at the source 	<ul style="list-style-type: none"> Conduct detailed and targeted educational activities including bin audits, to educate the community in the correct sorting of household waste at the source 	
Divert glass from landfill by rollout of glass recycling bins (purple bin) and public awareness raising and innovative approaches 	<ul style="list-style-type: none"> Introduce a fourth glass collection bin for the kerbside collection of glass, which will reduce the contamination of the current co-mingle stream 	<ul style="list-style-type: none"> Post the introduction of the glass collection bin for the kerbside collection of glass, monitor the volumes generated in this stream and assess the contamination of the comingle stream for the reduction in contamination. Continue to educate the community in the correct sorting at the source 	
Trial a hard waste collection service	<ul style="list-style-type: none"> Research and present options for a hard waste service leading to trials 	<ul style="list-style-type: none"> Deliver a hard waste trial for kerbside collection (book and call) with supplementary vouchers and report back on the outcomes of the trial ie volumes, % age take-up, contamination and % age of volume to landfill post sorting 	
Maintain road and drainage assets to ensure they are safe and reliable	<ul style="list-style-type: none"> Ensure that identified road defects are rectified in accordance with settings in the Road Management Plan 	<ul style="list-style-type: none"> Ensure that identified road defects are rectified in accordance with settings in the Road Management Plan Continue to apply for funding for priority safety improvements Advocate to State election candidates for road safety funding specific to Colac Otway Shire 	No Year 3 actions planned beyond BAU
Deliver a relevant Capital Works Program	<ul style="list-style-type: none"> Provide efficient and effective Capital works delivery in line with agreed targets 	<ul style="list-style-type: none"> Complete projects in line with the adopted budget and capital program 	No Year 3 actions planned beyond BAU <i>(Note, Capital Works progress is reported separately)</i>
Council meets annual infrastructure renewal gap	<ul style="list-style-type: none"> Complete Council's Asset Plan 	<ul style="list-style-type: none"> Commence implementation of priority actions outlined in the Asset Plan 	Update Buildings AMP based on new condition data
Ensure planning processes and policies for new developments meet the intent of this objective			Consider the principles of the Safer Design Guidelines for Victoria and other relevant guidance documents when assessing planning applications for new developments.

How we performed against our Indicators

Colac Otway Shire aims for several outcomes over the four years of its Council Plan 2021-2025. We measure progress by the indicators below.

Outcomes and Indicators	Results 2021-22	Results 2022-23	Contribution/Influence 2022-23
Outcome: We mitigate impacts to people and property arising from climate change			
Indicators			
Climate Change Action Plan completed by 2022	Environment Strategy review commenced in preparation for Action Plan to be delivered in 2023	Draft Climate Change Action Plan placed on public exhibition in May 2023	Council has had a strategic focus in 2022-23 working to establish its long-term direction and roadmap for future action to mitigate climate change. The community has had a great influence in this work through its participation in an extensive consultation process undertaken to develop the draft Environmental Sustainability Strategy and Climate Change Action Plan. Council was also supported in its tree planting program through receipt of the Queen's Jubilee grant. Council's partnerships in emergency management again underpinned Council's coordinated approach to emergency management planning, highlighted by the first in-person tri-council workshop since COVID.
Number of trees planted in public spaces (open space and streetscape)	316	351	
Development of an urban cooling strategy and canopy target as part of the reviewed environmental strategy Not applicable	Not applicable	Not applicable	
Review the quality of street trees and streetscapes when planting appropriate trees in the future	Not applicable	Appropriate street trees were selected based on location and planted for the 2022-23 program	
Emergency Management Plan regularly reviewed	Not applicable	The Municipal Emergency Management Plan was updated in 2020 and is next due for review in 2023	
Community satisfaction with emergency and disaster management increases annually from the current result of 73 points	The result of 67 points is very similar to the Council's result of 68 points in 2020 and average for large rural shires of 66 points	The result of 62 points is lower than the previous year but similar to the 2023 result for large rural shires of 64 points	
Upgrades completed in vulnerable locations	Not applicable	Not applicable	



Outcomes and Indicators	Results 2021-22	Results 2022-23	Contribution/Influence 2022-23
Outcome: We operate sustainably with a reduced carbon footprint			
Indicators			
Maintain Council's net zero carbon emissions and reduce dependence on carbon offsets through implementation of emission reduction projects	Prior year 2020-21 carbon emissions were audited and cost for offsets included in the 2021-22 budget	Council deferred the decision to purchase offsets in 2022-23 to enable community input to be considered	Most of the remaining carbon emissions from Council operations result from use of gas and Council's light and heavy fleet. Council commenced developing a Fleet Transition Plan in 2023 to move to a zero emission fleet. Council formalised its regional partnerships in relation to climate action through becoming a member of the Barwon South West Climate Alliance.
Community satisfaction with environmental sustainability increases annually from current result of 62 points	The result of 58 points is lower than Council's result in 2020 of 54 points and similar to the average for large rural shires of 59	The result of 56 points is slightly lower than Council's result in 2022 and the average for large rural shires in 2023 (both 58 points)	
Council has considered opportunities for regional partnerships in relation to climate change	In April Council resolved in to join the Barwon South West Climate Alliance for 2022-23	Council joined the Barwon South West Climate Alliance and actively participated as a member.	
Raised awareness of whole-of-community climate change mitigation/adaptation focused activities	Not applicable	Council partnered with Geelong Sustainability and surrounding Councils to develop and promote the All Electric Homes program and enable transition of households away from gas and increase energy efficiency.	
Reduction in CO2 emissions for Colac Otway	Not available	Not available	
Reduced waste to landfill, emissions and water usage in the community	Data not available	5,250 tonnes of material was diverted from the landfill stream through the kerbside service	
Outcome: Protect and enhance the natural environment			
Indicators			
Reviewed Environment Strategy adopted by Council and implementation commenced by 2022	Community consultation has commenced for revised Environment Strategy	Draft Environmental Sustainability Strategy placed on exhibition in May 2023	A strong focus of the Environment team has been engagement of contractors to undertake the roadside weed management program to protect roadsides with high quality conservation values and target the highest risk and most invasive weeds. Work has also occurred to manage conservation values in several environmental reserves.
Number of community activities and education initiatives that promote stewardship of the natural environment	19 activities conducted for school children and youth Four events held to promote environmental stewardship to the wider community	15 community based events held	
Connecting and supporting Landcare and environmental interest groups	Ongoing support was provided to these groups through the year	Ongoing support was provided to these groups through the year. Grants provided to Landcare, Sustainability and Climate Action groups for events, community education and environmental rehabilitation activities.	
Kilometres or hectares of roadside weed control conducted	Weed control completed for 774km of unsealed road and 500km of sealed roadside	Weed Control completed to 500kms of sealed and 774kms of unsealed road. Wetter than usual conditions required additional slashing and spraying in spring and summer	

Our Performance – Theme 2

Outcomes and Indicators	Results 2021-22	Results 2022-23	Contribution/Influence 2022-23
Outcome: We mitigate impacts to people and property arising from climate change			
Indicators			
Community satisfaction survey (waste management components) (Score of 69 points in 2021)	The result of 67 points is slightly higher than Council's result of 65 points for 2020 and the average for large rural shires of 65 points	The result of 64 points is lower than the previous year but similar to the 2023 result for large rural shires of 65 points	The four-bin kerbside program has continued to settle in with good support from residents. The uptake of the GoodSort App continues to grow and customers provide positive feedback about this tool. Testing the hard waste service in the market through a tender process provided Council with an understanding of the true cost of the service and informed its decision to abandon the project.
Waste management charges	Not applicable	Not applicable	
Percentage of organics waste diverted from landfill stream and composted	35 per cent	38 per cent	
Percentage of contamination in recycling stream	16 per cent (2021)	16 per cent (2021)	
Percentage of glass diverted	8 per cent	9 per cent	
Hard waste trial conducted, evaluated and recommendations made to Council	Recommendations for a hard waste service provided to Councillor Briefing session in March 2022. Hard waste trial scheduled for 2022-23	Project no longer going ahead	



Outcomes and Indicators	Results 2021-22	Results 2022-23	Contribution/Influence 2022-23
Outcome: Provide and maintain an attractive and safe built environment			
Indicators			
Community satisfaction with sealed roads increases annually from current result of 53 points	The result of 47 points is slightly higher than Council's 2020 result of 44 points and the average for large rural shires of 45 points	The result of 39 points is significantly lower than the 2022 result, but very similar to the 2023 result for large rural councils of 40 points	<p>The 2022-23 year saw a series of flooding and storm events across the Shire, which had a significant impact on the local road network.</p> <p>Council responded to the community with a range of support including, additional waste service and cleaning debris from roads and waterways.</p> <p>Local roads in the Otways were impacted by a number of landslips that required Council's engineers and civil crews to re-prioritise their work. This contributed to Council not achieving 100 per cent compliance with its Road Management Plan.</p> <p>Recovery from these events will continue over the next year or two.</p>
Community satisfaction with unsealed roads increases annually from current result of 44	The result of 37 is slightly higher than the average for large rural shires of 45 points and Council's result of 44 points in 2020	The result of 32 points is lower than the 2022 result, but similar to the 2023 result for large rural councils of 35 points	
Development of a Road Safety Strategy	Not applicable	Not funded in 2022-23	
Road safety funding attracted and priority improvements implemented	\$370,712 secured across two projects	\$46,486 secured for one project	
Road Management Plan compliance 100 per cent	Not achieved	Not achieved	
Complete 85 per cent or more of capital projects annually against allocated budget	Capital works delivery was 62 per cent against amended budget	Capital works delivery was 78 per cent against amended budget.	
Greater than 85 per cent of renewal work for sealed and unsealed roads annually	Completion of 94 per cent of projects associated with the renewal of sealed and unsealed roads for 2021-22 was achieved	Completion of 96 per cent of projects associated with the renewal of sealed and unsealed roads for 2022-23 was achieved	
Asset Management Plans completed	Asset Management Plans for six major infrastructure classes were completed (buildings, roads, bridges, pathways, stormwater, open space and recreation)	Asset revaluation of roads and footpaths was completed and will inform future asset management plan updates for these classes	
Capital funding allocated annually in accordance with levels identified in AMPs	Not applicable	Not achieved	
Landscape Guidelines for developers completed	Not applicable	Not applicable	
Conditions relating to quality landscape, open space, streetscape and urban design outcomes developed and enforced	Not available	Not applicable	

Theme 3

Healthy and Inclusive Community

Introduction

This chapter outlines Council's performance against the key themes and objectives in the Council Plan.

It provides:

- Key achievements and key challenges and future outlook
- Continuous Improvement Initiatives
- Progress in relation to major initiatives identified in the Budget
- Progress in relation to initiatives and actions in the Annual Plans 2021-22 and 2022-23
- Initiatives and actions for the 2023-24 year
- Progress towards the strategic objectives/outcomes in the Council Plan as per the indicators in that document.

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.

Measuring Council's performance against the key themes and objectives in the Council Plan



Completed



Carried over



Discontinued

Consistent with the Council Plan, Annual Plan Actions that contribute to the achievement of priority health and wellbeing areas are colour coded with a corresponding infographic, as outlined below:



Achievements

Lighting Upgrades at Five Regional Sporting Reserves

Council delivered upgrades to the sports oval lighting at Gellibrand, Irrewillipe, Alvie, Birregurra and Warrowie Recreation Reserves to Colac and District league competition standards, allowing safe night-time use, helping the clubs to establish women's teams and host future night-time matches.

The project involved installation of 150-lux LED lighting illuminating the grounds, providing home clubs with more opportunities to use the whole oval well into the evening.

The sports lighting projects were made possible through a funding partnership between the Victorian Government, Council and the Birregurra Football Netball Club. This investment improves the health, wellbeing and social outcomes for our community.

The benefits of this project were realised with Alvie hosting their first night match on Good Friday in 2023 which drew a large crowd under the lights.

Fly the Rainbow Flag on 17 May for IDAHOBIT

Council demonstrated a commitment to our allyship with our LGBTQIA+ communities with the unanimous vote by Councillors to fly the Rainbow Flag each year on May 17 for IDAHOBIT.

IDAHOBIT (International Day Against Homophobia, Biphobia, Intersex Discrimination and Transphobia) is celebrated on May 17 each year to mark the anniversary of the World Health Organisation removing homosexuality from the Classification of Diseases.

Flying the Rainbow Flag is another step toward all people in our community feeling safe and supported.

Modelling Respect and Equality (MoRE) Project

Colac Secondary College and Council partnered to deliver the Modelling Respect and Equality (MoRE) program in the Shire. The project aims to create a positive culture of masculinity for participants, to generate social change at grassroots level.

The launch of the program included a round-table discussion around the program and attracted over a hundred people from a diverse cross-section of the community.

The two-day workshop was developed by Jesuit Social Services to explore societal pressures around masculinity and how to support our young people to understand what it means to be a man in our community. 25 local men (or masculine-identified people) in leadership positions within the community participated in these workshops where they explored how to positively influence boys and men, and to create positive role models and promote healthy masculinity where boys and men work, live and play in the Shire.

Council received funding from VicHealth to deliver the Modelling Respect and Equality (MoRE) program in our community.

Reconciliation Week Morning Tea Colouring Competition and Flags on Murray Street

This year's Reconciliation Week Theme – Be a Voice for Generations – encouraged all Australians to be a voice for Reconciliation, where we live, work and socialise, to help create a more just, equitable and reconciled country for all.

Council hosted a Reconciliation Week event at COPACC with a Welcome to Country and a Smoking Ceremony conducted for the official launch of an exhibition of a Shire-wide colouring competition which featured the artwork of local First Nation's artist, Gerard Black. The exercise helped children in the Shire to learn of the importance of Reconciliation and Aboriginal culture.

The winning entries were printed on flags which flew in Murray Street, Colac during Reconciliation Week. Designs were also printed on giant stickers displayed in Murray Street and Council buildings.

Challenges and Future Outlook

Commonwealth Government's Aged Care Reforms

The Commonwealth Government's Aged Care Reforms will bring significant change including to reporting and accountability requirements, changes to provider accreditation, new governance standards and increased prudential and financial reporting.

In response, Council commenced a Best Value Review of its aged care and disability services. The review includes consultation with clients, employees and community as well as the use of experts

to undertake program evaluation, community consultation and engagement, financial analysis and risk assessment.

The review will help Council understand its capability to continue provision of services including, assisting older people, those recovering from acute care and people with disabilities to continue to live independently in the community.

The Best Value Review report will be presented at a Council meeting late in 2023 or early 2024 and aims to enable Council to consider its future role and provision of aged and disability services in the Colac Otway Shire.

Ageing Open Space, Sports and Recreation Infrastructure and Implementing Fair Access Policy

The *Gender Equality Act 2020* requires the Victorian public sector, local governments and universities to take positive action towards achieving workplace gender equality.

In August 2022, the Victorian Government announced a new Fair Access Policy Roadmap, which supports gender equitable access and use of community sports infrastructure across the state. Local Government is required to respond to this legislation and policy position via a range of actions within a timeline set by the Victorian Government.

This new policy requires facility owners and managers to review access and usage policies to ensure females have a fair share of access to the highest quality facilities at the best and most popular times. Usage policies need to consider competition time, training times, and the distribution between traditional competition and other participation opportunities within a variety of sports.

One of the challenges that Council faces as it works towards compliance with the Victorian Government's Fair Access Policy Roadmap is that many of the recreation facilities and assets across the Shire are aging and were built at a time when standards and community expectations were different to today. Council will not be able to bring all facilities into compliance quickly and so will need to work with communities across the Shire to progressively upgrade facilities over many years.

Council will support clubs and communities to work within the new policy framework, and this will be a new piece of work for Council's small recreation team in the coming year.

Supporting Community in Limited Childcare Provision

Access to high-quality, affordable and close-to-home childcare is recognised as a key foundation for workforce participation. There is significant concern about the future of childcare provision in a number of communities in the Colac Otway Shire.

While Council isn't involved in the delivery of childcare, we are regularly talking to government about this important service, as well as private operators looking to set up new childcare businesses in our community.

Access to childcare is already lower across regional Victoria than in metropolitan Melbourne. The female workforce participation rate (57.7%) is also lower than for men (65.2%), and the limited access to childcare is cited as a contributing factor to this, particularly in remote towns such as Apollo Bay.

Council's advocacy has successfully highlighted the particular challenges in Apollo Bay, and has been actively advocating for a state-managed facility under the Best Life, Best Start program, however this remains a challenge as there are childcare pressures across the State and the program has competing demands.

Continuous Improvement Initiatives

Ongoing Support for Community Asset Committees for them to be successful in their role

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

Council acknowledges members have had to work through a range of anomalies following the introduction of the *Local Government Act 2020* in relation to a management and governance model for the committees.

Council has developed and implemented a training program framed around its Community Asset Committee Induction Guide to support our committees, and are working with individual Committees to support them in their role and provide information to ensure all committee members are confident in undertaking their responsibilities.

Community Conversations

Informal discussions between Council and residents in their local community are a positive way to meet with and demonstrate Council's commitment to work with the community. These 'Community Conversations' provide people in the community with the opportunity to ask Council about local projects, raise local issues or discuss bigger picture

priorities. These can also help the community to gain an improved understanding of Council's role or activities, and importantly allows Councillors and officers to listen to local issues and gain local insight and knowledge from our residents.
























Council will seek to establish a number of Community Conversations across the Shire.
















Performance





















Priorities and Initiatives

The table below lists our Annual Plan and Budget initiatives against our four-year Council Plan priorities.

