



# COLAC OTWAY SHIRE

BUDGET 2023-24

**ADOPTED on 28 June 2023**

This Budget Report has been prepared with reference to Local Government Victoria (LGV) Local Government Model Financial Report (LGMFR) 2022-23.

### ***Acknowledgement of Traditional Custodians***

*The Colac Otway Shire Council respectfully acknowledges the Gulidjan and Gadubanud peoples as the traditional owners of the Colac Otway region, the land on which the decisions and activities of the Colac Otway Shire Council take place.*

*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.*

### ***Vision Statement***

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

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

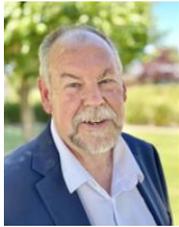
*We work to preserve what makes our place special. We focus on environmental sustainability to protect our precious natural assets.*

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



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### **Mayor's Message**

I am pleased to present the Budget 2023-24 on behalf of the Colac Otway Shire Council as we continue to work with our community to achieve its vision for 2050.

The Council Plan 2021-2025, inclusive of the Municipal Health and Wellbeing Plan, continues to guide Council's work over the remainder of its term, with a focus on four key themes:

*Strong and Resilient Economy*

*Valuing the Natural and Built Economy*

*Healthy and Inclusive Community*

*Strong Leadership and Management*

The Budget 2023-24 has been developed with financial prudence, and attention to the long-term financial challenge of balancing the budget and prioritising funding of projects and services for our community.

The proposed Budget 2023-24 includes a 3.5% average rate increase in line with the State Government's Fair Go Rates System. The annual increase in rate revenue is essential for Council's future viability, and ability to continue to support the community.

The waste management charge per eligible household will increase by an average of 10% in 2023-24 reflecting the significant cost increases in this service, including State Government levies, sustained high fuel prices and high CPI.

The Budget 2023-24 will allow Council to invest a further \$9.708 million in capital works projects of which \$8.510 million is directed to the renewal of existing assets to continue to support economic prosperity and healthy connected communities.

Each allocation in this budget has been carefully considered and offers a diverse list of investments that reach across the Shire. Many in our community have asked that we invest in places where communities meet, where they stay active and connected, and this budget includes a commitment of more than \$0.940 million to refreshing our community halls and play spaces.

The budget includes the \$0.317 million direct investment in community initiatives through the Community Grants Program that enables a diverse range of community-based and business-based projects and events to get up and running, and a further \$0.422 million of financial contributions to support community groups to do wonderful work for local communities.

To staff and councillors, thank you for your valuable work and input that has helped to shape a budget that takes us towards the community vision of a region that is a great place to learn, live, work and play.



## CEO's Introduction and Executive Summary

Council has again developed an annual budget that maintains delivery of the current services and outlines key Council actions for our community for this financial year. This budget is made in the face of significant financial challenges and will deliver a deficit net result in 2023-24. This budget also includes an asset renewal investment that is lower than the annual funding target set by Council. The challenges are not new, and while Council is working hard to address them, these concerning budget features are projected to continue in the following three years of the Long Term Financial Plan.

Council is aware that the community faces challenges with the increased cost of living, a pressure that Council shares as it too faces the highest inflation for many years. Council has been diligent in searching for financial improvements and we're pleased that these have been found for the second year, with a further cost reduction in our recurrent operations of \$0.257million. We will continue to strengthen our financial, asset and project management practices to ensure that public money is used effectively, but the low-hanging fruit has been harvested and financial savings will be more difficult in future years.

Council's financial challenges need to be overcome if Council is to continue to support the level of economic activity, lifestyle and prosperity we want our community to enjoy. This is a dilemma that Council can only solve with the help of the community. To help our community better understand our situation, we introduce this budget with a re-designed executive summary. We are committed to explaining our situation in a way that makes sense to the community, where solutions can be found together and decisions can be made with confidence that we are building a brighter future.

Thank you to the Councillors who reflect our community's aspirations and to the staff for their hard work in preparing this budget.

Summary of Key Financial Outcomes for the proposed Budget 2023-24		\$'000
Net Result (deficit)		(\$1,431)
Adjusted Underlying Result (deficit)		(\$4,116)
Closing Cash Balance		\$25,335
Reserves balance		\$19,246
Capital Works Program (new allocations)		\$9,708
Allocation to Annual Asset Renewal Program (53% of target)		\$8,510

## Rates and municipal charges

This budget proposes to increase rate revenue in line with the limit set by the Victorian Government through the **Fair Go Rates System**, which is 3.5% for the 2023-24 financial year. The cap is set by the Victorian Government and applies to the total revenue generated through general rates and the municipal charge.

Council's rate revenue also increases due to supplementary rates, which are usually new ratepayers that are created throughout the year from the building of new properties, subdivisions or existing property capital investment. The estimation of Council's revenue from supplementary rates in the 2023-24 financial year are not subject to the rate cap calculation. Supplementary rates that are received during the financial year then become part of general rates in future years and thus become integrated into the overall rate calculation at that time.

Summary of Rate Revenue		\$
Forecast Annualised Rate Revenue at 30 June 2023		\$30,182,219
Forecast Number of Assessments at 30 June 2023		15,978
<b>Forecast Base Average Rate 2022-23 per assessment</b>		<b>\$1,889</b>
Budget Rate Revenue 2022-23		\$31,229,224
<b>Capped Average Rate 2023-24 per assessment</b>		<b>\$1,955</b>
<b>Average Capped Increase</b>		<b>3.50%</b>

As legislated, each property across the state is subject to an independent annual valuation, and these values will be used to calculate individual property rates. This annual revaluation does not result in a net gain or loss of revenue to Council, but it redistributes the rates burden according to updated property values. This means ratepayers may see rate increases that differ from the average 3.5% increase because of changes to their property value relative to that of other ratepayers' properties. Further details relating to rates and charges is included in Section 4.1 of the Budget 2023-24 document.

## Waste charges

Council has three key parts to its total waste and resource recovery service: kerbside collection, drop-off facilities and public litter collection. Council has a four-bin kerbside collection system including: FOGO (food organic and green organics), comingled recycling, glass only and landfill. The four-bin system helps to divert materials from landfill and is in line with the State Government's Circular Economy policy for a cleaner greener Victoria with less waste and pollution. In addition to the implementation of an enhanced waste service which directly increases service costs, Council is also subject to increasing external costs including landfill levies paid to the State Government.

Council has held a position that the cost of kerbside collection services will be funded through the levying of a waste management charge, issued via the property rates notice. The balance of the waste service costs are funded through Council's general rates income along with other services.

Council recognises that the waste management charge needs to increase sufficiently to cover cost increases in kerbside collection services to avoid impacting on the general rate revenue and consequently other services. With this in mind, the proposed waste charges for the 2023-24 financial year are to increase by an average of 10% as follows:

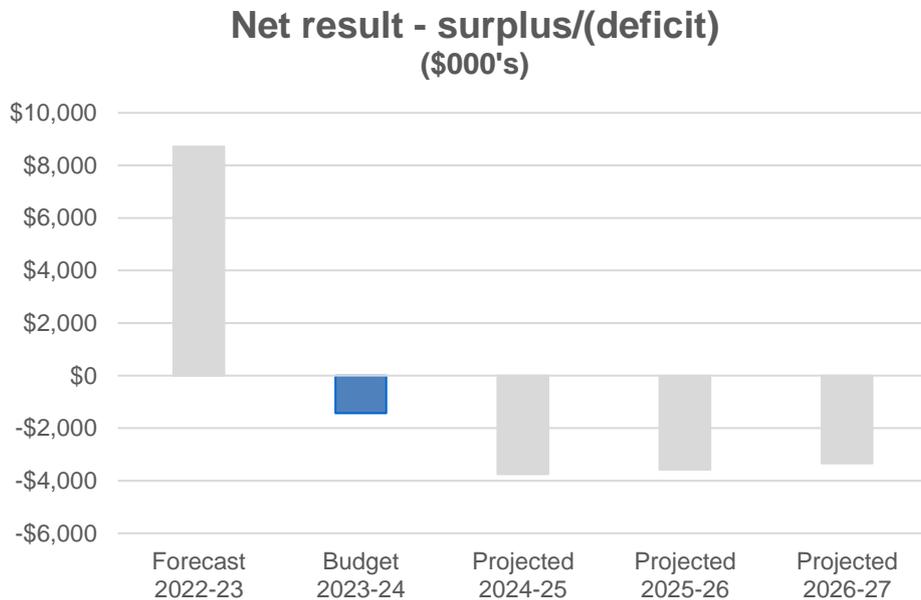
- Properties receiving a weekly kerbside collection will be levied a charge of **\$351** per annum
- Properties receiving a fortnightly kerbside collection will be levied a charge of **\$268** per annum