2022-23 Major Initiative	Status	Progress comments	
Caring for our older persons			
The Adopted Budget 2022-23 incorporates continued growth in the delivery of services to our aged community. This important service provides essential care for our aging community, supporting people to age safely in their own homes for as long as possible.	X	Council continued to deliver a highly valued service to our aged community, as evidenced by our Community Satisfaction Survey result. Council maintained the levels of service throughout 2022-23 however further growth in service was not realised, primarily due to workforce shortages which are shared across the country. Council recognised the significance of the upcoming Commonwealth Government reforms to aged care and commenced a Best Value Review to enable it to understand the future provision of this service by Council.	
Our 4-year priorities are	Our 2021-22 focus was	Our 2022-23 focus was	Over the next year we will
Advocate for access to and provision of education, employment and lifelong learning opportunities 	 Deliver Small Business Digital Transformation project  Deliver the Colac Otway Careers/Jobs Fair	 Deliver Small Business Digital Transformation project	
Create environments where children can be happy, healthy, supported, educated and safe 	 Continue to work towards securing long-term childcare solutions for Apollo Bay and Colac  Complete Early Years Infrastructure Plan to guide facility maintenance and investment decisions across the shire  Work with service providers, P-12 College and community to transition the Apollo Bay Preschool into new Apollo Bay Early Years Hub	 Continue to work towards securing long-term childcare solutions for Apollo Bay and Colac  Complete Early Years Infrastructure Plan to guide facility maintenance and investment decisions across the shire  Attract more Educators to grow Council's Family Day Care program and enhance childcare availability and choice in the shire  Secure grant funding for an upgrade of Winifred Nance Kindergarten's playground  Complete bathroom upgrades at Wydinia and Colac East kindergartens	Continue to work towards securing long-term childcare solutions for Apollo Bay and Colac  Complete Early Years Infrastructure Plan to guide facility maintenance and investment decisions across the shire 
Provide services to enable lifelong health and wellbeing from the early to senior years 	 Partner with other community organisations within Colac Otway Shire and boarding Aged Care and Disability services to enhance relationships with the community in building high quality and accessible service delivery to the home and community	 Continue to provide high quality and accessible home and community services	Complete Best Value Review of Ages and Disability Services
Provide safe, inclusive, accessible and integrated transport networks that support active transport 	 Construction of a shared pedestrian and cycling path along the Great Ocean Road north of Cawood Street, Apollo Bay  Upgrade the shared path along the Barongarook Creek, Colac	 Complete the Lake Colac perimeter path feasibility study  Construction of a shared pedestrian and cycling path along the Great Ocean Road north of Cawood Street, Apollo Bay	No Year 3 action planned beyond BAU

Our 4-year priorities are	Our 2021-22 focus was	Our 2022-23 focus was	Over the next year we will
Plan for and supply quality public open space to meet community needs 	<ul style="list-style-type: none"> ✓ Complete upgrades to Memorial Square Playspace and 🔄 Cororooke Open Space 🔄 Secure land on the former Colac High School site for future public open space 	<ul style="list-style-type: none"> ✓ Complete upgrades to the Cororooke Open Space ✓ Secure land on the former Colac High School site for future public open space 	<ul style="list-style-type: none"> Complete Birregurra Play Space redevelopment project  Complete Donaldson Street Play Space renewal works 
Provide fit for purpose accessible and well-utilised recreation, arts and community facilities and services 	<ul style="list-style-type: none"> 🔄 Complete masterplans with four city reserves (Eastern Reserve, Western Reserve, Lake Oval and Central Reserve) to provide direction for facility upgrades and improvements 	<ul style="list-style-type: none"> ✓ Continue work on detailed designs for the Elliminyt Recreation Reserve off field facilities ✓ Complete City Reserves Masterplans (Eastern Reserve, Western Reserve, Lake Oval and Central Reserve) to provide direction for facility upgrades and improvements. 	<ul style="list-style-type: none"> Undertake Birregurra Hall and streetscape works 
	<ul style="list-style-type: none"> 🔄 Implement oval lighting upgrades at five sporting reserves, being Alvie, Birregurra, Gellibrand, Irrewillipe and Warrowie recreation reserves 	<ul style="list-style-type: none"> ✓ Complete oval lighting upgrades at five sporting reserves, being Alvie, Birregurra, Gellibrand, Irrewillipe and Warrowie recreation reserves. 	<ul style="list-style-type: none"> Undertake kitchen renewal at Colac Central Bowling Club  Undertake key renewal works at Lavers Hill Hall 
Plan, design and maintain attractive and safe public spaces in partnership with our community and key agencies 		<ul style="list-style-type: none"> ✓ Participate in the Great Ocean Road Coast and Parks Authority's (GORCAPA) master planning process for the Apollo Bay Recreation Reserve 	
Increase participation in physical activity throughout the shire through direct service provision and partnerships with health services and the wider community 			<ul style="list-style-type: none"> <i>Community grants process scheduled for review in 2024-25, to encourage projects that encourage physical activity</i> 
Promote and demonstrate gender equity 	<ul style="list-style-type: none"> ✓ Develop and implement the Gender Equality Action Plan 		<ul style="list-style-type: none"> Report GEAP implementation to Gender Equality Commissioner 
Support stakeholders such as Colac Area Health, Great Ocean Road Health, Barwon Health, Hesse Rural Health, Headspace and other community groups to improve mental health and wellbeing in our community 	<ul style="list-style-type: none"> ✓ Support Colac Area Health's advocacy for a Headspace facility in Colac 	<ul style="list-style-type: none"> ✓ Support the ongoing operation of Colac's Headspace via collaboration with partners on the Headspace Consortium. 	

Our Performance – Theme 3

Our 4-year priorities are	Our 2021-22 focus was	Our 2022-23 focus was	Over the next year we will
Support relevant stakeholders to improve healthy eating and living in our community 	 Conduct an EOI for a private operator to open a café facility in Bluewater that provides health eating options	 Conduct an EOI for a private operator to open a café facility in Bluewater that provides health eating options  Deliver youth health promotion modules focussed on building active communities; creating connected and supportive communities; and building healthier food systems in line with Council's VicHealth grant funding	
Diversity is embraced 	 Conduct community consultation to understand community views and perceptions on the future of Councils Australia Day Events		Install Ceremonial/ Recognition Flagpole at Civic Precinct Colac 
Deliver a Reconciliation Action Plan in consultation with Eastern Maar Aboriginal Cooperative 	 Complete Reflect Action Plan in partnership with local Aboriginal community, ensuring it includes a specific section for the early years	 Complete the 'Reflect' Reconciliation Action Plan  Deliver an event during Reconciliation Week	
Provide community safety services that enhance the liveability of our shire 	 Commence a campaign to highlight the positive aspects of Council's compliance activities	 Commence a campaign to highlight the positive aspects of Council's compliance activities  Commence the review of the Local Laws  Develop, implement and review fire prevention plans/programs and awareness raising activities for Council and the community	Complete General Local Law review 
Support health, enforcement and other services to support initiatives to reduce all forms of violence 	 Raise awareness about gender equity by displaying flags in Murray Street as part of the 16 Days of Activism Against Gender-Based Violence, and partner with other agencies to support events during this period		
Reduce gambling-related harm in the Colac Otway Shire 			Consider the merits of a Gambling Policy as part of the Planning Scheme Review

How we performed against our Indicators

Colac Otway Shire aims for several outcomes over the four years of its Council Plan 2021-2025. We measure progress by the indicators below.

Outcomes and Indicators	Results 2021-22	Results 2022-23	Contribution/Influence 2022-23
Outcome: All people have the opportunity to achieve and thrive in the Shire			
Indicators			
Reduced youth unemployment rate	Relevant 2021 census data unavailable until October 2022	4.7% (2021 Census Data)	<p>Our strong and diverse local economy provides employment opportunities for our young people, influencing the very low unemployment rate across the shire. This can also influence education attainment levels with opportunities for apprenticeships and the demand for labouring roles meaning some young people are entering the workforce prior to completing secondary school.</p> <p>Council continues to work with schools and employment agencies to support our sectors in securing required workforce.</p> <p>Workforce and accommodation challenges across the nation have also impacted workforce access locally. Health services and early childhood workers are particularly scarce and access to key workers will continue to have an influence on the desired outcome of a thriving community.</p> <p>As a result of the COVID pandemic, new ways of working, schooling and socialising were introduced that continue to influence peoples' behaviours and confidence.</p>
Reduced total unemployment rate	Relevant 2021 census data unavailable until October 2022	2.8% (2021 Census Data)	
Links facilitated between employers and educators to ensure workforce skills meet community needs	Workshops with school career advisers and local employment agencies and further education providers held	Ongoing discussions with school career advisers and local employment agencies and further education providers were held	
Increase Year 12 or equivalent completion rate to at least the Victorian average (43.5 per cent as at the 2016 census)	2021: 41.8 per cent for Colac Otway (Census 2021 ABS)	2021: 41.8 per cent for Colac Otway (Census 2021 ABS)	
Funding for early years infrastructure secured (\$)	Funding secured: Shade sail replacement Wydinia Kindergarten \$14,457 Colac East Kindergarten bathroom upgrade \$137,300 Wydinia Kindergarten bathroom upgrade \$100,900	Funding secured: \$300,000 for upgrade of Winifred Nance Kindergarten playspace Funding secured: \$42,000 for development of a Kindergarten Infrastructure Services Plan	
Increased childcare options/ availability	One additional Family Day Care educator recruited	One additional Family Day Care educator recruited Support provided to Creative Minds Early Years as part of their registration processes.	
Partner with agencies to decrease 23.3 per cent children developmentally vulnerable in one or more domain	2018: 23.3 per cent 2021: 20.2 per cent	2021: 20.2 per cent (2021 Australian Early Development Census)	
Increase in 3 and 4-year-old kindergarten participation rates	99.6 per cent (2018 Australian Early Development Census) 96.4 per cent (2021 Australian Early Development Census)	96.4 per cent (2021 Australian Early Development Census)	
Community satisfaction for Family Support Services increases annually from current result of 70 points	67 points	The result of 64 points is lower than the 2022 result, but higher than the 2023 average result for large rural councils of 61 points	
Community satisfaction for Elderly Support Services increases annually from current result of 69 points	This remains one of Council's highest rated services and with a result 69 points is higher rated than the average for large rural shires of 64 points	The result of 66 points is lower than the 2022 result, but higher than both the average results for large rural councils and State-wide of 63 points	
Participation rates in Maternal and Child Health checks	75.83 per cent	76.26 per cent	

Our Performance – Theme 3

Outcomes and Indicators	Results 2021-22	Results 2022-23	Contribution/Influence 2022-23
Outcome: People are active and socially connected through engaging quality spaces and places			
Indicators			
New or upgraded priority footpath, trail and cycling connections and improvements delivered annually (metres)	3,314 metres of new or upgraded pathways were completed in 2021-22	1,918 metres of new or upgraded pathways were created in 2022-23	<p>A significant contribution this year has been major lighting upgrades at five recreation reserves. This increases accessibility and safety for all users. It is particularly beneficial in supporting female participation where increased lighting contributes to greater confidence in participation.</p> <p>Ongoing access to external funding is a major influence on Council's ability to provide quality spaces and places. The benefits are maximised by incorporating open space contributions from Developers through residential land developments.</p>
Review strategic footpath plans for Apollo Bay and Colac	Not applicable	Not applicable	
Council-managed open space provision aligns with standards for development outlined in the Public Open Space Strategy	Not applicable	Not applicable	
Colac Otway Playspace Strategy developed and adopted	Not applicable	Not applicable	
Community satisfaction for recreation facilities increases annually from current result of 72 points	The result of 66 points is the same as the average of large rural shires and slightly higher than Council's result of 64 points in 2020	The result of 63 points is lower than the 2022 result, but similar to the 2023 average for large rural council of 65 points	
Community satisfaction for arts, centres and libraries increases annually from current result of 72 points	The result of 69 points is the same as the average for large rural shires and slightly higher than Council's result of 64 points in 2020	The result of 66 points is lower than the 2022 result and the 2023 average for large rural councils of 69 points	
Increased participation rates at libraries; and increased visitation to COPACC programs	11.98 per cent active library borrowers per capita 27.32 per cent average audience attendance at COPACC shows. This was impacted by COVID-19 venue capacity restrictions	13.43 per cent active library borrowers per capita in 2022-23 reporting period.	
All new and upgraded Council facilities are universally accessible	Achieved	Achieved	
Community satisfaction for appearance of public spaces increases annually from current result of 69 points	69 points	The result of 63 points is lower than the 2022 result, but similar to the 2023 average result for large rural councils of 65 points	



Outcomes and Indicators	Results 2021-22	Results 2022-23	Contribution/Influence 2022-23
Perceptions of safety during the day greater than 97.6 per cent and after dark greater than 65.5 per cent	Not available	No new figures available since 2015	Visitation has increased at Bluewater Leisure Centre by over 25 per cent. This is largely due to the centre being able to operate for a full year without closures due to COVID-19.
Increased visitation and memberships at Bluewater Leisure Centre and Apollo Bay Aquatic Centre	Total visitation of over 80,000 at Bluewater Leisure Centre. Visitation has decreased due to COVID-19 impacts such as closures and restrictions Total visitation of 6,326 at Apollo Bay Aquatic Centre	Total visitation of 102,808 (excluding stadium usage) at Bluewater Leisure Centre. Total visitation of 6,638 at Apollo Bay Aquatic Centre.	
Level of community grants funding directed to projects that encourage physical activity	\$67,138 funded across 15 projects	\$136,139 funded across 31 projects	
Gender Equality Plan for Council adopted and implemented	The Gender Equality Action Plan (GEAP) was approved by 31 March 2022 in accordance with the Gender Equality Act 2020. The GEAP is compliant with the requirements of the Act and implementation has commenced.	Council made a Gender Equality Statement in the Council Chamber in February 2023	
New and upgraded community facilities accommodate gender neutral design principles	Not applicable	Not applicable	
Community facility fees and charges structures encourage facility users to embrace gender equity	Not applicable	Not applicable	



Our Performance – Theme 3

Outcomes and Indicators	Results 2021-22	Results 2022-23	Contribution/Influence 2022-23
Outcome: We are a safe, equitable and inclusive community			
Indicators			
Accessibility of services that lead to reduced rates of: Suicide and self-inflicted injuries (101 per 100,000 people) Psychological distress (20.3 per cent) Anxiety or depression (31.7 per cent)	People reporting high to very high levels of psychological distress rates reduced in 2020 to 18.5 per cent Other measures not surveyed in 2020 Victorian Population Health Survey (VPHS) at a Local Government level	Data not yet available from the 2023 Victorian Population Health Survey (VPHS)	Our greatest contributions this year have come through the ability to partner with other organisations, such as the opening of Headspace Colac. Our influence on these complex matters is generally providing a supporting role and advocating on behalf of our community.
Reduced rates of diet-related chronic disease	Not surveyed in 2020 Victorian Population Health Survey (VPHS) at a Local Government level	Not surveyed in 2020 Victorian Population Health Survey (VPHS) at a Local Government level	
Community facility fees and charges structures encourage facility users to embrace healthy eating, reduced tobacco, alcohol and other drug use	Not available	Not available	
Increased partnerships and advocacy with relevant organisations	Not available	Council worked with existing partners	
Greater than 45 per cent of residents' support multiculturalism as measured by Department of Health data	60.1 per cent (2020 Victorian Population Health Survey)	Data not yet available from the 2023 Victorian Population Health Survey (VPHS)	
Contribute to greater than 57 per cent of residents feel valued by society	Not available	Not available	
Key council documents and communications are provided in accessible formats and multiple languages	Not available	Not achieved	
Increase in number of community events that celebrate diversity	Not available	Flew the flag for IDAHOBIT and supported a community-led Rainbow event	
Reflect level Reconciliation Action Plan delivered by 2022	Reconciliation Action Plan in early draft form, with next step being engagement with Eastern Maar Aboriginal Corporation	RAP work paused to be guided by First Nations Peoples	
Community satisfaction for enforcement and local laws increases annually from current result of 67 points	64 points	The result of 61 points is lower than the 2022 result, but identical to the average result for large rural councils and State-wide of 61 points	
Local Law reviewed by 2023	Not applicable	Achieved	
Decrease family violence incident rates	Not available	Number of incidents 2021-22 reporting period: 393 Number of police reported FV incidents per 100,000 persons 2021-22: 1761.57 Source: crimestatistics.vic.gov.au	
Gambling Policy developed for inclusion in the planning scheme	Not applicable	Not funded	



Theme 4

Strong Leadership and Management

Introduction

This chapter outlines Council's performance against the key themes and objectives in the Council Plan.

It provides:

- Key achievements and key challenges and future outlook
- Continuous Improvement Initiatives
- Progress in relation to major initiatives identified in the Budget
- Progress in relation to initiatives and actions in the Annual Plans 2021-22 and 2022-23
- Initiatives and actions for the 2023-24 year
- Progress towards the strategic objectives/outcomes in the Council Plan as per the indicators in that document.

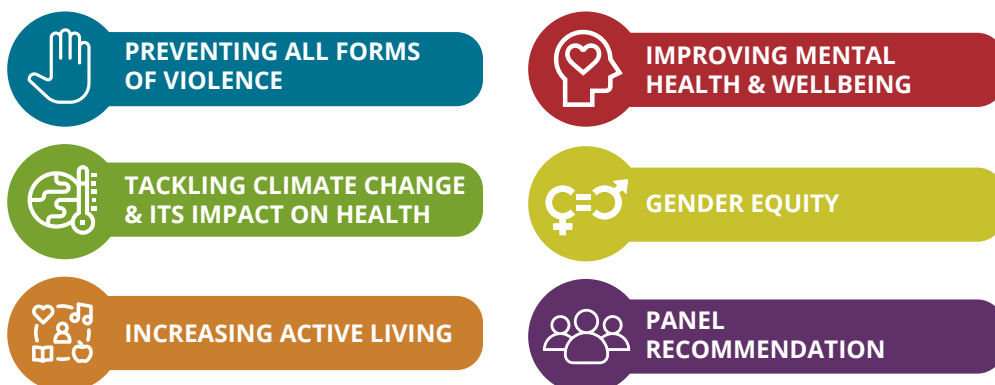
The strategic objectives aligned to this theme are:

- 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.

Measuring Council's performance against the key themes and objectives in the Council Plan

- ✓ Completed
- ↻ Carried over
- ✗ Discontinued

Consistent with the Council Plan, Annual Plan Actions that contribute to the achievement of priority health and wellbeing areas are colour coded with a corresponding infographic, as outlined below:



Achievements

Enterprise Agreement

Council finalised a new Enterprise Agreement which was officially approved by Fair Work Australia in December 2022.

The new Enterprise Agreement outlines workplace conditions for a contemporary organisation and culture; promotes a safe and inclusive workplace that values diversity, makes us more competitive as an employer and supports work/life balance for employees.

Improved terms and conditions for employees as part of the Enterprise Agreement include greater flexible working arrangements, increased parental and adoption leave, paid leave for employees undergoing gender transition, blood donation leave and the ability to further contribute to the community by the way of volunteer leave.

CRM Implementation – Phase 1

Council developed and implemented a new Customer Request Management (CRM) system to replace the ageing, stand-alone Merit system.

The Civica Authority CRM integrates with our core Authority modules that support other parts of Council's operations. This provides for greater streamlining and automation of our customer related functions.

For the community, the new CRM now generates an email acknowledging their enquiry providing a unique reference number to make any follow up contact with Council easier and more efficient.

For Council, the CRM will enable us to collect data to better understand customer issues, how we respond to them and what outcomes are delivered. This will be used to inform how improvements can be made to ensure Council delivers timely responses and a positive experience for customers.

Moving forward, Council will work to expand the use of CRM's capabilities to make broader improvements to our approach to customer service generally.

Financial Transparency

Council has enhanced transparency around the financial management of projects for Councillors and the community through the introduction of budget transfer reports. At each Council meeting, a monthly report is presented that provides details of project budget adjustments for the period and seeks approval for those adjustments to be made.

For each report, an assessment of progress of each capital project and operational project is undertaken. This assessment includes consideration of both income and expense budgets, if they are on track or required adjustment. Assessment is also made about which projects should be deemed complete.

The introduction of these reports and the new process provide greater visibility to Councillors and the community of the Capital Works Program and Operational projects.

Joint Emergency Management Exercise with Neighbouring Councils

Planning for a major emergency cannot be done in isolation. In the event of an emergency, there is a need to have all hands on deck, which usually involves numerous people and agencies working well together and with the community. Coordination and planning is essential and to build this, Council conducted a full day emergency management capacity building exercise with neighbouring Corangamite and Surf Coast Shire Councils, including the Executive Management teams.

The exercise generated discussion and planning of personnel required, highlighted the various Emergency Management roles Council may have and tested the newly-developed role cards that Council will use during an emergency incident.

The workshop developed strong inter-agency relationships, built capacity through the training and provided participants with a coordinated planning process.

Challenges and Future Outlook

Cyber Security

Throughout 2022-23 there has been a heightened focus on Cyber Security within Council, as it has for organisations generally. As the risk of attempts by malicious actors to compromise internal systems increases, processes have been reviewed and tightened over the year to reduce both the attack footprint and subsequent risk. This is a fast evolving field so constant monitoring and vigilance is required, along with ongoing training for employees to improve cyber security awareness.

Sector Disruptions (Conspiracy Theory Groups and Sovereign Citizens)

Colac Otway Shire Council remains committed to operating transparently and being accountable and accessible to our community, acknowledging Council is the most accessible level of government and a forum for debate on issues that affect the Colac Otway community.

During the 2022-23 financial year, some local government areas experienced an increase in disruptive and intimidating behaviour toward Councillors at Council meetings by members of the public, causing the councils to make the decision to close their meetings.

Threatening and unpredictable behaviour is not acceptable in any workplace, including a Council chamber. Training has been provided to some Councillors and employees to ensure they have the skills to respond if a situation arises at Colac Otway Shire Council for the safety of those in attendance, including community members present in the gallery. Colac Otway is supportive of local government working together to ensure our meetings remain a place where community members can participate in decision making.

Workforce Shortages in Key Services

One pressing challenge facing the organisation from a People and Culture perspective is the shortage of skills and labour in some critical areas in particular the areas of accounting, project management, planning and engineering. Colac Otway Shire Council is not alone, with the Australian Local Government Association (ALGA) reporting that “more than nine out of ten councils are currently facing jobs and skills shortages” (Source: Jobs and Skills Crisis in Local Government online article, 2 September 2022).

Whilst employee turnover has improved over the year, a significant challenge still exists in attracting and retaining skilled candidates to regional areas,

Continuous Improvement Initiatives

CRM Project – Phase 2

Work will commence with a Phase Two of the CRM project. This will see the continued development of systems and processes to deliver more responsive services and improve customer satisfaction and engagement.

Council will develop usage of the new CRM functions to support improved customer service through close-on-first-contact processes, which delivers an immediate response to a customer enquiries or requests.

Customer Complaints Policy

A Customer Experience Coordinator was engaged early in 2023 to provide a focus for organisational wide improvement. Sitting outside the structure of the front facing Customer Service team, this position plays a key role in improving the customer service culture of Council employees and community perceptions of the service. Development of a draft Customer Experience Strategy has commenced which outlines the principles and priority actions for Council, and a Customer Experience Governance structure has been established. Council will review its Complaints Policy and procedures for handling complaints, with the draft policy due to be considered by Council in the latter part of 2023.

Performance

Priorities and Initiatives

The table below lists our Annual Plan and Budget initiatives against our four-year Council Plan priorities.

2022-23 Major Initiative	Status	Progress comments	
Improving the Customer Experience			
<p>The most significant project under this theme will be the implementation of a new Customer Request Management (CRM) – A good CRM is a vital tool to assist with the effective and efficient operations of Council.</p> <p>For a number of years Council has persisted with a system that is lacking in its capacity to deliver to a satisfactory level. The new system will be user friendly, provide good efficiencies, greatly improved response times, integration opportunities and offer improved front end engagement with ratepayers.</p> <p>Council has determined that significantly improved benefits can be gained with the implementation of a new CRS, ensuring that customer requests for service are captured, tracked and completed.</p>	<div>✓</div>	<p>Council achieved progress in its efforts to improve customer experience with the employment of new Customer Experience Coordinator early in 2023 to help drive improvement across the organisation.</p> <p>A new Customer Request System was implemented to replace an old and outdated system to improve recording and response to customer requests, enabling improved reporting of Council's performance.</p> <p>A review of the Complaints Handling Policy and associated procedure commenced, and fresh training on complaint handling processes will be delivered in 2023-24 to increase the effectiveness of Council response to complaints.</p>	
Our 4-year priorities are	Our 2021-22 focus was	Our 2022-23 focus was	Over the next year we will
Identify and embrace best practice and modernise systems to realise efficiencies	<div>✓</div> Upgrade to a modern cloud based phone system for access to enhanced features, improving reliability, security, scalability and accessibility from anywhere, including during an emergency, whilst delivering a seamless customer experience	<div>✓</div> Investigate and scope further cyber security and data protection measures to provide continued protection and compliance for council systems	Undertake an internal audit relating to cybersecurity controls
	<div>✓</div> Investigate and scope further cyber security and data protection measures to provide continued protection and compliance for council systems	<div>✓</div> Upgrade conference rooms to modern meeting technology	
	<div>🔄</div> Upgrade conference rooms to modern meeting technology		
Digital transformation to improve customer experience and interactions with community	<div>✓</div> Develop online process to submit new animal registrations (Cats and Dogs) through Councils website	<div>✓</div> Replacement of Customer Request Management System	
	<div>✓</div> Develop online process to submit 'Request forms' through Council's website	<div>✓</div> Develop online process for Public Event Permit applications	
	<div>🔄</div> Develop online process for Public Event Permit applications		
	<div>✓</div> Deliver an online self-assessment tool for small business to establish their permit requirements through the Better Approval process		

Our Performance – Theme 4

Our 4-year priorities are	Our 2021-22 focus was	Our 2022-23 focus was	Over the next year we will
Building and Planning services are customer and solution focused	<ul style="list-style-type: none"> ✓ Introduce customer survey for planning and building related services ✓ Prepare report on expanding the scope of applications suitable for VicSmart approval 	<ul style="list-style-type: none"> ✓ Undertake review of local VicSmart provisions to increase the number of permit applications that could be assessed via a streamlined planning process 	<ul style="list-style-type: none"> Undertake a planning scheme amendment to implement changes to local VicSmart provisions Undertake service specific feedback activity to identify opportunities to improve community perception
Undertake a rolling program of service reviews	<ul style="list-style-type: none"> 🕒 Conduct a service review of Colac Regional Saleyards 🕒 Conduct a service review of Services and Operations 	<ul style="list-style-type: none"> 🕒 Conduct a service review of Colac Regional Saleyards 🕒 Conduct a service review of Services and Operations 	<ul style="list-style-type: none"> Complete Best Value Review of Community Care Review Complete a service review of Colac Regional Saleyards Complete a service review of Services and Operations Complete visitor servicing review
Plan for sustainable portfolio of assets to deliver the services the community needs within our financial constraints ●	<ul style="list-style-type: none"> 🕒 Capital Funds Allocation and Prioritisation Policies adopted 	<ul style="list-style-type: none"> ✗ Capital Funds Allocation and Prioritisation Policies adopted 	<ul style="list-style-type: none"> Implement Asset Management Strategy actions
Adopt a policy and approach to guide the disposal of assets no longer required ●		<ul style="list-style-type: none"> 🕒 Develop methodology for decommissioning of assets 🕒 Continue work on public halls and social infrastructure needs analysis, to better understand service levels and future facility requirements 	
Manage procurement to get best value for the community			<ul style="list-style-type: none"> Implement Internal Audit into Procurement
Council businesses maximise community utilisation and minimise council subsidy ratios	<ul style="list-style-type: none"> 🕒 Conduct a service review of Colac Regional Saleyards 	<ul style="list-style-type: none"> Refer earlier priority 	<ul style="list-style-type: none"> Undertake strategic fee review for COPACC and Bluewater
Financial and risk management practices are responsible and sustainable	<ul style="list-style-type: none"> ✓ Review Revenue and Rating Policy 🕒 Review Council's Investment Policy 	<ul style="list-style-type: none"> 🕒 Develop Statutory and Discretionary Reserve Policy 🕒 Review Council's Borrowing Policy 🕒 Review Council's Investment Policy 	<ul style="list-style-type: none"> Develop Statutory and Discretionary Reserve Policy Review Council's Borrowing Policy Review Council's Investment Policy
Council service delivery is efficient, accessible, solution-focused and responsive to the needs of the community	<ul style="list-style-type: none"> 🕒 Development of online forms and payment options to deliver accessible customer services for all customers 🕒 Development and Implementation of Customer Service Charter 🕒 Undertake engagement with our coastal communities to better understand factors that contribute to perceptions of Council's performance 	<ul style="list-style-type: none"> ✓ Development of online forms and payment options to deliver accessible customer services for all customers 🕒 Development and implementation of Customer Service Charter ✗ Undertake engagement with our coastal communities to better understand factors that contribute to perceptions of Council's performance 🕒 Establish Council's safety programs to the national audit tool 	<ul style="list-style-type: none"> Establish Customer Experience improvement program Review Complaints Policy

Our 4-year priorities are	Our 2021-22 focus was	Our 2022-23 focus was	Over the next year we will
We respect and invest in our employees and continue to strengthen our workplace culture ● ●	⌚ Commence the development of the organisation's purpose with engagement at the team level	✓ Commence the development of the organisation's purpose with engagement at the team level	Develop action plan based on People Matters Survey results ● ●
We commit to safe work practices and take a positive approach to our work ●	⌚ Review Councils safety programs against best practice using the National Audit Tool ✓ Implement the actions of the Prevention of Sexual Harassment Plan	✓ Measure alignment and adherence to safe work practices via annual performance plans ✓ Implement the actions of the Prevention of Sexual Harassment Plan	Implement actions from Internal Audit into WHS systems ●
Develop a skilled and diverse workforce by investing in training and development ● ●	✓ Investment in leadership programs across the organisation to create internal pathways for career progression, development and succession planning ✓ Develop a Workforce Plan	✓ Investment in leadership programs across the organisation to create pathways for career progression and development	Develop an organisation wide training program for mandatory and compliance training ● ● ●
Council provides clear, accessible communication and opportunities for the community to participate in decisions that affect them in line with the Community Engagement Framework	✓ Deliver training to Council employees to improve Council's community engagement practices in line with the Community Engagement Policy and Framework	✓ Deliver training to Council employees to improve Council's community engagement practices in line with the Community Engagement Policy and Framework	Conduct two 'community conversations' in small towns
Council decisions are open and transparent and the public has access to relevant Council information			Review decisions made in closed Council meetings and develop further guidance to maximise public decision-making



How we performed against our Indicators

Colac Otway Shire aims for several outcomes over the four years of its Council Plan 2021-2025. We measure progress by the indicators below.

Outcomes and Indicators	Results 2021-22	Results 2022-23	Contribution/Influence 2022-23
Outcome: We commit to a program of best practice and continuous improvement			
Indicators			
Community satisfaction for Council's overall performance increases annually from current result of 63 points	Council's overall performance of 56 points was very similar to the average of other large rural shires. The lift in performance in 2021 has not been replicated and this year's result is very similar to Council's result in 2020 of 55 points	This result is 6 points lower than the previous year, but similar to the average result for large rural councils of 52 points	Whilst Customer Satisfaction survey results are low for Building and Planning, surveys of planning permit applicants indicate a high level of satisfaction with Council's service and feedback from the surveys is used to drive service improvements. These applicant surveys are a more reliable indicator of the quality of Council's Planning service compared to perceptions of the community measured in the Annual Council Satisfaction survey.
Number of services that can be accessed by customers online	Not available	Not available	
Community satisfaction for Planning and Building services greater than 50 points by 2025	Community satisfaction with these services remains lower than the average of 46 points for and surveys indicate that time and complexity of applications are issues that contribute to this result	Community satisfaction with these services remains lower than the average of 42 points for large rural councils and surveys indicate that time and complexity of applications are issues that contribute to this result	
85 per cent of planning applications, and 100 per cent of VicSmart applications determined in 60 days	75.77% of applications Determined with 60 Statutory Days and 86.73% of VicSmart applications determined within 10 Business Days	75.60% of applications Determined with 60 Statutory Days and 83.54% of VicSmart applications determined within 10 Business Days	
Conduct at least two service reviews annually and implement decisions made by Council, with a view to saving at least \$250,000 per year	These two service reviews were put on hold while other financial and operational priorities were addressed and will be undertaken in 2022-23	Four service reviews have commenced in 2022-23 and contributed to \$257,000 savings found in the year	
Outcome: We are a financially robust organisation			
Indicators			
Asset Management Policy reviewed to address asset decommissioning and divestment	Draft policy endorsed for exhibition. Decommissioning and divestment is part of separate Asset Disposal Policy	Adopted by Council in August 2022	Council has continued to strengthen governance in relation to the financial management of projects through the introduction of a practice to provide monthly budget transfer reports to Council meetings for formal approval. This also enhances transparency for Councillors and the community on how council funding is being managed.

Outcomes and Indicators	Results 2021-22	Results 2022-23	Contribution/Influence 2022-23
Asset Management Strategy and Plans adopted	Completed	Completed	Major influences over Council's financial position continue to be its constrained ability to generate greater revenue due to Victorian Government policies, cost of living pressures and appetite to ask for greater contribution from users. Matters influencing Council's expenses include the number of services delivered to a dispersed community, and external impacts on costs such as CPI, regulatory requirements and market increases.
Asset Management Plans include strategic service planning recommendations	Completed	Completed	
Capital Funds allocation and prioritisation policies adopted	Drafts exhibited	On hold	
Agreed audit recommendations are implemented within defined timelines	Not applicable	Ongoing	
Rolling internal audit program implemented	Completed	Ongoing	
Reduced subsidy ratio for Council businesses (airports, saleyards, COPACC, Bluewater and Visitor Information Centres)	Not applicable	Not applicable	
Deliver 10-year Financial Plan	Completed	No further update	
VAGO LGPRF financial sustainability measures	Expenses per head of population: \$2,726.65 Infrastructure per head of population: \$17,967.21 Population density per length of road: 13.20 Own source revenue per head of population: \$1,919.00 Recurrent grants per head of population: \$653.40 Relative Socio-Economic Disadvantage: 3 Percentage of employee turnover: 23.15 per cent	Expenses per head of population: \$2,764.44 Infrastructure per head of population: \$19,268.12 Population density per length of road: 13.63 Own source revenue per head of population: \$1,999.37 Recurrent grants per head of population: \$674.75 Relative Socio-Economic Disadvantage: 3 Percentage of employee turnover: 19.8 per cent	

Outcome: We provide exceptional customer service

Indicators

Community satisfaction for Customer Service increases annually from current result of 69 points	The result of 63 points is lower than the average result of other large rural shires of 67 points and returns to the same result Council achieved in 2020. Six in ten residents provide a positive customer service rating of 'very good' or 'good'	The result of 66 points is higher than the previous year and higher than the average result in 2023 for large rural shires of 65 points. 13 percent of respondents cited customer service as one of the best things about Council.	Council's Customer Request Management system (CRM) has been updated and upgraded to provide enhanced, automated and streamlined workflows. This will enable customer and service requests to be managed and resolved quicker and more effectively, further improving our approach to customer service.
Seek to understand factors contributing to the community's perception of Council's performance in Apollo Bay and surrounds	Not commenced	Not proceeding	

Outcomes and Indicators	Results 2021-22	Results 2022-23	Contribution/Influence 2022-23
Outcome: We support and invest in people			
Indicators			
Employee satisfaction and engagement	Survey not conducted	Survey not conducted	<p>As the organisation moved out of the COVID 19 pandemic, priority continues to be given to ensuring the wellbeing of our people. Approaches such as flexible working arrangements and working from home are implemented to help support the wellbeing of people.</p> <p>A leadership program has commenced with senior officers and people leaders to enhance these skills, knowledge and capability in being effective leaders not only to their teams but across the organisation. The program will continue over the next two years to embed effective leadership into the culture of the organisation and support the attraction and retention a skilled and quality workforce.</p>
Delivery of targets and measures as outlined in the OHS Strategic Plan	The 2021-23 Occupational Health and Safety Plan was implemented outlining new objectives. Progress was made on the action items and now forms part of the organisation review of safety systems and processes	The 2021-23 strategic plan was reviewed as part of an internal audit process into Workplace Health and Safety. An outcome of that process is the refresh of a the OHS strategic plan, which has commenced.	
Attraction and retention of skilled workforce	The Workforce Plan identified a comprehensive action plan to respond to the attraction and retention challenges. This underpinned the strategy for the enterprise agreement negotiations to ensure Council works towards an employer of choice and market competitiveness	The Colac Otway Shire Enterprise Agreement was approved, providing new and revised provisions that create a modern and contemporary framework for employees that positions Council well to attract and retain a quality workforce.	
Number of secondments within the organisation	There were four formal internal secondments	There were two formal internal secondments	
Number of internal promotions	There were 135 formal higher duties appointments	There were 117 formal higher duties appointments	
Number of hours of training	In the absence of resources, due to long term illness, this manual task has not been undertaken in this period	There were 2600 hours of training.	
Number of traineeships/apprenticeships	There are four traineeships and three apprenticeships	There are three traineeships and three apprenticeships	
Development of a Workforce Plan	Completed	No further update	
Community satisfaction for Consultation and Engagement increases annually from current result of 60 points	53 points	The result of 47 points was lower than the 2022 result, but similar to the 2023 average result for large rural councils of 49 points	
Rolling program of Community Conversations implemented	Not applicable	Not commenced	
Number of decisions made in closed Council meetings	2.27 per cent	4.69 per cent	
Community satisfaction for Council's community decision making increases annually from 58 point	53 points	The result of 45 points was lower than the 2022 result, but similar to the 2023 average result for large rural councils of 48 points	
Compliance with Public Transparency Policy	Achieved	No further update	



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Sustainability Report

Colac Otway Shire Carbon Neutral Target and Purchase of Carbon Offsets for 2021-22

Council has significantly reduced its annual carbon emissions (by 68% since 2010) and shown strong corporate leadership in offsetting the remaining emissions to become a carbon neutral organisation whilst it transitions towards zero corporate greenhouse gas emissions. Council formalised its Carbon Neutral status for the 2020-21 financial year in September 2022 by purchasing carbon emission offset credits equivalent to 1,520 tonnes of CO₂-e. Council verified its carbon emissions inventory in line with the National Carbon Neutral standard to ensure there is integrity, transparency and rigour to its claim of carbon neutrality and the offsets purchased are certified accordingly.

Meeting Council's 2020 carbon neutral target is the culmination of 10 years of energy efficiency, renewable energy and emissions reduction work – an investment of approximately \$1.5 million (which includes \$500,000 of government grants). This investment has now been fully paid back through ongoing savings which have resulted from the upgrades (approx. \$250,000 per year).

Current residual carbon emissions that require the purchasing of offsets will continue to be reduced by future emissions reduction projects focusing on Council's gas and transport fuel usage over the next ten years. It is not feasible to eliminate all residual emissions without investing in offsets to maintain its Carbon Neutral status in the short term, but rapidly evolving technology and market forces will facilitate emissions reduction possibilities during this decade.

Draft Environmental Sustainability Strategy and Climate Change Action Plan

A draft Environmental Sustainability Strategy and Climate Change Action Plan were prepared and placed on public exhibition following extensive stakeholder and community engagement. Once finalised, these documents will be Council's roadmap to guide its actions for the next ten years to ensure that it protects and enhances the environment and takes appropriate action to mitigate and adapt to a changing climate.