The proposed waste charges represent increases of \$32 per annum and \$25 per annum for weekly and fortnightly kerbside collections respectively, when compared to the waste management charges levied on individual properties in the 2022-23 financial year.

**Net Result**

The budgeted net result represents all revenues less operating expenses and is further detailed in Council's formal statements (section 3).

The expected net result for the 2023-24 financial year is a deficit of \$1.431 million. This result is a decline on the previous year's budgeted and forecast net result, due primarily to Council anticipating lower non-recurrent capital and operational grants than in recent years. In addition, Council has completed a series of asset revaluations to ensure that its replacement values and remaining useful lives reflect current conditions. This has resulted in depreciation values that are significantly higher than previous budgets or the adopted long term financial plan.



**Adjusted Underlying Result**

In addition to prescribing the calculation of the Net Result of Council's Budget, the regulations prescribe the method for calculating the 'Adjusted Underlying Result'. The purpose for calculating the Adjusted Underlying Result is to remove the effect on the budget of one-off (non-recurrent) revenue items that may otherwise overstate Council's normal performance. Under regulations the 2023-24 surplus/deficit is calculated as follows:

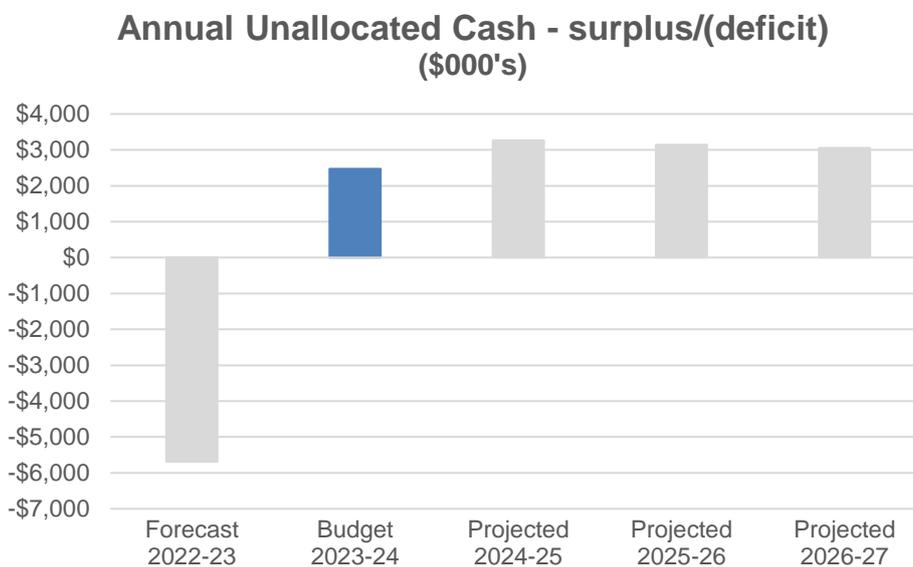
Adjusted Underlying Result	\$'000
Total Comprehensive Result.	(\$1,431)
Non-recurrent grants used to fund capital expenditure	\$2,685
Non-monetary asset contributions	-
Other contributions to fund capital expenditure	-
<b>Adjusted Underlying Result (surplus/deficit)</b>	<b>(\$4,116)</b>

The Adjusted Underlying Result assists in removing the over-statement that results from including capital income without associated expenditure.

### Annual Unallocated Cash Result

Local government financial reporting, including the Comprehensive Income Statement, often includes a number of pre-allocated items that can make it difficult for readers to understand underlying performance. Contributions, grants and once-off project funding further contribute to this difficulty. These net surplus result also includes a number of non-cash items that are important to consider, but also conceal the underlying commitments and costs incurred in the year, and so it is useful to consider the annual result in the form of the **Annual Unallocated Cash Result**.

The ability to derive an Annual Unallocated Cash Result means that Council can make commitments in that year without creating unreasonable burden on Councils and communities in future years. Ideally, Council should be able to deliver a nominal unallocated cash result after it has allocated funding to deliver services, meeting its compliance and non-discretionary obligations, allocate intended funds to asset renewal works and make investments that work towards Council’s strategic objectives.



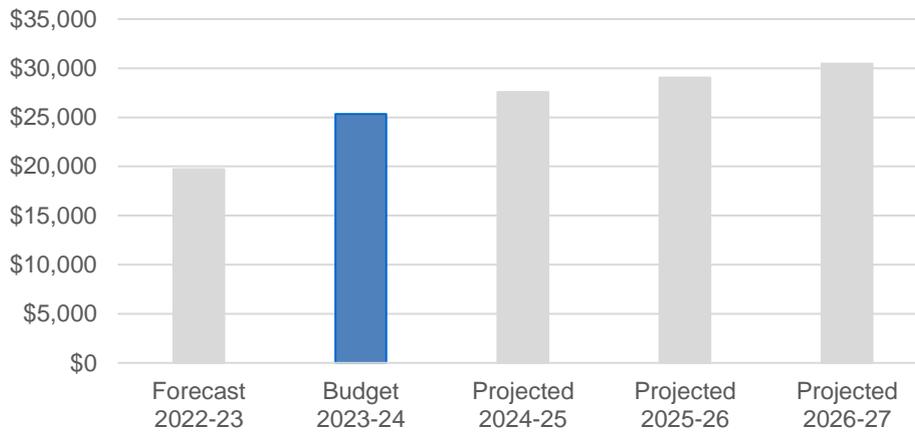
Achieving an unallocated cash surplus in any given year is becoming increasingly difficult for Council under the Fair Go Rates System (rate capping). This will require Council to systematically and strategically review all of its services and all assets for which it has responsibility.

The unallocated cash surplus in 2023-24 is only achieved through the relatively low level of new investment in the Annual Asset Renewal program, which means that there are assets that have reached a condition where intervention is desired, but not able to be funded at this time. The balance of unallocated cash will be used to meet commitments that Council has already made in previous years and is yet to fund and deliver.

### Cash and Investments

Cash and investments are expected to increase by \$5.618 million during the 2023-24 financial year to \$25.335 million. Over time there is an upward trend in cash balances which is reflective of the lower allocation of cash to new projects and initiatives planned at this time. While Council's cash balance remains at moderate levels, the funds are already fully committed to achieving Council priorities and Council has no accumulated unallocated cash at this time.