The draft Climate Change Action Plan includes a range of measures aimed at reducing greenhouse gas emissions including energy efficiency and renewable energy, waste reduction and recycling and sustainable transport. The Plan also includes initiatives aimed at building resilience to climate change impacts such as emergency management planning, land use planning reforms, urban greening, and biodiversity conservation programs, and aligns with Council's goal to be carbon neutral.

Environmental Education Events

Council's Environment and Sustainability Team partnered with COPACC to deliver environmental education themed offerings for local schools and families, in particular to mark World Environment Day. This very successful partnership allows children to engage with environmental issues through a performing arts lens and this year the events below saw 427 students, teachers and parents from six schools and one kindergarten attend.

The Whale's Tale was presented at Lavers Hill P-12 College for our rural students in August 2022 - an environmental tale and interactive performance about a beached whale to warm the heart and inspire students to play their part in caring for the planet and the animals we share it with. It has been forecast that by 2050 there will be more plastic in the sea than fish. The Whale's Tale was a timely tale that hopefully inspired the school children to want to make a difference and play their part in caring for our planet and the animals.

Junklandia was delivered by COPACC in partnership with Council's Environment Department to mark World Environment Day in June 2023. The show took students and families on a journey where they could shift their usual perspective on rubbish as an insurmountable problem to an exciting opportunity to get creative, make something, and have fun in the process and aimed to ignite a fresh perspective on the terms reduce, reuse and recycle.



Organisational Emissions for 2022-23

Organisational emissions have remained relatively steady since 2021-22. Emissions increased by 0.6% overall in 2022-23. The impact of ongoing sustainability initiatives such as energy efficiency upgrades to heating and ventilation systems, street lighting and solar installations has been difficult to distinguish from COVID-19 lockdown related emission reductions over the last couple of years. The effectiveness of previous upgrades is becoming more evident with Council facilities returning to business-as-usual operation. For 2022-23, despite reopening of facilities and returning to work and full operations, consumption and emissions continue to remain lower than pre-COVID-19.

On 1 July 2022 Colac Otway Shire Council became one of 51 Victorian Councils who joined the Victorian Energy Collaboration (VECO) which is the largest example of a collective buyers group for renewable energy in the country. As a result, VECO is also the largest ever emissions reduction project by local governments in Australia, with renewable energy generated from wind farms in western Victoria, used to power council-owned infrastructure, such as halls, sports grounds, community venues, leisure centres and streetlights. The collective emissions reduction by participating Councils is equivalent to powering up to 45,000 homes or taking more than 90,000 cars off the roads each year.

Total COS Greenhouse Emissions (CO ₂ -e tonnes)					
Buildings	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 (3,009)
2021-22	0* (1,254)	431	0* (327)	1,276	1,707 (3,288)
2022-23	0* (1,128)	446	0* (321)	1,273	1,719 (3,168)

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

**Emissions figures for 2020/21, 2021/22 and 2022/23 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 ongoing commitment to purchasing 100% clean renewable electricity continues to provide emissions-free electricity consumption for buildings. The 10% decrease in consumption can be attributable to flexible work arrangements with many staff continuing to work from home some of time and ongoing energy efficiency gains through upgrades of IT and other equipment.

The 8% increase in gas consumption is largely due to Bluewater Leisure Centre returning to full operations for the entirety of 2022-23, while it was still largely closed for the first quarter of 2021-22 due to COVID. However, it is important to note that gas consumption remains lower than pre-COVID levels, reflecting energy efficiency upgrades in recent years (e.g. upgrades and optimisation of Building Management Systems).

Streetlights

VECO also provides emissions-free, clean renewable electricity for street and public lighting. Consumption has decreased by 2%, attributable to ongoing replacement of old street lights with energy efficient LED lights as part of maintenance and renewal works.

Fleet

Fleet and equipment related fuel emissions remained relatively steady. As Council moves to gradually electrify its fleet, hybrid and electric vehicles and equipment will continue to be prioritised during fleet renewal.

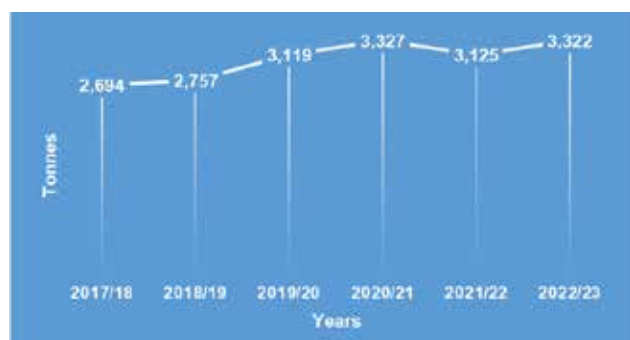
Water Usage for Council Facilities

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

Water use has increased by 8.7%, largely due to sport and recreational facilities returning to full operations post COVID. For example, water use at Bluewater Leisure Centre increased again in 2022-23 as it returned to full operations for the entirety of 2022-23, while it was still largely closed for the first quarter of 2021-22 due to COVID.

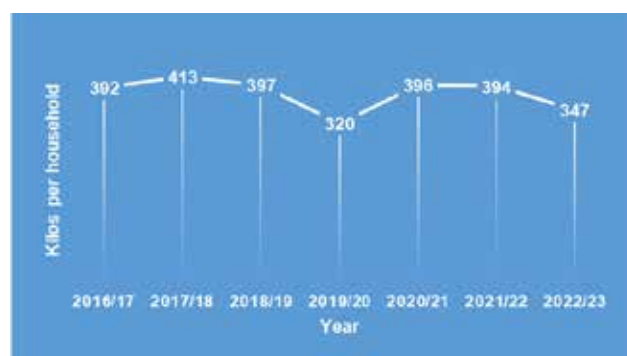
Waste

Organic Waste Diverted from Landfill



Council recorded an increase of 197 tonnes of organics material during the 2022-23 period. Keep up this great work and be a GoodSort and use the right bin.

Household Waste to Landfill



The total general waste going to landfill from households via the kerbside collections is lower than the previous year. Waste data collected via the waste monitoring dashboards is valuable data that we can use for targeted education in the coming year.

Council encourages the community to download the GoodSort Waste and Recycling App to reduce their waste to landfill and 'get it right on bin night'.



Our Governance

Democratic Governance

Corporate Governance

Statutory Information

Governance and Management Checklist





Governance

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

Council's Code of Conduct was revised and adopted by Council on 27 April 2022. The Code outlines the principles of good governance, guides Councillors' behaviour, accountability and provides for dispute resolution processes between Councillors. The Code is available on Council's website.

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 are generally held on the fourth Wednesday of every month. 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, including matters relating to strategic issues, and other matters referred to the Committee. Planning Committee meetings are generally held on the second Wednesday of the month, as required.

Community Asset Committees

Community Asset Committee members willingly volunteer and apply their skills and experience to ensure that the provision of public halls, recreation reserves and sporting facilities contribute to the health and wellbeing of communities throughout Colac Otway Shire.

In accordance with the section 65 of the *Local Government Act 2020*, Council has established 21 Community Asset Committees:

- Alvie Recreation Reserve
- Apollo Bay Senior Citizens Centre
- Barongarook Hall and Tennis (not operational)
- 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
- Yeo Recreation Reserve.

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 2022-23, Councillors disclosed twelve conflicts of interest during Council meetings and two conflicts of interest at Planning Committee meetings.

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 reviewed and adopted by Council on 28 September 2022.

Our Governance

Audit and Risk Committee members

The Audit and Risk Committee comprises two Councillors and three 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 2022-23, the independent members were:

- Brian Keane (Chair)
- Richard Trigg
- Melissa Field.

Brian Keane BEc, FCPA first appointed from December 2018 and Chair from December 2021

Over 40 years' experience in Banking, Finance and Information Services, including over 25 years in executive management roles in both private and public sector companies. Now focused on providing expertise in these areas, especially in strategic risk and governance. Leadership roles in many transformation initiatives have provided experiences that assist in identifying good business practice and strategic opportunities.

Richard Trigg appointed from December 2020

Richard has more 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.

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

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.

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	10 Aug 22	6 Oct 22	7 Dec 22	15 Feb 23	17 May 23
Brian Keane	Chairperson (Reappointed December 2022)	✓	✓	✓	✓	✓
Richard Trigg	Independent member	✓	✓	✗	✓	✗
Melissa Field	Independent member	✓	✓	✓	✓	✓
Cr Margaret White	Councillor representative	✓	✓	✓	✓	✓
Cr Kate Hanson	Councillor representative	Not a member	Not a member	✓	✓	✓
Cr Graham Costin	Councillor representative	✗	✓	✓	Not a member	Not a member

Internal Audit

Council's internal audit service assists in maintaining robust, relevant and effective internal controls. On 29 June 2022, Council appointed Moore Australia Pty Ltd to deliver internal audit services for an initial term of two years, with three one year options to extend.

External Audit

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

Risk management

Council is committed to risk management and to creating an organisational culture that ensures that effective risk management is embedded in all activities and business processes. Throughout 2022-23, the Audit and Risk Committee and officers commenced an extensive review of Council's risk management framework.

This review aims to formalise an approach to risk that provides for the effective identification, analysis, management and escalation of risk, enhanced decision making, and visibility to council and the community that risks are being managed effectively. This approach will be formalised through risk management framework in early 2023-24.

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 2023-24 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 2022-23:

- Domestic Wastewater Management Plan 2021
- Public Toilet Strategy
- Asset Management Policy
- Governance Rules
- Audit and Risk Committee Charter
- Irrewillipe Road Development Plan
- Grants Program Guidelines 2023-2024
- Apollo Bay, Skenes Creek and Marengo Community Infrastructure Plan
- Colac City Reserves Project Final Report, inclusive of reserve specific masterplans for Eastern Reserve, Central Reserve, Lake Oval and Western Reserve
- Bulla Development Plan
- 2023-24 Annual Plan.

Statutory Information

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

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 2022-23 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.

Contracts

Council issued 17 tenders via Councils online portal, three via Municipal Association of Victoria (MAV) portal and four Expressions of Interest (EOI) in 2022-23, covering the following service categories:

- consultancy and other work - 2
- capital and infrastructure works – 15
- operational services – 1 MAV
- Heavy Fleet – 2 MAV

Prior to commencing the procurement process, each service, goods or works was considered to affirm the ongoing need and strategic alignment to Council's goals, the optimal delivery model, and the market environment. These informed a complexity assessment and a contract-specific Procurement Plan developed to determine the most appropriate means of procurement.

Council did not enter any other contracts valued at \$250,000 or more for goods or services without engaging in a competitive process.

Documents available for inspection

Council adopted a revised Public Transparency Policy on 27 April 2022. It outlines Council's commitment to providing transparency to the community and the ways in which information is made publically available.

Following is a summary of information that is available to the public:

Council records

- Agendas, minutes, live stream and audio recordings of Council meetings and Committee meetings
- Terms of reference or charters for Council committees

Local Laws

- No. 1 Consumption of Liquor in Public Places Local Law
- No. 2 General Local Law
- No. 3 Livestock Local Law
- No. 4 Governance Local Law

Policies, strategies and reports

- Council plan and Community Vision
- Annual report
- Strategies
- Council policies
- Budget

Organisational Chart

Councillors

- Contact details

Council elections

- Election campaign donation returns
- Candidate information (during elections)

Grant programs

- Guidelines to the Grant program
- List of previous recipients

Planning

- Development plans, reference and incorporated documents
- Current planning applications

Businesses

- Awarded tenders

Council Operations

Events information

- Waste management and recycling information
- Information relating to families, positive ageing, childcare and pets
- Tourism and local area – variety of information
- Parks and reserves – listings

Registers

- Register of Authorised Officers
- Register of Instruments of Delegations
- Summary of Biannual Returns
- Register of Conflicts of Interest
- Register of Leases
- Register of Gifts, Benefits and Hospitality (councillors and staff).

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.

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 2022-23.

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 11 Freedom of Information applications in 2022-23.

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

Privacy and Data Protection Act 2014

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

No complaints from regulatory bodies were received in 2022-23.

Public Interest Disclosure Act 2012

The Colac Otway Shire 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 Interest Disclosures Policy is available from Council's website.

During 2022-23 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 2022-23.

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 2022-23.

Customer Complaints

During the 2022-23 year, 119 complaints were recorded in the Complaints register. 98 of these were resolved, with 21 remaining open, largely related to ongoing works or multi-agency liaison required to resolve.

The average time to resolve complaints was 21.4 days. Council's standard for resolving complaints is within 28 days.

- 45 per cent were upheld, 32 per cent were partially upheld, and 19 per cent were not upheld.
- 31 complaints resulted in recommendations for improvement in service delivery.
- No complaints proceeded to an internal review or escalated to an external body.

Governance and Management Checklist 2022-23

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

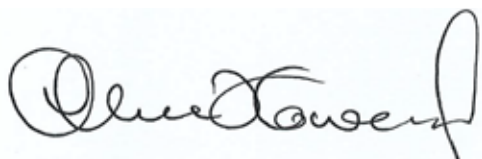
Governance and management items	Assessment	
Community engagement policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act. Date of adoption: 29 June 2022	✓
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation. Date of adoption: 3 February 2021	✓
Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next ten financial years)	Adopted in accordance with section 91 of the Act. Date of adoption: 27 October 2021	✓
Asset Plan (plan under section 92 of the Act setting 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 June 2022	✓
Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act. Date of adoption: 24 June 2021	✓
Annual budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 94 of the Act. Date of adoption: 28 June 2023	✓
Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Date of commencement of current policy: 24 October 2018 <i>Currently under review</i>	✓
Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Date of commencement of current policy: 27 May 2020 <i>Currently under review</i>	✓
Municipal emergency management plan (plan under section 60ABD of the Emergency Management Act 2013 for emergency mitigation, response and recovery)	In accordance with section 60ABD of the Emergency Management Act 2013 Date of adoption: 30 October 2018	✓

Governance and management items	Assessment	
Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Date of commencement of current policy: 24 June 2021	✓
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)	Date of operation: 21 February 2018 Critical Incident Management Plan: 21 February 2018 <i>Currently under review</i>	✓
Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Date of commencement of current plan: 10 February 2021	✓
Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Date of commencement of current framework: 2 March 2016 <i>Currently under review</i>	✓
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 establishment: 26 August 2020	✓
Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Date of engagement of current provider: 1 August 2022	✓
Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989)	Current framework in operation: 28 July 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)	Dates reports presented: Q1. 23 November 2022 Q2. 22 February 2023 Q3. 24 May 2023	✓
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)	Dates reports presented: Q1. 23 November 2022 Q2. 22 February 2023 Q3. 24 May 2023	✓
Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Date of reports: 10 August 2022 7 December 2022	✓

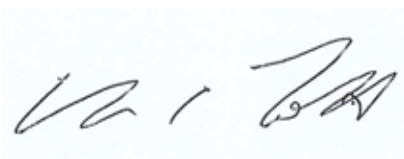
Our Governance

Governance and management items	Assessment	
Performance reporting (six-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Local Government Act 2020)	Only one performance report was prepared as part of the Annual Report. Reason: While quarterly reports on progress against the Council Plan have been presented to Council, measurement against the performance indicators referred to in section 98 of the Local Government Act 2020 has only been conducted annually. An assessment was conducted and reported to Audit and Risk Committee on 15 February 2023 and officers will work towards building this into a Corporate Planning and Performance Framework for 2023-24.	✗
Annual report (annual report under sections 98, 99 and 100 of the Local Government Act 2020 containing a report of operations and audited financial and performance statements)	Presented at a meeting of the Council in accordance with section 100 of the Act. Date presented: 26 October 2022	✓
Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters.)	Adopted in accordance with section 139 of the Act. Date reviewed and adopted: 27 April 2022	✓
Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	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. Dates of most recent reviews: Council to CEO - 24 June 2021 Council to Planning Committee - 27 October 2021 Council to members of staff - 29 March 2023	✓
Meeting procedures (Governance rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act. Date reviewed and adopted: 28 September 2022	✓

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



Anne Howard
Chief Executive Officer
Dated: 16 October 2023



Cr Chris Potter
Mayor
Dated: 16 October 2023



Performance and Financial Statements

Audited Performance Statement

Unaudited LGPRF Performance Indicators

The Financial Report

Understanding the Financial Statements

Audited Financial Statement





Independent Auditor's Report

To the Councillors of Colac Otway Shire Council

Opinion	<p>I have audited the accompanying performance statement of Colac Otway Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2023 • sustainable capacity indicators for the year ended 30 June 2023 • service performance indicators for the year ended 30 June 2023 • financial performance indicators for the year ended 30 June 2023 • other information and • certification of the performance statement. <p>In my opinion, the performance statement of Colac Otway Shire Council in respect of the year ended 30 June 2023 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 <i>Local Government (Planning and Reporting) Regulations 2020</i>.</p>
Basis for Opinion	<p>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.</p> <p>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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>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 the <i>Local Government (Planning and Reporting) Regulations 2020</i> 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.</p>

**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
18 October 2023



Travis Derricott
as delegate for the Auditor-General of Victoria



Colac Otway Shire Council

Performance Statement

For the year ended 30 June 2023

Performance Statement

For the year ended 30 June 2023

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.

Sustainable Capacity Indicators

For the year ended 30 June 2023

<i>Indicator / measure</i> [formula]	Results				Comment
	2020	2021	2022	2023	
Population					
<i>Expenses per head of municipal population</i>	\$2,577.70	\$2,527.05	\$2,726.33	\$2,764.44	This measure has increased by \$38 year on year, driven in the most part by growth in total council expenses of 5.3% (\$3.22 million), being 1.3% greater than growth in municipal population of 3.9%. Growth in total council expenses driven mostly by uplift in employee costs and depreciation of Council assets.
[Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i>	\$15,319.07	\$15,917.69	\$17,967.21	\$19,268.12	An asset revaluation (and indexation) was completed in 2022-23 for Road and Footpaths assets, which represented the largest asset class, and revaluation significantly increased Council's overall infrastructure value. Council's overall asset base continues to grow in value whilst population remains relatively stable.
[Value of infrastructure / Municipal population]					
<i>Population density per length of road</i>	13.28	13.34	13.20	13.63	This indicator has increased by 3% reflecting the increase in municipal population in the last 12 months.
[Municipal population / Kilometres of local roads]					
Own-source revenue					
<i>Own-source revenue per head of municipal population</i>	\$1,797.15	\$2,019.76	\$1,919.00	\$1,999.37	The increase in own sourced revenue in 2022-23 has outpaced the growth in municipal population and the sale of assets have contributed to the increase.

<i>Indicator / measure</i> [formula]	Results				Comment
	2020	2021	2022	2023	
[Own-source revenue / Municipal population]					
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$560.47	\$557.80	\$653.40	\$674.75	There has been a modest increase in recurrent grants provided by the Victorian government to local government councils.
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	3.00	3.00	3.00	3.00	No variation in this indicator has been observed over recent years and the Colac Otway community continues to experience significant socio-economic disadvantage in some parts of the community, while other parts do well and prosper.
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	11.2%	12.0%	23.1%	19.8%	Council's staff retention rate has improved this year as employees begin to adjust to working arrangements post pandemic and internal opportunities within Council.