### Cash and Cash Equivalents (\$'000's)



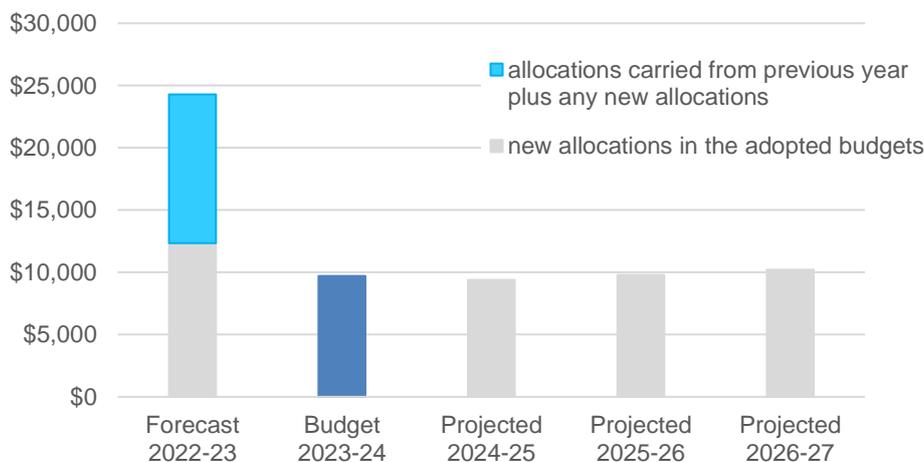
### Capital Works Program

In any financial year the total program allocation for Council’s Capital Works Program comprises new project commitments, the portion of the Capital Works Program that was not completed before the end of the previous financial year (project budgets ‘carried forward’) and any new projects arising throughout the year. With all of these inputs, the forecast for the total allocation to Council’s Capital Works Program in 2022-23 is \$24.228 million.

The proposed Budget 2023-24 is premised on an assumption that works will be completed by the end of June 2023 and the allocations for the proposed Budget 2023-24 and three following years represent new allocations to the Capital Works Program.

As the 2022-23 financial year draws to a conclusion, an estimate of projects to be carried forward can be developed and included into the final budget or forecast in the first quarter of the next financial year.

### Capital Works Program - allocations (\$'000's)

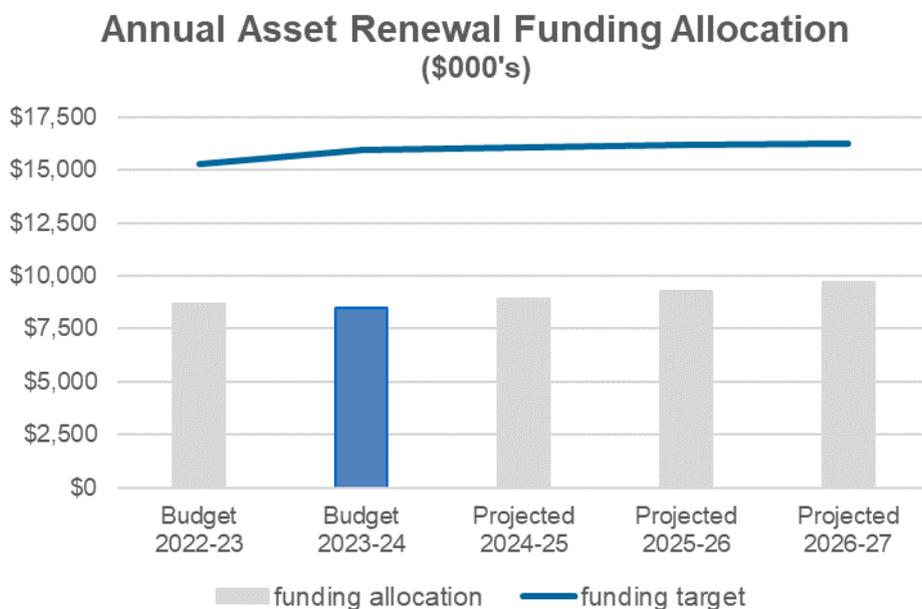


### Asset Renewal Funding

Council’s Asset Renewal Funding Strategy is incorporated into its adopted Asset Plan. The strategy establishes the overall allocation to asset renewal that Council aims to make each year so that it can fund reconstruction and renewal works when assets need this type of intervention. A prioritised strategic approach to the asset renewal allocation avoids renewal requirements having to compete for funding against new priorities.

Council’s Asset Renewal Funding Strategy uses annual depreciation as a proxy for the annual funding that Council should commit if it is to have funds available to respond to the anticipated asset renewal demands. When the value of demands exceeds the accumulated funds available, Council will have an ‘asset renewal backlog’ and when Council has an excess of funds committed it should quarantine the funds in a cash reserve to draw on funds when needed.

The Budget 2023-24 allocates \$8,510k to the asset renewal program compared to its target of \$15,942k.