Definitions

"adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

"infrastructure" means non-current property, plant and equipment excluding land

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

"population" means the resident population estimated by council

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Service Performance Indicators

For the year ended 30 June 2023

Service/indicator/measure [formula]	Results				Comment
	2020	2021	2022	2023	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5.17	1.68	1.73	4.64	The increase in utilisation is partially attributed to Bluewater being closed for three months the previous year due to COVID restrictions. In addition, management rolled out a new marketing plan including 'family fun days' which successfully increased membership numbers.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	100%	0%	0%	There were no animal management prosecutions in 2022-23.
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	97.50%	90.00%	88.89%	100.00%	23 notifications were received and all were followed up.

Service/indicator/measure [formula]	Results				Comment
	2020	2021	2022	2023	
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	50	58	53	45	Decisions made in the interests of the community declined by 8 points (15%) compared to last year. This year's result of 45 points is comparable with the score of 48 points for large rural councils. The downward trend was also evident across the State (average decline of 3 points).
Libraries Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	15.45%	0.00%	3.98%	8.50%	This calculation is based on three years of data and because Colac Otway Shire has only been a member of the Geelong Regional Library Corporation for two years, this is not yet a full data set.
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	55.23%	75.83%	75.84%	76.62%	There has been a small but continued increase in overall participation rates since 2019.
Participation <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	55.26%	72.00%	79.63%	85.71%	The continued increase in participation by Aboriginal children can in part, be attributed to active engagement by MCH Nurses and New Beginnings Project.

Service/indicator/measure [formula]	Results				Comment
	2020	2021	2022	2023	
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	44	53	47	39	Satisfaction with sealed local roads declined by 8 points (17%) compared to last year. This year's result of 39 points is comparable with the score of 40 points for large rural councils. The downward trend was also evident across the State (average decline of 5 points).
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	50.00%	0.00%	100.00%	80.00%	Of the five matters referred to VCAT, one resulted in Council's decision being overturned.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	60.38%	57.53%	55.44%	57.15%	Waste diversion is showing a slight increase this year with the community getting it right on bin night with around 80,000 searches of the waste materials guide on the GoodSort App.

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library borrower" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under section 98 of the Act

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the *Food Act 1984*

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council

Financial Performance Indicators

For the year ended 30 June 2023

Dimension/ <i>indicator/measure</i>	Results				Forecasts				Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
Efficiency									
<i>Expenditure level</i>									
<i>Expenses per property assessment</i>	\$3,609.44	\$3,500.51	\$3,668.96	\$3,825.47	\$3,798.89	\$3,846.62	\$3,913.27	\$4,013.85	Council's average expenses per property have been relatively stable over recent years. The trend has continued this year.
[Total expenses / Number of property assessments]									
<i>Revenue level</i>									
<i>Average rate per property assessment</i>	\$1,811.10	\$1,827.60	\$1,831.50	\$1,871.96	\$1,950.38	\$2,024.10	\$2,101.47	\$2,182.76	The average rate per property assessment increased by 2% over the last year. This is quite significant given the relatively stable rate per property assessment in previous years.
[Total rate revenue (general rates and municipal charges) / Number of property assessments]									
Liquidity									
<i>Working capital</i>									
<i>Current assets compared to current liabilities</i>	178.40%	189.73%	187.14%	243.91%	256.68%	269.03%	280.36%	289.47%	Working capital ratio has increased by more than 30% compared to 2021-22 due to the increase in the balance of unrestricted cash of \$13,000 but offset by Conditional Grants unspent of (\$7,000).
[Current assets / Current liabilities] x100									

Dimension/indicator/measure	Results				Forecasts				Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
Asset renewal and upgrade									
<i>Asset renewal and upgrade compared to depreciation</i>	108.81%	97.61%	105.27%	74.11%	55.23%	55.62%	57.65%	59.76%	In 2022-23 this indicator has dropped by almost 30% reflecting the increase in depreciation from the previous year now exceeding \$13m whilst there has been a 10% reduction in asset renewals and upgrades
[Asset renewal and asset upgrade expense / Asset depreciation] x100									
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i>	-3.55%	7.60%	0.91%	1.85%	-7.25%	-6.48%	-6.05%	-5.48%	This ratio has doubled from the previous year mainly due to the increase in own sourced revenue.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i>	58.39%	53.83%	55.67%	54.10%	62.26%	63.33%	64.34%	64.78%	This indicator remains relatively stable and is close to the average of other councils similar to Colac Otway.
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
<i>Rates compared to property values</i>	0.47%	0.44%	0.41%	0.29%	0.30%	0.31%	0.32%	0.34%	Property values have increased at a higher rate than rates revenue in the last year.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									

Definitions

"adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) 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

"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

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

"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

"recurrent grant" means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are 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

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Other Information

For the year ended 30 June 2023

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 sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. 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).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource 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.

The forecast figures included in the performance statement are those adopted by council in its 2023-24 financial budget on 28 June 2023. The outer years of the 2023-24 adopted budget includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The financial plan can be obtained by contacting council.

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*.



Xavier Flanagan CPA

Principal Accounting Officer

Dated: 16 October 2023

In our opinion, the accompanying performance statement of the Colac Otway Shire Council for the year ended 30 June 2023 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 Margaret White

Councillor

Dated: 16 October 2023



Cr Kate Hanson

Councillor

Dated: 16 October 2023



Anne Howard

Chief Executive Officer

Dated: 16 October 2023

Unaudited Service Performance Indicators

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

Results					
Service / indicator / measure	2020	2021	2022	2023	Comments
Aquatic Facilities					
Service standard AF2 <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	0.00	1.00	1.00	A single Council owned and operated aquatic facility (Bluewater Leisure Centre) was inspected in accordance with the Public Health and Wellbeing Act 2008 and regulations during the 2022-23 period.
Service cost AF7 <i>Cost of aquatic facilities</i> [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	\$5.41	\$23.59	\$12.77	\$4.02	The reduction in cost is due to increased utilisation plus a decrease in the overall operating cost driven by decreased utility of casual staff and increased membership income.
Animal Management					
Timeliness AM1 <i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.00	1.18	1.02	The 14% decrease in time taken to action animal management requests compared with last year can be attributed to improved processes.
Service standard AM2 <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100	48.62%	61.14%	71.36%	49.24%	The number of reclaimed animals is 65% higher than the previous year, the majority of which were dogs. The total number of animals collected is double the prior year, which means the overall percentage of animals reclaimed is less.

Service / indicator / measure		2020	2021	2022	2023	Comments
AM5	Animals rehomed [Number of animals rehomed / Number of animals collected] x100	42.46%	23.83%	22.07%	22.08%	Council has successfully rehomed 30 dogs and 57 cats for the 2022-23 year. This is an increase of 89% on the previous year.
AM6	Service cost Cost of animal management service per population [Direct cost of the animal management service / Population]	\$15.98	\$14.69	\$14.49	\$13.28	While the cost of animal management service per population is relatively consistent with previous years, the decrease is due to a slight reduction in direct costs and increase in population.
Food Safety						
FS1	Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.41	0.50	2.31	3.20	18 out of 20 complaints were actioned within 4 days, and the other two businesses were contacted in a timely manner, however in person inspection took longer to coordinate.
FS2	Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	101.24%	49.02%	54.01%	79.49%	With fewer COVID impacts and disruptions in 2022 the Health Protection team was able to re-focus on business improvements.

Service / indicator / measure		2020	2021	2022	2023	Comments
Service cost						
FS3	<p><i>Cost of food safety service</i></p> <p>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</p>	\$468.48	\$458.84	\$298.02	\$395.11	The direct costs of food safety service have increased compared to 2021-22, however, the number of food premises registered or notified in accordance with the Act has decreased by 55. This has resulted in a large increase in the cost of the food safety service.
Governance						
Transparency						
G1	<p><i>Council decisions made at meetings closed to the public</i></p> <p>[Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100</p>	8.11%	7.64%	2.27%	4.69%	There has been a increase from 2.27% to 4.69% in Council decisions made at meetings closed to the public from 2021-22 to 2022-23. This indicates that there was a greater number of decisions considered to be confidential in accordance with the Local Government Act 2020.Note: of the decisions made in meetings closed to the public, 33.3% of these resolutions were not considered to be confidential after the contracts were executed. This leaves only four council decisions remaining confidential out of a total of 128 decisions.
Consultation and engagement						
G2	<p><i>Satisfaction with community consultation and engagement</i></p> <p>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]</p>	55.00	60.00	53.00	47.00	Satisfaction with community consultation and engagement declined by 7 points (11.32%) compared to last year. This year's result of 47 points is comparable with the score of 49 points for large rural councils. The downward trend was also evident across the State (average decline of 2 points).

Service / indicator / measure		2020	2021	2022	2023	Comments
G3	Attendance					
	<p><i>Councillor attendance at council meetings</i></p> <p>[The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) × (Number of Councillors elected at the last Council general election)] x100</p>	92.48%	98.57%	98.35%	99.05%	<p>Councillor attendance at Council meetings has remained high, with a small increase from 2021-22.</p> <p>Note: two Councillors resigned during the financial year and two new Councillors were elected via countback.</p>
G4	Service cost					
	<p><i>Cost of elected representation</i></p> <p>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</p>	\$44,852.14	\$47,857.87	\$45,724.81	\$50,198.36	The slight increase in costs of elected representation can be attributed to mandatory training for the two recently elected Councillors, along with the Victorian Government determined increase in Councillor allowances.
Libraries						
LB1	Utilisation					
	<p><i>Physical library collection usage</i></p> <p>[Number of physical library collection item loans / Number of physical library collection items]</p>	3.51	1.98	2.78	3.44	The percentage of physical collection items borrowed continues to increase as per the recent trend.
LB2	Resource standard					
	<p><i>Recently purchased library collection</i></p> <p>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</p>	66.40%	50.28%	59.10%	58.49%	A greater number of library purchases has been made in the last five years than previously, however the total number in the collection has reduced.

Service / indicator / measure		2020	2021	2022	2023	Comments
Service cost						
LB5	<p><i>Cost of library service per population</i></p> <p>[Direct cost of the library service / Population]</p>	\$32.59	\$34.30	\$38.70	\$31.89	This is the second full year with the Geelong Library Corporation. The operational cost per capita has reduced as there were additional costs in the first year, as Council transitioned to the Geelong Regional Library Corporation.
Maternal and Child Health (MCH)						
Service standard						
MC2	<p><i>Infant enrolments in the MCH service</i></p> <p>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</p>	99.57%	100.00%	100.00%	100.00%	While the number of birth notifications is slightly less, 100% enrolment has been maintained.
Service cost						
MC3	<p><i>Cost of the MCH service</i></p> <p>[Cost of the MCH service / Hours worked by MCH nurses]</p>	\$68.33	\$73.60	\$72.29	\$71.86	This result is consistent with previous years.
Satisfaction						
MC6	<p><i>Participation in 4-week Key Age and Stage visit</i></p> <p>[Number of 4-week key age and stage visits / Number of birth notifications received] x100</p>	88.09%	103.35%	94.98%	94.78%	This result is consistent with previous years.
Roads						
Satisfaction of use						
R1	<p><i>Sealed local road requests</i></p> <p>[Number of sealed local road requests / Kilometres of sealed local roads] x100</p>	28.50	24.21	18.94	21.48	This increase in service requests reflects the prolonged wet weather.

Service / indicator / measure		2020	2021	2022	2023	Comments
Condition						
R2	<p><i>Sealed local roads maintained to condition standards</i></p> <p>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</p>	93.11%	100.00%	96.00%	97.70%	Performance is consistent with the prior year.
Service cost						
R3	<p><i>Cost of sealed local road reconstruction</i></p> <p>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</p>	\$51.70	\$87.30	\$128.75	\$0.00	Council did not undertake any sealed road reconstruction last year.
Service Cost						
R4	<p><i>Cost of sealed local road resealing</i></p> <p>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</p>	\$5.14	\$5.16	\$4.41	\$6.04	The 37% increase in cost is predominately due to increase in contract costs.
Statutory Planning						
Timeliness						
SP1	<p><i>Time taken to decide planning applications</i></p> <p>[The median number of days between receipt of a planning application and a decision on the application]</p>	91.00	74.00	78.00	91.00	Council experienced challenges recruiting to fill vacant planning officer positions which impacted adversely on time taken to process permit applications.

Service / indicator / measure		2020	2021	2022	2023	Comments
Service standard						
SP2	<p><i>Planning applications decided within required time frames</i></p> <p>[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100</p>	80.23%	77.19%	78.33%	76.94%	The time taken on average to process applications was similar to the previous year, reflecting ongoing challenges attracting planning staff to fill vacant roles and meet the high level of permit activity, despite increased resources made available to address this.
Service cost						
SP3	<p><i>Cost of statutory planning service</i></p> <p>[Direct cost of the statutory planning service / Number of planning applications received]</p>	\$3,447.93	\$1,998.25	\$2,247.33	\$2,452.92	The cost of the service was higher in 2022-23 due to a reliance on contract planning support to manage service continuity during a period of high planning application numbers and staff vacancies.
Waste Collection						
Satisfaction						
WC1	<p><i>Kerbside bin collection requests</i></p> <p>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000</p>	68.36	87.94	130.52	179.81	The number of kerbside requests has increased this past year, due to the increase of 10,600 bins in service from the introduction of the Glass only bin.
Service standard						
WC2	<p><i>Kerbside collection bins missed</i></p> <p>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</p>	1.63	3.09	5.75	4.61	Improvements to waste collection programming has resulted in a reduced number of missed bins.

Service / indicator / measure		2020	2021	2022	2023	Comments
Service cost						
WC3	<p><i>Cost of kerbside garbage bin collection service</i></p> <p>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</p>	\$141.50	\$99.09	\$115.52	\$117.82	Costs to garbage service is showing a slight decrease as the community reduced waste to landfill by 5% from this time last year.
Service cost						
WC4	<p><i>Cost of kerbside recyclables collection service</i></p> <p>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</p>	\$61.21	\$62.04	\$45.44	\$53.01	The increase in the cost of recycling is taking into account the three recycling streams. Co-mingled down by 18.5%, glass up by 74% and FOGO up by 1.1% from this time last year.

The Financial Report

Introduction

Council is committed to providing accurate, understandable and fair reporting on financial performance for 2022-23 and our financial position at the end of the reporting period. The financial report enables an assessment of our ability to deliver current services and maintain existing facilities in the longer-term.

Council's 2022-23 Financial Statements present the following key outcomes for the financial year:

- Net surplus \$6.56 million.
- Capital works program \$10.34 million, of which 68% related to asset renewal projects and \$2.89 million was carried forward to 2023-24.
- Working capital \$23.35 million (including \$3.68 million capital grant revenue and \$4.48 million operating grant revenue received in advance).
- Cash and cash equivalents balance \$21.07 million and Other financial assets balance \$13 million. Council ended the financial year with a total cash and cash equivalents balance of \$21.07 million. This is an increase of \$7.26 million from the prior year. Refer to Statement of Cash Flows for more details.

Operating Results

The 2022-23 results show that Council achieved an operating surplus of \$6.56 million for the year, \$0.81 million greater than \$5.75 million in the prior year. It is important to note, however, that the operating result include non-recurrent items. Any trends need to be assessed over a longer period than year-on-year comparisons.

Council's major challenge in future years remains that of ensuring sufficient revenue is generated to fund service delivery and infrastructure renewal requirements. Council established a Financial Plan in September 2021 for a 10-year period. This plan forecasts ongoing deficits and significant challenges to Council's financial sustainability. Council's 2022-23 result is consistent with projected trends.

Operational efficiencies will need to be strongly pursued but are unlikely to have a material impact on Council's overall challenges without significant intervention.

Revenue

Total revenue for 2022-23 is \$67.90 million (budgeted \$56.42 million) compared with \$63.83 million for 2021-22. Further detail on income can be seen in the Comprehensive Income Statement and notes 3.1 to 3.7 of the 2022-23 Financial Statements.

An analysis of Council's revenue sources highlights that 74% of income is derived from two income categories:

- Rates and charges 50% (2021-22: 52%)
- Operating grants 24% (2021-22: 25%).

Expenditure

Total expenses for 2022-23 is \$61.34 million (budgeted \$55.95 million). Notable contributions to the higher expenditure are in the two following areas:

1. Materials and services higher than budgeted in a number of areas including:

- Contract Payments, (\$1.27 million unfavourable to budget), it is noting that "Contract Payments/ Consultants" have been used interchangeably.
- Consultants, noting that these include several contracts for professional services on operating projects (particularly City Deals) that were not included in the budget but carried forward from the prior year (\$0.04 million unfavourable to budget).
- Agency staff (\$1.03 million unfavourable to budget) required to support continuity of service delivery in roles that would preferably be filled by employees in nondiscretionary areas including engineering and project management. Agency staff were also used to deliver a range of operating projects.
- When the Contractors/ consultants/ agency staff are considered together, the overall variance is \$2.34 million unfavourable and generally on capital and operating project expenditure not included in the adopted budget.

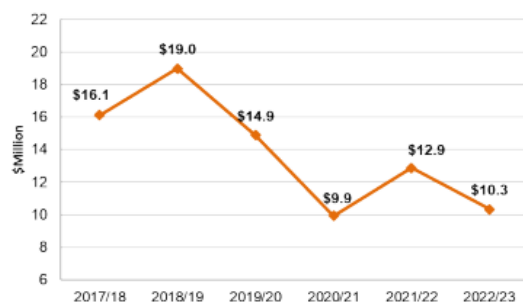
2. Depreciation and amortisation, higher than budgeted due to:

- \$2.63 million unfavourable to budget which is largely due to revaluation adjustments.

In summary, an analysis of expenses indicates that 96 % were in the following three categories:

- Employee costs 40% (2021-22: 38%)
- Materials and services 35% (2021-22: 40%)
- Depreciation and amortisation 22% (2021-22: 19%).

Capital Works



In 2022-23 Council's Capital Works delivery decreased by \$2.54 million compared to the prior year, to a total of \$10.34 million.

Renewal of existing assets accounted for \$7.05 million, new assets accounted for \$0.25 million and upgrade to existing assets totalled \$3.05 million. Investment in capital works is a strategic approach to maintaining or renewing the community's existing assets as they age.

Activities included:

- \$4.04m on road works
- \$0.21m on drainage and storm water
- \$1.3m on bridge works
- \$0.68m on renewal of Council's plant, machinery and equipment
- \$0.57m on footpaths and cycle ways
- \$0.70m on buildings
- \$2.24m on other infrastructure.

Assets

Total assets are valued at \$521.15 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:

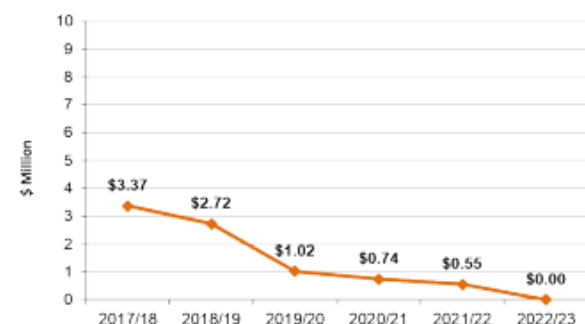
- Roads - \$39.08 million
- Footpaths - \$11.76 million
- Buildings - \$0.31 million.