Council is not able to fund its desired asset renewal funding allocation in 2023-24, with the target being an allocation equivalent to 110% of depreciation in the budget year. This means that the unfunded value of assets with a condition that has reached desired intervention, referred to as the ‘asset backlog’, will increase until Council can address this in the longer term.

Further information on Council’s capital works program can be found in sections 3.5 and 4.5 of this document.

### Operational Projects

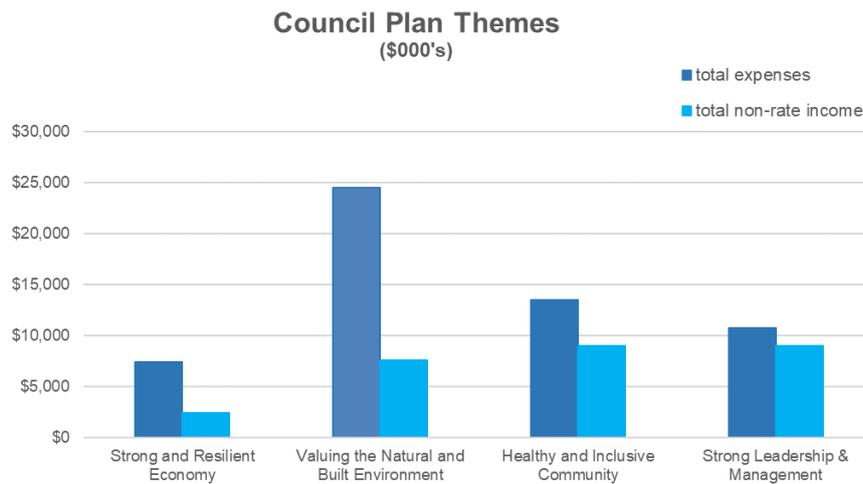
Council also invests in non-infrastructure projects each year across a range of activities and initiatives that help inform Council’s decisions, plan for the future, or deliver important outcomes today for the community. Important examples of Operational Projects include development of strategies, policies, masterplans and supporting advocacy priorities. Council is allocating \$505k to operational projects in 2023-24 and these are listed in more detail in Appendix C.

**Debt Management**

Council continues to maintain a low level of debt, with only the current loan to be repaid in 2022-23. Council will consider its cash position before entering into any future debt arrangements. Section 4.2 of this document contains further information about Council’s debt profile.

**Strategic objectives**

The Council Plan 2021-2025 sets out the strategic objectives that Council will focus on for this Council term. The Council Plan has four key themes with corresponding strategic objectives and outcomes. The following graph outlines Council’s total planned expense and non-rate income for each theme. These are detailed further in sections 1 and 2 of this Budget report.



Where service-specific income streams do not generate enough revenue to fully cover the costs of services and projects in that theme, the costs are covered through Council’s general rates revenue and in effect all ratepayers are funding the services.

Expenses and investments reported under the theme of Strong Leadership and Management don’t recognise the important role of corporate functions in supporting the customer-facing functions and services that Council provides because Council has not yet implemented a model for distributing corporate overheads. Recognition of corporate overheads is recommended by the Victorian Auditor General and is one of the strategic objectives endorsed by Council when it adopted its Financial Plan in 2021.

## Major Initiatives

Council has identified major initiative for each of the Council Plan Themes to be delivered in 2023-24 financial year which are summarised in the following table.

Council Plan 2021-25 Theme	Major Initiative	Expense Budget \$000s
Strong and Resilient Economy	Forrest Caravan Park, Wastewater System completion	\$450
Valuing the Natural and Built Environment	Kennett River Wetland sediment removal	\$50
Healthy and Inclusive Communities	Small Halls Renewal Program	\$190
Strong Leadership and Management	ICT Critical Infrastructure Replacement	\$200

These major initiatives are described in more detail in section 2.

## Strategic targets

Council has also established Strategic Targets in accordance with *Local Government (Planning and Reporting) Regulations 2020*. This is a new requirement for Victorian Councils and the first time that these have been required to be stated in Council's annual budget. The following targets have been developed with consideration given to past performance, current priorities and planned investment by Council. These targets are summarised below and explained in more detail in section 5.

Service/Financial area	Description	2023-24 Target
<b>Service Indicators</b>		
<b>Governance</b> Satisfaction with community consultation and engagement	Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	53
<b>Roads</b> Sealed local roads below the intervention level	Number of kms of sealed local roads below the renewal intervention level set by Council/kms of sealed local roads	100%
<b>Statutory planning</b> Planning applications decided within the relevant required time	Number of planning application decisions made within the relevant required time/Number of decisions made	85%
<b>Waste management</b> Kerbside collection waste diverted from landfill	Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins	63%
<b>Financial Indicators</b>		
<b>Liquidity</b> Working Capital	Current assets/current liabilities	256.68%
<b>Obligations</b> Asset renewal	Asset renewal and upgrade expense/Asset depreciation	62.01%
<b>Stability</b> Rates concentration	Rate revenue/adjusted underlying revenue	61.20%
<b>Efficiency</b> Expenditure level	Total expenses/ no. of property assessments	\$3,810

## 1 Link to the Council Plan and Community Vision

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

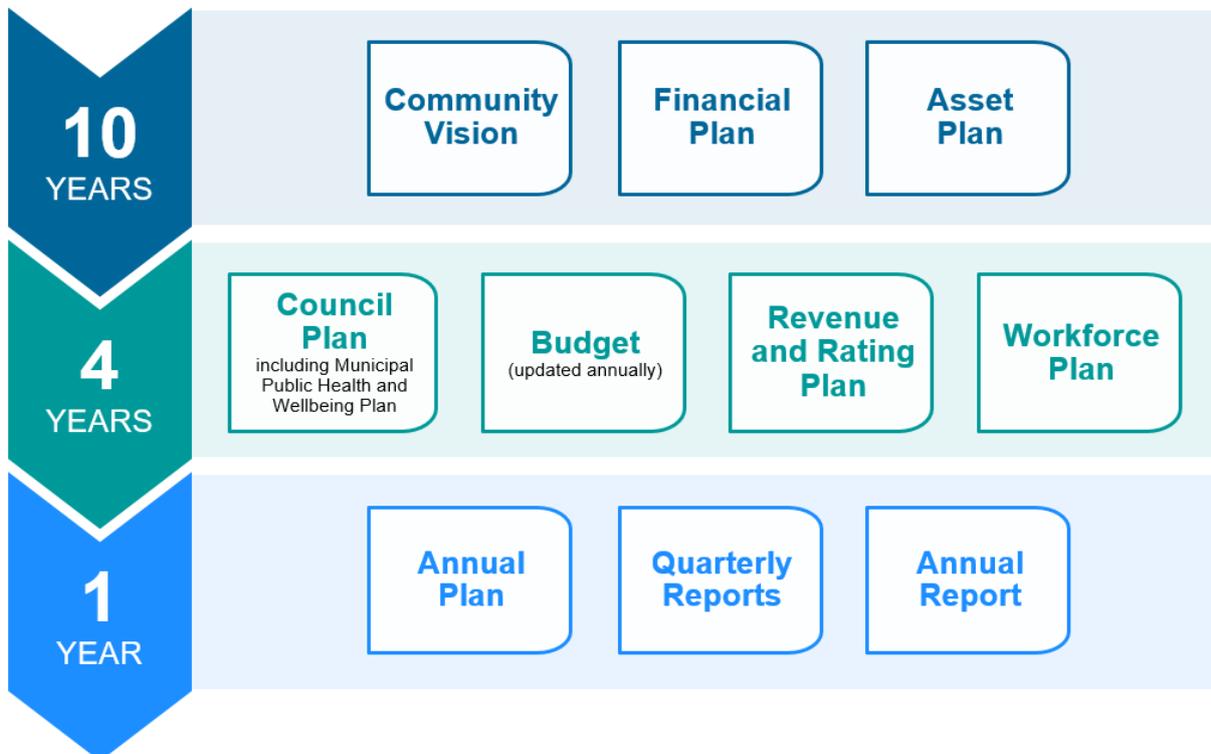
Council developed a vision statement with the community in 2021. This statement is found inside the cover of this budget document.