Liabilities

Total liabilities were \$21.03 million at 30 June 2023. Liabilities include loans, lease obligations, amounts owed to suppliers, provisions for landfill rehabilitation and amounts owed to employees for leave entitlements. Liabilities decreased by \$0.67 million, in comparison with 2021-22.

Unearned income has decreased from 2021-22 by \$2.10 million. This was due to amounts received in advance for specific purpose government grants for operations.

Loan Liability

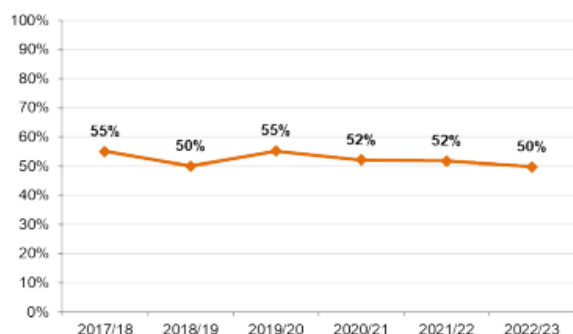


Council's borrowings liability levels reduced from \$0.59 million in 2021-22 to \$0 in 2022-23.

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 Sustainability Indicators

Financial sustainability is 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:

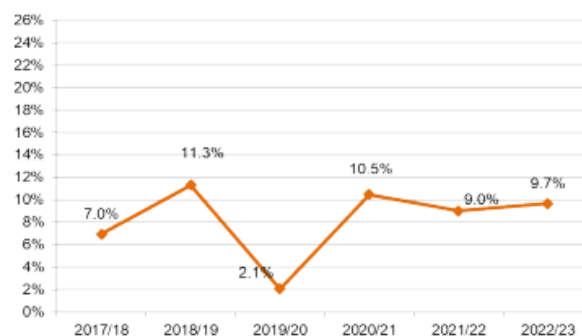
<https://www.audit.vic.gov.au/report/results-2019-20-audits-local-government>

The following table summarises Colac Otway Shire Council's result for 2022-23:

Indicators	Colac Otway Result	Risk Levels		
		High	Medium	Low
Net Result Ratio	9.6%	Less than Negative 10%	Between negative 10% and zero	Greater than zero
Adjusted underlying result	1.9%	Less than 0%	Between 0% and 5%	Greater than 5%
Liquidity Ratio	243.9%	Less than 75%	Between 75% and 100%	Greater than 100%
Indebtedness Ratio	11.0%	Greater than 60%	Between 40% and 60%	Less than 40%
Internal Financing Ratio	218.2%	Less than 75%	Between 75% and 100%	Greater than 100%
Capital Replacement	86.5%	Less than 100%	Between 100% and 150%	Greater than 150%
Renewal Gap	74.0%	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

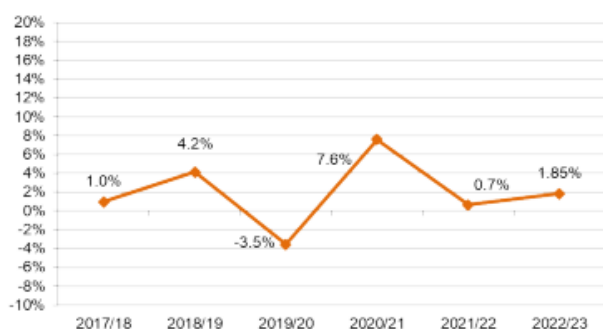


This measures how much of each dollar collected as revenue translates to net result. A positive result indicates a surplus, and the larger the percentage, the stronger the result.

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 'Low' risk category for financial sustainability. Slight year on year improvement in ratio driven by greater income generated, and slight improvement in surplus.

Adjusted Underlying Result

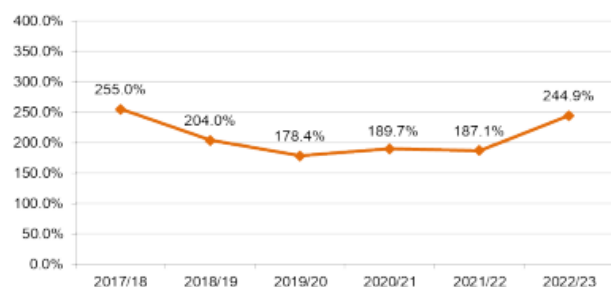
This measures an entity's ability to generate surplus, or pay for its own operations, in the ordinary course of business—excluding non-recurrent capital grants, non-monetary asset contributions, and other contributions to fund capital expenditure from the net result. A deficit suggests a reduction in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



This indicator has improved, year on year, primarily due to increases in revenue types that cover operating costs, such as sale of property (\$2.4m), rates (\$0.82m), and user fees (\$0.86m). Council has reviewed its Long-Term Financial Plan, which focuses on reducing future costs to improve this result.

While there is improvement in this measure, there is still significant improvement to be made in this space to assure Councils medium to long term stability.

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.

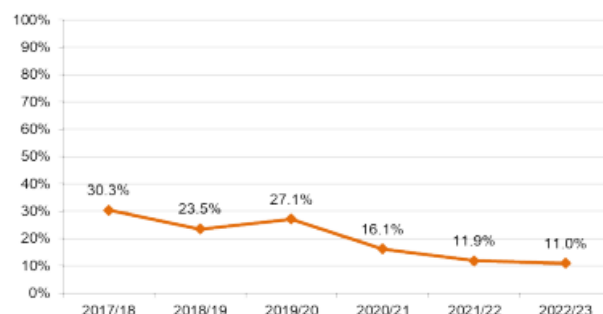
The Working Capital Ratio expresses the level of current assets, such as cash and investments, that Council has available to meet our current liabilities.

This includes outstanding creditors and employee entitlements.

The current ratio of 244.9% represents a 57.7% year on year improvement driven in the most part by a \$7.3m year on year increase in Cash and cash equivalents.

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

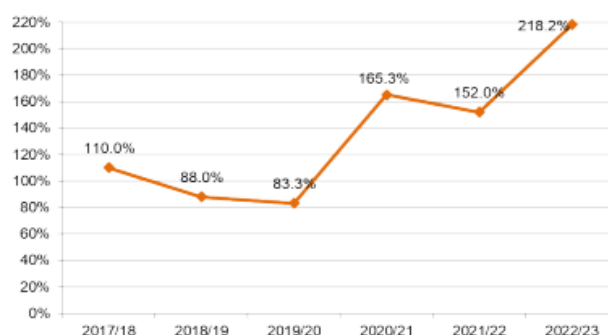


The ratio is comfortably in the low-risk category, indicating that we are generating sufficient funds to cover debt without requiring outside assistance.

This indicator has remained steady in 2022-23 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.

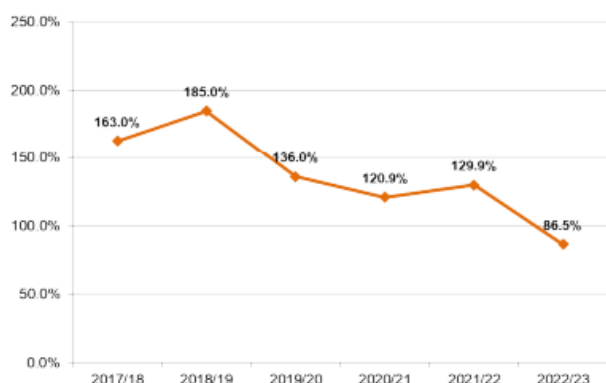


Results indicate that Council's ability to generate sufficient cash from operations to fund the renewal of existing assets has improved year on year.

This indicator is favourably influenced by reduced capital works expenditure, with a \$2.54 million decrease year on year, and Proceeds of sale of assets reaching \$2.80 million.

Capital Replacement Ratio

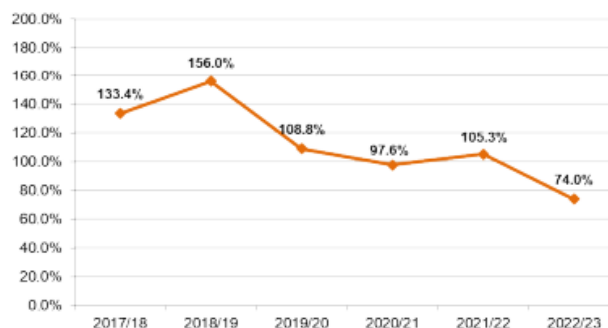
This compares the rate of spending on infrastructure, property, plant and equipment, and intangibles with its depreciation and amortisation. This is a long-term indicator, as capital expenditure can differ in the short term if there are insufficient funds available from operations, and borrowing is not 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 2022-23 result is assessed as high risk and is impacted by the increase in carry forward of capital projects of \$2.89 million to 2023-24, and a material increase in Plant and Equipment, and Infrastructure depreciation of \$2.56 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 a material degradation in the 2022-23 result, which is now in the medium-risk category, driven in the most part by a \$1.3 million decrease in renew and upgrade capital expenditure and a \$2.88 million increase in Depreciation.



Understanding the Financial Statements

Introduction

The financial statements show Council's performance during 2022-23 and its overall financial position as at 30 June 2023. 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 or 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.

Independent Auditor's Report

To the Councillors of Colac Otway Shire Council

Opinion	<p>I have audited the financial report of Colac Otway Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2023 • 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 significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2023 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 <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>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.</p> <p>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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council 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 <i>Local Government (Planning and Reporting) Regulations 2020</i>, 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.</p> <p>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.</p>

**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
18 October 2023


Travis Derricott
as delegate for the Auditor-General of Victoria

Colac Otway Shire Council
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2023

Colac Otway Shire Council
Financial Report
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Certification of the Financial Statements

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




Xavier Flanagan CPA
Principal Accounting Officer

16 October 2023
Colac

In our opinion, the accompanying financial statements present fairly the financial transactions of the Colac Otway Shire Council for the year ended 30 June 2023 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 Kate Hanson
Councillor

16 October 2023
Colac



Cr Margaret White
Councillor

16 October 2023
Colac



Anne Howard
Chief Executive Officer

16 October 2023
Colac

Comprehensive Income Statement For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income/revenue			
Rates and charges	3.1	33,815	33,000
Statutory fees and fines	3.2	1,083	1,040
User fees	3.3	7,007	6,144
Grants - operating	3.4	16,472	15,952
Grants - capital	3.4	4,928	4,958
Contributions - monetary	3.5	518	204
Contributions - non monetary	3.5	1,680	2,016
Net gain / (or loss) on disposal of property, infrastructure, plant and equipment	3.6	867	(617)
Share of net profits of associates and joint ventures	6.3	1	147
Other income	3.7	1,531	989
Total income/revenue		67,902	63,833
Expenses			
Employee costs	4.1	24,469	21,989
Materials and services	4.2	21,685	23,210
Depreciation	4.3	13,633	10,754
Amortisation - right of use assets	4.4	101	108
Bad and doubtful debts - allowance for impairment losses	4.5	(31)	(12)
Borrowing costs	4.6	32	39
Finance costs - leases	4.7	1	40
Other expenses	4.8	1,453	1,958
Total expenses		61,343	58,086
Surplus for the year		6,559	5,747
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.2	43,008	66,530
Total other comprehensive income		43,008	66,530
Total comprehensive result		49,567	72,277

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

Balance Sheet As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	21,069	13,807
Other financial assets	5.1	13,000	12,000
Trade and other receivables	5.1	4,053	3,091
Inventories	5.2	167	156
Non-current assets classified as held for sale	6.1	570	1,920
Prepayments	5.2	91	143
Other assets	5.2	626	266
Total current assets		39,576	31,383
Non-current assets			
Trade and other receivables	5.1	39	43
Property, infrastructure, plant and equipment	6.2	478,402	437,591
Investments in associates, joint arrangements and subsidiaries	6.3	148	147
Right-of-use assets	5.8	2,983	3,084
Total non-current assets		481,572	440,865
Total assets		521,148	472,248
Liabilities			
Current liabilities			
Trade and other payables	5.3	2,540	558
Trust funds and deposits	5.3	1,121	1,131
Unearned income	5.3	8,157	10,258
Interest-bearing liabilities	5.4	-	596
Provisions	5.5	4,335	4,226
Lease liabilities	5.8	8	24
Total current liabilities		16,161	16,793
Non-current liabilities			
Provisions	5.5	4,857	4,881
Lease liabilities	5.8	9	18
Total non-current liabilities		4,866	4,899
Total liabilities		21,027	21,692
Net assets		500,121	450,556
Equity			
Accumulated surplus		136,495	133,368
Reserves	9.1	363,626	317,188
Total Equity		500,121	450,556

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

Statement of Changes in Equity For the Year Ended 30 June 2023

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2023					
Balance at beginning of the financial year		450,556	133,368	291,114	26,074
Surplus for the year		6,559	6,559	-	-
Net asset revaluation increment	6.2	43,008	-	43,008	-
Transfers to other reserves	9.1	-	(24,755)	-	24,755
Transfers from other reserves	9.1	-	21,324	-	(21,324)
Balance at end of the financial year		500,121	136,496	334,121	29,505

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2022					
Balance at beginning of the financial year		378,279	130,794	224,584	22,901
Surplus for the year		5,747	5,747	-	-
Net asset revaluation increment	6.2	66,530	-	66,530	-
Transfers to other reserves	9.1	-	(21,498)	-	21,498
Transfers from other reserves	9.1	-	18,325	-	(18,325)
Balance at end of the financial year		450,556	133,368	291,114	26,074

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 2023

		2023 Inflows/ (Outflows) \$'000	2022 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates and charges		33,709	33,079
Statutory fees and fines		1,083	1,040
User fees		5,881	4,458
Grants - operating		14,346	20,225
Grants - capital		4,027	5,588
Contributions - monetary		518	204
Interest received		661	50
Trust funds and deposits taken/(paid)		(10)	390
Other receipts		870	18
Net GST refund		7	414
Employee costs		(24,383)	(22,537)
Materials and services		(20,255)	(25,719)
Net cash provided by operating activities	9.2	16,454	17,210
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(10,337)	(12,787)
Proceeds from sale of property, infrastructure, plant and equipment	3.6	2,798	377
Payments for investments		(2,000)	(7,000)
Proceeds from sale of investments		1,000	1,000
Net cash used in investing activities		(8,539)	(18,410)
Cash flows from financing activities			
Finance costs		(32)	(39)
Repayment of borrowings		(596)	(142)
Interest paid - lease liability		(1)	(40)
Repayment of lease liabilities		(25)	(731)
Net cash used in financing activities		(654)	(952)
Net increase (decrease) in cash and cash equivalents		7,261	(2,152)
Cash and cash equivalents at the beginning of the financial year		13,806	15,958
Cash and cash equivalents at the end of the financial year		21,067	13,806
Restrictions on cash assets	5.1		
Financing arrangements	5.6		

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 2023

	Note	2023 \$'000	2022 \$'000
Property			
Land		245	123
Total land		245	123
Buildings		669	541
Total buildings		669	541
Total property		914	664
 Plant and equipment			
Plant, machinery and equipment		684	1,440
Fixtures, fittings and furniture		3	3
Computers and telecommunications		338	29
Total plant and equipment		1,025	1,472
 Infrastructure			
Roads		4,043	6,646
Bridges		1,329	858
Footpaths and cycleways		574	885
Drainage		214	642
Other infrastructure		2,239	1,710
Total infrastructure		8,399	10,741
 Total capital works expenditure	6.2	10,338	12,877
 Represented by:			
New asset expenditure		245	1,556
Asset renewal expenditure		7,045	10,266
Asset upgrade expenditure		3,048	1,055
Total capital works expenditure		10,338	12,877

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.

Significant accounting policies

(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. 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.

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.

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.

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 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- 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 5.8)
- 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.

The budget figures detailed below are those adopted by Council on 29 June 2022. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance %	Ref
Income/revenue					
Rates and charges	33,726	33,815	89	0	
Statutory fees and charges	866	1,083	218	25	1
User fees and charges	7,526	7,007	(519)	(7)	
Grants - Operating	9,030	16,472	7,442	82	2
Grants - Capital	4,928	4,928	(0)	(0)	
Contributions - monetary	25	518	493	1,972	3
Contributions - non-monetary	-	1,680	1,680	100	4
Net gain on disposal of property, infrastructure, plant and equipment	25	867	842	3,368	5
Share of net profits (or loss) of associates and joint ventures	(68)	1	69	(101)	6
Other income	365	1,531	1,166	319	7
Total income/revenue	56,423	67,902	11,479		
Expenses					
Employee costs	23,911	24,469	(558)	(2)	
Materials and services	19,354	21,685	(2,331)	(12)	8
Bad and doubtful debts - allowance for impairment losses	20	(31)	51	255	9
Depreciation and amortisation	11,076	13,633	(2,557)	(23)	10
Amortisation - right of use assets	24	101	(77)	(321)	11
Borrowing costs	32	32	0	1	
Finance costs - leases	25	1	24	96	12
Other expenses	1,509	1,453	56	4	
Total expenses	55,952	61,343	(5,391)		
Surplus for the year	472	6,559	6,087	1,290	

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	Statutory fees and charges	A higher than expected amount of fees were recovered from planning department in relation to town planning fees.
2	Grants - Operating	\$7.44m increased operating grants includes \$0.74m City Deal project funding received and expended for Apollo Bay harbour redevelopment (\$0.92m). There was a \$5.44m increase in the Financial Assistance Grant allocation due mainly to an increase from 50% to 75% of the allocation from the Commonwealth to Council in advance. Council was also successful in attracting funding for the Forrest Mountain Bike Trail project (\$0.34m).
3	Contributions - monetary	Council received contributions from developers for public open space contribution \$0.44m
4	Contributions - non-monetary	Developer contributed assets were received relating to new subdivision infrastructure roads, drainage and footpath assets, not budgeted due to the difficulty in estimating the quantity and value of contributed assets Council may receive during the year.
5	Net gain on disposal of property, infrastructure, plant and equipment	A favourable variance mainly relates to the sale of council land and council vehicles however unfavourable variance relates to the written down value of buildings that were removed from Council's register during the review of assets as part of the revaluation process.
6	Share of net profits of associates and joint ventures	Council's share of the net profit of the Geelong Regional Library Corporation for the financial year. It was budgeted to make a loss but was able to turn a small profit for the year.
7	Other income	Additional income received by council above budgeted is mainly due to the increase in interest rates during the year (\$0.66m) and rates legal costs recovered (\$0.20m)

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 (cont'd)

Variance Ref	Item	Explanation
8	Materials and services	The unfavourable variance mainly relates the Apollo Bay Harbour Redevelopment \$0.91m, Forrest Mount Trial Bike Revitalisation \$0.78m and City Deals \$0.26.
9	Bad and doubtful debts	A favourable variance resulting from the reduction in the allowance for losses as additional work has been undertaken to collect long term debts.
10	Depreciation and Amortisation	Actual depreciation and amortisation was \$2.56 million unfavourable to budget, driven in the most part by asset revaluations conducted predominately on Infrastructure assets, where assessments of replacement value and condition of assets, resulted in higher asset values, leading to higher depreciation amounts.
11	Fair value adjustments for right of use assets	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.
12	Finance costs - leases	A favourable variance in finance costs resulted from the paid out of a loan during 2022-23 year.

Note 2 Analysis of our results

2.1 Performance against budget (cont'd)

2.1.2 Capital works

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	-	245	245	100	1
Buildings	984	669	(315)	(32)	2
Total property	984	914	(70)	(7)	
Plant and equipment					
Plant, machinery and equipment	1,537	684	(853)	(55)	3
Fixtures, fittings and furniture	-	3	3	100	4
Computers and telecommunications	455	338	(117)	(26)	5
Total plant and equipment	1,992	1,025	(967)	(49)	
Infrastructure					
Roads	4,235	4,043	(192)	(5)	
Bridges	984	1,329	345	35	6
Footpaths and cycleways	191	574	383	201	7
Drainage	140	214	74	53	8
Other infrastructure	3,808	2,239	(1,569)	(41)	9
Total infrastructure	9,358	8,399	(959)		
Total capital works expenditure	12,334	10,338	(1,996)		
Represented by:					
New asset expenditure	158	245	87		
Asset renewal expenditure	8,690	7,045	(1,645)		
Asset upgrade expenditure	3,486	3,048	(438)		
Total capital works expenditure	12,334	10,338	(1,996)		

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Land purchased that was not originally budgeted for due to its uncertainty on progressing from negotiations to occurrence.
2	Buildings	Various building works were programmed, the majority of which will be completed in the 2023-2024 financial year due to stakeholder expectations and delays in the commencement of works.
3	Plant, machinery and equipment	Due to supply issues/waiting times, there are a number of items which are on order and due for delivery in the 2023-2024 financial year.
4	Fixtures, fittings and furniture	Minor expenditure not budgeted for.
5	Computers and telecommunications	Majority of programmed projects practically completed. One upgrade project was transferred to the Operating Project category due to the resources utilised during the implementation.
6	Bridges	Programmed works completed and some additional works delivered during the 2022-2023 year.
7	Footpaths and cycleways	The original footpath programme was completed as scheduled. There was additional unbudgeted funding received under the Federal Government LRCI programme relating to additional works undertaken.
8	Drainage	The planned drainage program and some additional works were delivered during the 2022-2023 year.
9	Other Infrastructure	There are a number of projects that were not completed within the 2022-2023 year which have been carried forward, including the Elliminyt Wetlands Development project.

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 include the Mayor and Councillors. Chief Executive Office provides effective governance oversight of the organisation. Service areas include risk management, legal services, business improvement, communications, planning and strategic focus.

Corporate Services

Corporate Services provides efficient, effective and proactive support services across council to enable the delivery of policy commitments, council vision and mission. The provision of these services includes finance services, digital information and technology, property, procurement and contract management, strategy and program delivery and program integration and development. People and culture management provides support to the organisation and ensures council's customer focus.

Community and Economy

Community and Economy provides high quality community focused programs, service delivery and communication to residents. Community and Economy is comprised of community care, connected communities, family services, healthy and active communities and is responsible for community engagement processes. Economy services includes business enterprise management, supports local festivals and events and advocates on behalf of the community for major events, tourism, cultural opportunities and leisure management.

Infrastructure and Operations

Infrastructure and Operations is responsible for constructing new infrastructure and maintaining existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community. These assets include capital works engineering services, waste, parks and gardens, emergency management and municipal resources. Infrastructure and Operations is responsible for Port of Apollo Bay, local laws and services and operations of council assets. The planning services area includes the assessment of town development, health, planning strategy and urban growth.

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
2023					
Chief Executive Office	978	5,435	(4,457)	-	1,889
Corporate Services	50,150	21,120	29,030	10,707	49,695
Community and Economy	8,953	13,666	(4,713)	2,395	17,471
Infrastructure and Operations	7,821	21,122	(13,301)	8,298	452,093
	67,902	61,343	6,559	21,400	521,149

	Income/ revenue	Expenses	Surplus/ (Deficit)	Grants included in income/ revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Chief Executive Office	545	3,857	(3,312)	-	1,445
Corporate Services	47,435	19,549	27,886	9,222	42,989
Community and Economy	8,372	13,530	(5,158)	3,076	16,847
Infrastructure and Operations	7,481	21,150	(13,669)	8,612	410,967
	63,833	58,086	5,747	20,910	472,248

Note 3 Funding for the delivery of our services	2023	2022
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 2022/23 was \$10,342 million (2021/22 \$7,964 million).

General rates residential	17,964	17,253
General rates farm / rural	6,263	6,061
General rates commercial / industrial	2,792	3,092
Municipal charge	2,981	2,898
Garbage charge	3,371	3,219
Interest on rates and charges	183	226
Special rates and charges	22	22
Revenue in lieu of rates	239	229
Total rates and charges	33,815	33,000

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2023, and the valuation will be first applied in the rating year commencing 1 July 2023.

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

3.2 Statutory fees and fines

Town planning fees	490	453
Health regulations	245	249
Building permits	125	124
Infringements and costs	92	69
Engineering fees	97	101
Land information certificates	34	43
Freedom of information	-	1
Total statutory fees and fines	1,083	1,040

Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

3.3 User fees

Aged services fees	3,647	3,201
Leisure centre fees	1,213	897
Colac livestock selling centre fees	471	511
Parking, animal control and local laws fees	288	258
Visitor information centre fees	196	132
Colac Otway performing arts & cultural centre fees	25	39
Waste disposal fees	319	289
Council properties fees and rental	272	237
Other fees and charges	463	231
Apollo bay harbour fees	61	275
Childrens programs	52	67
Town planning and building services fees	-	7
Total user fees	7,007	6,144

User fees by timing of revenue recognition

User fees recognised over time	25	39
User fees recognised at a point in time	6,982	6,105
Total user fees	7,007	6,144

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.

Note 3 Funding for the delivery of our services	2023	2022
3.4 Funding from other levels of government	\$'000	\$'000
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	14,968	15,485
State funded grants	6,432	5,379
Total grants received	21,400	20,864
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial assistance grant - untied base grant	6,638	5,451
Financial assistance grant - local roads	4,068	3,683
Family and community services	188	289
Aged and disability services	83	62
Public health	4	1
Diesel rebate scheme	-	89
Recurrent - State Government		
Aged and disability services	1,243	1,236
Port management	878	878
Maternal and child health	446	455
School crossing supervisors	66	56
Public health	30	19
Environment and protection services	21	-
Recreation and culture	11	14
Total recurrent operating grants	13,676	12,233
Non-recurrent - Commonwealth Government		
City Deal	744	2,269
Family and community services	34	9
Recreation and culture	10	2
Economic development	-	46
Non-recurrent - State Government		
Port management	919	184
Project delivery	613	-
Family and community services	156	122
Strategic planning	157	71
Emergency management	26	20
Public Health	25	-
Recreation and culture	8	52
Economic development	-	673
Waste management	104	229
Environment	-	42
Total non-recurrent operating grants	2,796	3,719
Total operating grants	16,472	15,952

Note 3 Funding for the delivery of our services	2023	2022
3.4 Funding from other levels of government (cont'd)	\$'000	\$'000

(b) Capital Grants

Recurrent - Commonwealth Government

Roads to recovery	1,288	1,836
Total recurrent capital grants	1,288	1,836

Non-recurrent - Commonwealth Government

Roads	1,791	1,081
Bridges	75	360
Aerodromes	45	11
Recreation and culture	-	342

Non-recurrent - State Government

Recreation and culture	1,724	770
Roads	5	534
Family and community services	-	24
Total non-recurrent capital grants	3,640	3,122

Total capital grants	4,928	4,958
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(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 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.

Income recognised under AASB 1058 Income of Not-for-Profit Entities

General purpose	11,994	10,970
Specific purpose grants to acquire non-financial assets	3,640	3,122
Other specific purpose grants	2,970	3,099

Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants	2,796	3,673
	21,400	20,864

Note 3 Funding for the delivery of our services	2023	2022
3.4 Funding from other levels of government (cont'd)	\$'000	\$'000

(d) Unspent grants received on condition that they be spent in a specific manner

Operating

Balance at start of year	5,675	1,666
Received during the financial year and remained unspent at balance date	4,475	5,675
Received in prior years and spent during the financial year	(5,675)	(1,666)
Balance at year end	4,475	5,675

Capital

Balance at start of year	4,583	3,804
Received during the financial year and remained unspent at balance date	3,682	4,583
Received in prior years and spent during the financial year	(4,583)	(3,804)
Balance at year end	3,682	4,583

Unspent grants are determined and disclosed on a cash basis.

3.5 Contributions

Monetary	518	204
Non-monetary	1,680	2,016
Total contributions	2,198	2,220

Contributions of non monetary assets were received in relation to the following asset classes.

Drainage	856	642
Roads	675	1,108
Footpath	149	266
Total non-monetary contributions	1,680	2,016

Contributions of non monetary assets represent assets constructed by developers that have been transferred to Council ownership.

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

3.6 Net gain / (or loss) on disposal of property, infrastructure, plant and equipment

Proceeds of sale	2,798	377
Written down value of assets disposed	(1,931)	(994)
Total net / gain (or loss) on disposal of property, infrastructure, plant and equipment	867	(617)

The gain or loss on sale of an asset is determined when control of the asset has passed to the buyer.

3.7 Other income

Interest	659	48
Other income	560	(81)
Reimbursements	108	96
Rates legal costs recovered	202	3
Scheme interest received	2	2
Landfill rehabilitation provision movement (Note 5.5)	-	921
Total other income	1,531	989

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

Note 4 The cost of delivering services	2023	2022
4.1 (a) Employee costs	\$'000	\$'000
Wages and salaries	17,234	16,256
Employee leave	2,093	1,598
Superannuation	2,166	1,958
Casual staff	1,520	745
Sick leave	622	645
WorkCover	533	490
Fringe benefits tax	153	180
Other employee benefits	148	116
Total employee costs	24,469	21,988

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	102	107
	102	107
Employer contributions payable at reporting date.	12	6

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,004	887
Employer contributions - other funds	1,217	964
	2,221	1,851
Employer contributions payable at reporting date.	188	268

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

4.2 Materials and services

Contract Payments	9,995	8,861
Materials	4,176	4,566
Subscriptions and memberships	2,449	2,090
Consultants	1,029	2,727
Utilities	974	1,080
Agency staff	1,569	2,343
Plant and equipment maintenance	403	365
Insurances	661	742
Legal costs	154	177
Training costs	283	256
Other	3	7
Hire costs	(12)	(9)
Permits	1	5
Total materials and services	21,685	23,210

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

Note 4 The cost of delivering services	2023	2022
4.3 Depreciation	\$'000	\$'000
Property	1,676	1,354
Plant and equipment	1,560	1,720
Infrastructure	10,397	7,682
Total depreciation	13,633	10,755

Refer to note 6.2 for a more detailed breakdown of depreciation charges and accounting policy.

4.4 Amortisation - Right of use assets

Land and Buildings	83	75
Plant and Equipment	18	33
Total Amortisation - Right of use assets	101	108

Refer to note 5.8 for further information relating to amortisation - right of use assets.

4.5 Bad and doubtful debts - allowance for impairment losses

Other debtors	(31)	(12)
Total Bad and doubtful debts - allowance for impairment losses	(31)	(12)

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	71	83
New provisions recognised during the year	30	65
Amounts already provided for and written off as uncollectible	(65)	(77)
Amounts provided for but recovered during the year	-	-
Balance at end of year	36	71

An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.6 Borrowing costs

Interest - Borrowings	32	39
Total borrowing costs	32	39

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.7 Finance Costs - Leases

Interest - Lease Liabilities	1	40
Total finance costs	1	40

Refer to note 5.8 for further information relating to finance costs - leases.

4.8 Other expenses

Community grants and donations	622	653
Councillors' allowances	288	277
Landfill rehabilitation provision movement (Note 5.5)	229	-
Other	118	859
Rates and charges written off	47	49
Fire services levy	66	62
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	52	31
Animal registration levy	23	23
Royalties and commissions	8	4
Total other expenses	1,453	1,958

Note 5 Our financial position	2023	2022
5.1 Financial assets	\$'000	\$'000
(a) Cash and cash equivalents		
Cash on hand	5	5
Cash at bank	17,600	10,344
At Call Deposit	3,464	3,458
Total cash and cash equivalents	21,069	13,807
(b) Other financial assets		
Current		
Term deposits - current	13,000	12,000
Total other financial assets	13,000	12,000
Total financial assets	34,069	25,807

Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits	1,121	1,131
- Statutory reserves	1,408	1,160
- Conditional grants unspent (excludes Port of Apollo Bay)	4,577	6,359
- Port of Apollo Bay reserve cash held	3,889	4,137
Total restricted funds	10,995	12,787
Total unrestricted cash and cash equivalents	23,074	13,021

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- Other reserve funds allocated for specific future purposes.	20,585	15,500
- Carried forward works committed	3,623	5,270
Total funds subject to intended allocations	24,208	20,770

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 Our financial position	2023	2022
5.1 Financial assets (cont'd)	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates Debtor	2,260	2,154
Government operating grants	1,275	349
Net GST receivable	(302)	(295)
Parking infringement debtor	91	78
Other infringements	152	139
Provision for doubtful debts - infringements	(16)	(16)
<i>Non-statutory receivables</i>		
Other debtors	613	737
Provision for doubtful debts - other debtors	(20)	(55)
Total current trade and other receivables	<u>4,053</u>	<u>3,091</u>
Non-current		
<i>Statutory receivables</i>		
Special Charge Scheme Debtor	39	43
Total non-current trade and other receivables	<u>39</u>	<u>43</u>
Total trade and other receivables	<u>4,092</u>	<u>3,134</u>

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

(d) Ageing of Receivables

The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	176	574
Past due by up to 30 days	101	15
Past due between 31 and 180 days	259	46
Past due between 181 and 365 days	29	10
Past due by more than 1 year	28	37
Total trade and other receivables	<u>593</u>	<u>682</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$20,177 (2022: \$54,688) were impaired. The amount of the provision raised against these debtors was \$20,177 (2022: \$54,688). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	20	55
Total trade & other receivables	<u>20</u>	<u>55</u>

Note 5 Our financial position

5.2 Non-financial assets

(a) Inventories

	2023 \$'000	2022 \$'000
Inventories held for distribution	16	10
Inventories held for sale	151	146
Total inventories	167	156

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Prepayments	91	143
Accrued income	626	266
Total other assets	717	409

5.3 Payables, trust funds and deposits and unearned income/revenue

(a) Trade and other payables

Current

Non-statutory payables

Trade payables	1,898	(12)
Accrued expenses	641	570
Total current trade and other payables	2,539	558

(b) Trust funds and deposits

Current

Refundable deposits	674	533
Fire services levy	376	397
Retention amounts	71	201
Total current trust funds and deposits	1,121	1,131

(c) Unearned income

Current

Grants received in advance - operating	4,475	5,675
Grants received in advance - capital	3,682	4,583
Total current unearned income/revenue	8,157	10,258

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of specific purpose government grants and user fees received in advance. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.4.

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the lapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Note 5 Our financial position

5.4 Interest-bearing liabilities

	2023 \$'000	2022 \$'000
Current		
Borrowings - secured	-	596
	-	596
Non-current		
Borrowings - secured	-	-
	-	-
Total	-	596

Borrowings are secured by council rates and charges

(a) The maturity profile for Council's borrowings is:

Not later than one year	-	596
Later than one year and not later than five years	-	-
	-	596

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition. At present, Council's borrowings are classified at amortised cost.

5.5 Provisions

	Employee \$ '000	Landfill restoration \$ '000	Total \$ '000
2023			
Balance at beginning of the financial year	4,545	4,561	9,106
Change in provisions	1,572	156	1,728
Amounts used	(1,530)	(181)	(1,711)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(7)	73	66
Balance at the end of the financial year	4,581	4,609	9,190
<i>Provisions - current</i>	4,183	150	4,333
<i>Provisions - non-current</i>	397	4,460	4,857
2022			
Balance at beginning of the financial year	5,129	5,638	10,767
Change in provisions	1,657	(123)	1,534
Amounts used	(1,699)	(156)	(1,855)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(542)	(798)	(1,340)
Balance at the end of the financial year	4,545	4,561	9,106
<i>Provisions - current</i>	4,126	100	4,226
<i>Provisions - non-current</i>	420	4,461	4,881

Note 5 Our financial position

5.5 Provisions (cont'd)

	2023	2022
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,287	1,259
Long service leave	215	207
Time in lieu	98	91
	1,600	1,557
Current provisions expected to be wholly settled after 12 months		
Annual leave	422	452
Long service leave	2,161	2,117
	2,583	2,569
Total current employee provisions	4,183	4,126
Non-current		
Long service leave	397	420
Total non-current employee provisions	397	420
Aggregate carrying amount of employee provisions:		
Current	4,183	4,126
Non-current	397	420
Total aggregate carrying amount of employee provisions	4,580	4,546

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	4.37%	3.33%
- index rate	2.75%	2.75%

	2023	2022
	\$'000	\$'000
(b) Landfill restoration		
Current	150	100
Non-current	4,460	4,461
	4,610	4,561

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.

Key assumptions:

- discount rate	5.16%	3.61%
- index rate	6.25%	2.50%

Note 5 Our financial position

5.6 Financing arrangements

	2023 \$'000	2022 \$'000
The Council has the following funding arrangements in place as at 30 June 2023.		
Business Card Facility (balance cleared monthly)	50	50
Total facilities	50	50
Used facilities	-	-
Unused facilities	50	50

5.7 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

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2023	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection	4,733	4,880	1,298	-	10,911
Consultancies	67	-	-	-	67
Total	4,800	4,880	1,298	-	10,978
Capital					
Civil works	189	-	-	-	189
Total	189	-	-	-	189
2022	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection	4,457	4,733	6,154	-	15,345
Civil works	150	-	-	-	150
Consultancies	809	-	-	-	809
Information technology	106	-	-	-	106
Total	5,522	4,733	6,154	-	16,409
Capital					
Civil Works	1,588	-	-	-	1,588
Total	1,588	-	-	-	1,588

5.8 Leases

At inception of a contract, all entities 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.

Note 5 Our financial position

5.8 Leases (cont'd)

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

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

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

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

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

Right-of-Use Assets	Land and Buildings	Plant and Equipment	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2021	-	165	165
Additions	3,076	45	3,121
Amortisation charge	(75)	(33)	(108)
Transfer to property, plant and equipment	-	(94)	(94)
Balance at 30 June 2022	3,001	83	3,084
Balance at 1 July 2022	3,001	83	3,084
Additions	-	-	-
Amortisation charge	(83)	(18)	(101)
Balance at 30 June 2023	2,918	65	2,983

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.

Lease Liabilities	2023	2022
	\$'000	\$'000
Maturity analysis - contractual undiscounted cash		
Less than one year	9	26
One to five years	9	18
More than five years	-	-
Total undiscounted lease liabilities as at 30 June:	18	44

Lease liabilities included in the Balance Sheet at 30 June:

Current	8	24
Non-current	9	18
Total lease liabilities	17	42

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2023	2022
	\$'000	\$'000
Expenses relating to:		
Short-term leases	1	40
Total	1	40

Note 6 Assets we manage	2023	2022
6.1 Non-current assets classified as held for sale	\$'000	\$'000
Land acquisition	570	1,920
Total Non-current assets classified as held for sale	570	1,920

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Note 6 Assets we manage

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2022	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	Carrying amount 30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	92,913	530	-	(30)	(1,676)	(130)	-	-	91,607
Plant and equipment	7,105	1,863	-	-	(1,560)	(40)	-	-	7,367
Infrastructure	329,754	7,558	1,680	43,038	(10,397)	(411)	-	-	371,222
Work in progress	7,819	387	-	-	-	-	-	-	8,206
	437,591	10,338	1,680	43,008	(13,633)	(581)	-	-	478,403

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	516	283	-	-	799
Plant and equipment	85	-	-	1,863	1,948
Infrastructure	7,218	104	-	(1,863)	5,459
Total	7,819	387	-	-	8,206

(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 2022	6,109	44,189	423	50,721	72,077	19,389	91,465	516	142,703
Accumulated depreciation at 1 July 2022	-	-	-	-	(41,782)	(7,492)	(49,274)	-	(49,274)
	6,109	44,189	423	50,721	30,295	11,897	42,192	516	93,429
Movements in fair value									
Additions	-	253	-	253	194	83	277	283	813
Revaluation	-	-	-	-	-	(31)	(30)	-	(30)
Disposal	-	(130)	-	(130)	-	-	-	-	(130)
Transfers	-	-	-	-	-	-	-	-	-
	-	123	-	123	194	52	247	283	653
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(1,315)	(361)	(1,676)	-	(1,676)
	-	-	-	-	(1,315)	(361)	(1,676)	-	(1,676)
At fair value 30 June 2023	6,109	44,312	423	50,844	72,271	19,440	91,711	799	143,355
Accumulated depreciation at 30 June 2023	-	-	-	-	(43,097)	(7,852)	(50,949)	-	(50,949)
Carrying amount	6,109	44,312	423	50,844	29,174	11,588	40,762	799	92,406

(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 2022	12,961	10,766	1,810	85	25,622
Accumulated depreciation at 1 July 2022	(8,062)	(8,900)	(1,471)	-	(18,433)
	4,899	1,867	339	85	7,189
Movements in fair value					
Additions	902	768	193	-	1,863
Disposal	(40)	-	-	-	(40)
Transfers	-	-	-	1,863	1,863
	862	768	193	1,863	3,686
Movements in accumulated depreciation					
Depreciation and amortisation	(1,080)	(338)	(142)	-	(1,560)
Accumulated depreciation of disposals	-	-	-	-	-
	(1,080)	(338)	(142)	-	(1,560)
At fair value 30 June 2023	13,823	11,534	2,003	1,948	29,308
Accumulated depreciation at 30 June 2023	(9,142)	(9,237)	(1,613)	-	(19,992)
Carrying amount	4,681	2,296	390	1,948	9,315

(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 2022	297,844	55,561	32,007	71,324	11,366	7,218	475,319
Accumulated depreciation at 1 July 2022	(78,839)	(28,091)	(10,677)	(15,874)	(4,866)	-	(138,347)
	219,005	27,470	21,330	55,450	6,500	7,218	336,972
Movements in fair value							
Additions	4,859	2,197	190	121	190	104	7,662
Contributions	675	-	149	856	-	-	1,680
Revaluation	39,078	-	11,756	(3,550)	-	-	47,283
Disposal	-	(411)	-	-	-	-	(411)
Transfers	-	-	-	-	-	(1,863)	(1,863)
	44,612	1,786	12,095	(2,573)	190	(1,759)	54,351
Movements in accumulated depreciation							
Depreciation and amortisation	(6,934)	(1,226)	(563)	(786)	(889)	-	(10,397)
Revaluation	4,768	-	399	(9,412)	-	-	(4,245)
Accumulated depreciation of disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
	(2,166)	(1,226)	(164)	(10,198)	(889)	-	(14,642)
At fair value 30 June 2023	342,456	57,347	44,102	68,751	11,556	8,022	532,233
Accumulated depreciation at 30 June 2023	(81,005)	(29,317)	(10,841)	(26,072)	(5,755)	-	(152,989)
Carrying amount	261,451	28,031	33,261	42,679	5,800	8,022	379,244

Note 6 Assets we manage

6.2 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.

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	5
buildings	10 - 120 years	5
shelters	10 - 90 years	5
building improvements	10 - 180 years	5
leasehold improvements	10 - 180 years	5
<u>Plant and Equipment</u>		
Furniture		
art work	0 - 100 years	4
indoor furniture	5 - 30 years	4
playground equipment	10 - 40 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
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 - 25 years	10
playing surfaces	10 - 70 years	10
retaining structures	10 - 45 years	10
off street car parks	25 - 100 years	10
aerodromes	25 - 100 years	10
<u>Intangible assets</u>		
software	5 years	4

Note 6 Assets we manage

6.2 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

Valuation of land and buildings were undertaken 2021-2022 by a qualified independent valuer Mr Callum Mann – Certified Practising Valuer – API Member No. 107462 of Preston Paterson Rowe. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

A valuation of land under roads was undertaken as at 30 June 2022 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.

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.

The date and type of the current valuation is detailed in the following table.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2023 are as follows:

	Level 1	Level 2	Level 3	Revaluation Date	Type of Valuation
Land	-	44,312	-	30/06/2022	Full
Specialised land / land under roads	-	-	6,532	30/06/2022	Index
Buildings	-	11,588	29,174	30/06/2022	Full
Total	-	55,901	35,706		

Note 6 Assets we manage

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

Valuation of infrastructure

Valuation of all infrastructure assets for 2022/23 has been determined in accordance with an independent review and valuation undertaken by Robert Uebergang, Registered Professional Engineer Victoria (BE (Civil)). The fair value of bridges and other infrastructure assets were not adjusted due to the immaterial changes in values during the financial year.

The valuation of infrastructure assets is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2023 are as follows:

	Level 1	Level 2	Level 3	Revaluation Date	Type of Valuation
Roads	-	-	269,473	30/06/2023	Full
Bridges	-	-	28,031	30/06/2021	Full
Footpaths and cycleways	-	-	33,261	30/06/2023	Full
Drainage	-	-	42,679	30/06/2023	Full
Other infrastructure	-	-	5,800	30/06/2022	Index
Total	-	-	379,244		

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 is calculated on a square metre basis and ranges from \$200 to \$2,650 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 have not been determined during this indexation process. 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.

	2023 \$'000	2022 \$'000
Reconciliation of specialised land		
Land under roads	423	423
Parks and reserves	6,109	6,109
Total specialised land	6,532	6,532

Note 6 Assets we manage	2023	2022
6.3. 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 Queenscliffe, 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 Corporation	147	-
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	(1)	-
Reported surplus(deficit) for year	-	(1)
Transfers (to) from reserves	-	-
Council's share of accumulated surplus(deficit) at end of year	(1)	(1)
Council's share of reserves		
Council's share of reserves at start of year	-	-
Transfers (to) from reserves	-	-
Council's share of reserves at end of year (based on population)	-	-
Movement in carrying value of specific investment		
Carrying value of investment at start of year	147	-
Share of surplus(deficit) for year	-	(1)
Share of asset adjustment	-	148
Change in equity share due to population change	1	-
Carrying value of investment at end of year	147	147

Significant restrictions

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

(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	2,685	2,760
Depreciation/Amortisation	(75)	(75)
Carrying value of investment at end of year	2,610	2,685

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 2023.

Significant restrictions

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

	2023 No.	2022 No.
Note 7 People and relationships		
7.1 Council and key management remuneration		
(a) Related Parties		
<i>Parent entity</i>		
Colac Otway Shire Council is the parent entity.		
<i>Associates</i>		
Interests in associates are detailed in Note 6.3.		
(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 Kate Hanson (01/07/22 to 30/06/23)		
Councillor Chris Potter (01/07/22 to 30/06/23)		
Councillor Stephen Hart (01/07/22 to 30/06/23)		
Councillor Joe McCracken (01/07/22 to 16/12/22)		
Councillor Graham Costin (01/07/22 to 30/06/23)		
Councillor Margaret White (01/07/22 to 30/06/23)		
Councillor Jamie Bell (01/07/22 to 25/01/23)		
Councillor Max Arnott (01/03/23 to 30/06/23)		
Councillor Tosh-Jake Finnigan (18/01/23 to 30/06/23)		
Chief Executive Officer and other Key Management Personnel		
Chief Executive Officer - Anne Howard		
General Manager Corporate Services - Andrew Tenni		
General Manager Infrastructure and Operations - Heath Chasemore		
General Manager Community and Economy - Ian Seuren		
Total Number of Councillors	9	7
Total of Chief Executive Officer and other Key Management Personnel	4	4
Total Number of Key Management Personnel	13	11

(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.

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.

	2023 \$'000	2022 \$'000
Total remuneration of Key Management Personnel was as follows:		
Short-term employee benefits	1,162	1,077
Other long-term employee benefits	53	(10)
Post-employment benefits	124	110
Termination benefits	32	-
Total	1,370	1,177
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	3	-
\$20,000 - \$29,999	-	4
\$30,000 - \$39,999	1	1
\$40,000 - \$49,999	3	1
\$70,000 - \$79,999	1	-
\$80,000 - \$89,999	-	1
\$180,000 - \$189,999	-	1
\$220,000 - \$229,999	2	2
\$240,000 - \$249,999	1	-
\$260,000 - \$269,999	-	1
\$300,000 - \$300,999	1	-
	13	11

Note 7 People and relationships

7.1 Council and key management remuneration (cont'd)

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$160,000 and who report directly to a member of the KMP. *

	2023	2022
	\$'000	\$'000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	1,130	1,553
Other long-term employee benefits	20	23
Post-employment benefits	113	145
Total	<u>1,263</u>	<u>1,721</u>

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

	2023	2022
Income Range:	No.	No.
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	1	4
\$170,000 - \$179,999	3	4
\$180,000 - \$189,999	1	-
\$190,000 - \$199,999	2	1
	<u>7</u>	<u>10</u>
	\$'000	\$'000

Total remuneration for the reporting year for other senior staff included above, amounted to: 1,263 1,721

* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the Local Government Act 1989.

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into no transactions with related parties.

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

Payments made to Geelong Regional Library Corporation	829	842
Payments received from Geelong Regional Library Corporation	-	-

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

(b) Outstanding balances with related parties

At end of the 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 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.

Older Persons & Ability Support Services

In September of 2021 the method by which the Federal government funds Council's Older Persons & Ability Support Services (OPASS) 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 OPASS 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 \$621,000.

Kerbside waste

Council is currently in negotiations with its kerbside waste provider regarding contracted rates of service provision. These negotiations, while yet to be settled, involved a payment from Council to the service provider to account of increases in rates over the negotiation period. While the terms of contract were not settled at balance date, this amount was estimated to be \$200,000.

Landfill

Council is obligated under Section 194 (2A) and 21 of the Environment Protection Act 1970 to provide financial assurance for any remedial action, rehabilitation and site aftercare costs in relation to the Alvie tip site. The purpose of this provision is to ensure that Council does not impose any undue burden on Council's ratepayers to address any of these costs during the operation or after the closure of its operating landfill sites. The amount of the financial assurance provided to the Environment Protection Authority (EPA) is \$322,500.

(b) Guarantees for loans to other entities

Council has no guarantees in place for loans to other entities.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period. Council assesses the impact of these new standards. As at 30 June 2023 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2024 that are expected to impact Council.

Note 8 Managing uncertainties

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 significant accounting policies 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.

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 provisions 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

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. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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 3.27%.

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.

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Note 8 Managing uncertainties

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 increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements 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

No other matters have occurred after balance date that require disclosure in the financial report.

Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves

2023

Property

Land

43,261

-

43,261

Buildings

13,375

(30)

13,345

56,636

(30)

56,606

Plant and Equipment

Fixed plant, furniture and equipment

293

-

293

293

-

293

Infrastructure

Roads

155,386

43,846

199,232

Bridges

21,649

-

21,649

Footpaths and cycleways

8,903

12,155

21,058

Kerb and channelling

11,619

-

11,619

Other Infrastructure

1,000

-

1,000

Drainage

35,627

(12,963)

22,664

234,184

43,038

277,223

Total asset revaluation reserves

291,114

43,008

334,121

2022

Property

Land

18,695

24,566

43,261

Buildings

8,570

4,806

13,375

27,265

29,372

56,637

Plant and Equipment

Fixed plant, furniture and equipment

293

-

293

293

-

293

Infrastructure

Roads

140,676

14,710

155,386

Bridges

21,649

-

21,649

Footpaths and cycleways

7,697

1,206

8,903

Kerb and channelling

11,619

-

11,619

Other Infrastructure

552

448

1,000

Drainage

14,833

20,794

35,627

197,026

37,158

234,184

Total asset revaluation reserves

224,585

66,530

291,114

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Note 9 Other matters

9.1 Reserves (cont'd)

(b) Other reserves

2023

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
Carried Forward Projects	5,270	3,624	(5,271)	3,623
Port of Apollo Bay	4,137	2,102	(2,350)	3,889
Waste Management	2,748	3,389	(3,962)	2,175
Long Service Leave	2,983	3,013	(2,983)	3,013
Landfill rehabilitation (Alvie)	1,094	57	-	1,151
Recreational lands	1,160	438	(190)	1,408
Rehabilitation	1,112	143	(65)	1,190
Plant replacement	1,269	1,092	(678)	1,683
Tirrengower Drainage Scheme	55	45	(19)	81
Water Saving Urban Design	58	9	-	67
Strategic Projects	647	2,422	(265)	2,804
Financial Assistance Grants received in advance	5,535	8,421	(5,535)	8,421
Disaster Recovery	6	-	(6)	-
Total Other reserves	26,074	24,755	(21,324)	29,505

2022

Carried Forward Projects	6,717	3,376	(4,823)	5,270
Port of Apollo Bay	555	4,820	(1,238)	4,137
Waste Management	2,532	3,246	(3,030)	2,748
Long Service Leave	2,941	2,983	(2,941)	2,983
Landfill rehabilitation (Alvie)	1,037	57	-	1,094
Recreational lands	1,042	118	-	1,160
Colac livestock selling centre	(121)	121	-	-
Rehabilitation	1,040	143	(71)	1,112
Plant replacement	2,435	1,040	(2,206)	1,269
Tirrengower Drainage Scheme	23	45	(13)	55
Unallocated Surplus	163	-	(163)	-
Water Saving Urban Design	44	14	-	58
Strategic Projects	682	-	(35)	647
Financial Assistance Grants received in advance	3,805	5,535	(3,805)	5,535
Disaster Recovery	6	-	-	6
Total Other reserves	22,901	21,498	(18,325)	26,074

Note 9 Other matters

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 Tip. The rehabilitation reserve will continue to grow until the Tip 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.

Unallocated Surplus reserve

The purpose of this reserve is to set aside funds to match any unforeseen grant opportunities that arise post the setting of the budget.

Water Saving Urban Design reserve

The purpose of this reserve is for the construction of future water quality infrastructure.

Strategic Projects Reserve

The purpose of this reserve is for strategic projects and acquisitions of new or expanded assets that are of an intergenerational nature.

Financial Assistance Grants received in advance

The purpose of this reserve is to set aside any Commonwealth Financial Assistance Grant funding received in advance of its intended allocation.

Disaster Recovery reserve

The purpose of this reserve is to set aside funds received in advance for use in the recovery of Disaster events. The reserve may only be used in accordance with the terms of the disaster relief funding agreements.

Note 9 Other matters	2023	2022
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	\$'000	\$'000
Surplus for the year	6,559	5,747
Landfill rehabilitation present value movement	229	(921)
Depreciation/amortisation	13,734	10,862
Finance costs	33	79
Share of net profits of associate	(1)	(147)
Net gain / (or loss) on disposal of property, infrastructure, plant and equipment	(867)	617
Contributions - non monetary assets	(1,680)	(2,016)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(958)	875
(Increase)/decrease in prepayments	52	353
(Increase)/decrease in accrued income	(360)	(266)
(Decrease)/increase in trade and other payables	1,801	(2,559)
(Decrease)/increase in unearned income/revenue	(2,101)	4,781
(Increase)/decrease in inventories	(11)	(1)
(Increase)/decrease in trust funds & deposits	(10)	390
(Decrease)/increase in provisions	34	(584)
Net cash provided by operating activities	16,454	17,210

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 2023, this was 10.5% as required under Superannuation Guarantee (SG) legislation).

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 Colac Otway Shire 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. A triennial actuarial investigation is currently underway for the Defined Benefit category which is expected to be completed by 31 December 2023. Council was notified of the 30 June 2023 VBI during August 2023 (2022: August 2022). The financial assumptions used to calculate the 30 June 2023 VBI were:

Net investment returns	5.7% pa
Salary inflation	3.5% pa
Price inflation (CPI)	2.8% pa

As at 30 June 2022, 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 of which Council is a contributing employer was 102.2%. The financial assumptions used to calculate the VBI were:

Net investment returns	5.5% pa
Salary inflation	2.5% pa to 30 June 2023, and 3.5% pa thereafter
Price inflation (CPI)	3.0% pa

Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). Vision Super has advised that the estimated VBI at June 2023 was 104.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2022 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.

Note 9 Other matters

9.3 Superannuation (cont'd)

Employer Contributions

Regular Contributions

On the basis of the results of the 2022 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 2023, this rate was 10.5% of members' salaries (10.0% in 2021/22). 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 2022 interim 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.

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 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 2022 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 2022 and the last full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2022 (Interim) \$m	2021 (Interim) \$m
A VBI surplus	44.6	214.7
A total service liability surplus	105.8	270.3
A discounted accrued benefits surplus	111.9	285.2

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 2022.

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 2022.

The discounted accrued benefits 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 2022.

The 2023 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2023. It is anticipated that this actuarial investigation will be completed by 31 December 2023. The financial assumptions for the purposes of this investigation are:

	2023 Triennial investigation	2020 Triennial investigation
Net investment returns	5.7% pa	5.6% pa
Salary inflation	3.5% pa	2.50% pa for the first two years and 2.75%pa thereafter
Price inflation	2.8% pa	2.0% pa

Note 9 Other matters

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 2023 are detailed below:

Scheme	Type of Scheme	Rate	2023 \$'000	2022 \$'000
Vision super	Defined benefits	10.5% (2022:10.0%)	102	107
Vision super	Accumulation	10.5% (2022:10.0%)	1,004	887
Australian Super	Accumulation	10.5% (2022:10.0%)	294	198
Aware Super	Accumulation	10.5% (2022:10.0%)	88	58
HOSTPLUS Superannuation Fund - Industry	Accumulation	10.5% (2022:10.0%)	84	67
HESTA	Accumulation	10.5% (2022:10.0%)	59	52
REST Industry Super	Accumulation	10.5% (2022:10.0%)	57	77
VicSuper FutureSaver	Accumulation	10.5% (2022:10.0%)	54	49
Cbus	Accumulation	10.5% (2022:10.0%)	47	54
UniSuper	Accumulation	10.5% (2022:10.0%)	16	33
Other	Accumulation	10.5% (2022:10.0%)	518	376
			2,323	1,958

In addition to the above contributions, Council had paid unfunded liability payments to Vision Super totalling \$0 during the 2022/23 year (2021/22 \$0).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2023.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 is \$102,000.

Note 10 Change in accounting policy

There have been no changes to accounting policies in the 2022/23 year.



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