### 1.1 Planning and Accountability Framework

Council has an Integrated Planning Framework that aligns our operational, corporate and strategic plans to deliver core services, and achieve sustainable improvements for the Council and community. The framework includes long, medium and short-term plans that set the direction of everything we do.

The Budget forms an important part of Council’s Integrated Planning and Reporting Framework. This framework ensures that the Budget is developed in response to Council Plan priorities, and specifies the required amount to fund Council services and initiatives over the next 12 months and subsequent 3 financial years.

The framework guides the Council in identifying community needs and aspirations over the long term (Community Vision and Financial Plan), medium term (Council Plan, Workforce Plan, and Revenue and Rating Plan) and short term (Budget), and then holding itself accountable (Annual Report).



The framework includes reports to monitor the implementation of our plans. The Annual Report, including audited financial statements, is our report to the community on our performance during the year.

## 1.2 Council Plan Themes and Strategic Objectives

Council delivers activities and initiatives under major service categories. Each contributes to the achievement of one of the four Strategic Objectives as set out in the Council Plan 2021-2025.

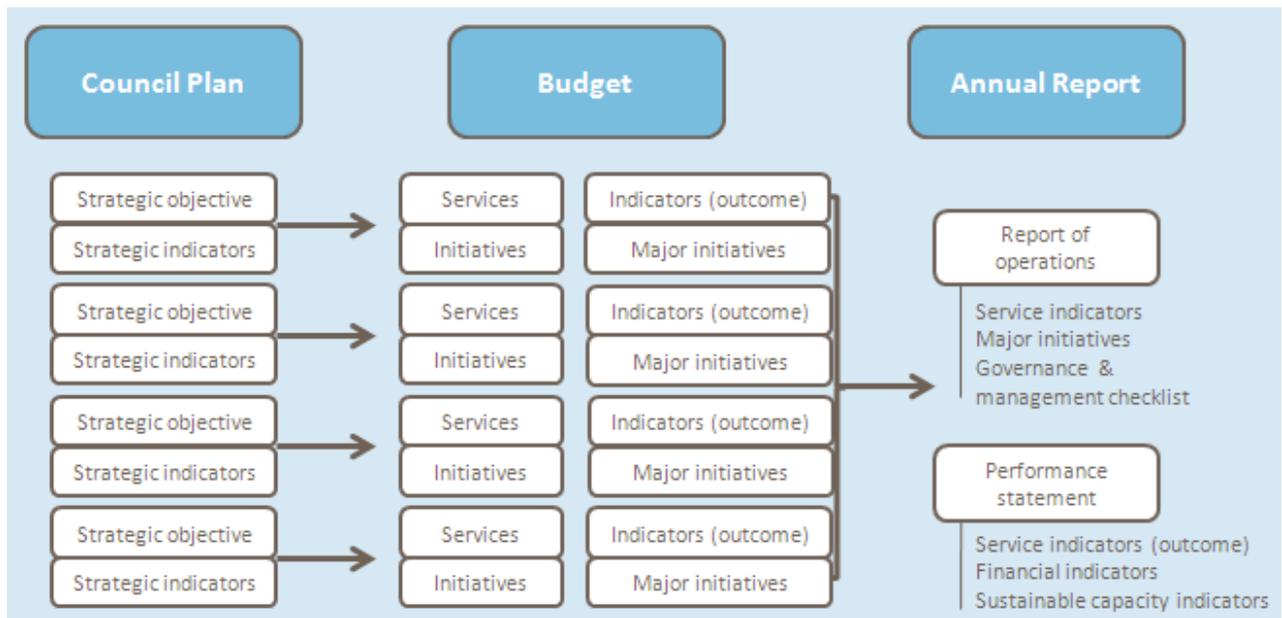
The following table lists the four Strategic Objectives as described in the Council Plan.

THEME	DESCRIPTION	STRATEGIC OBJECTIVES
<p><b>STRONG AND RESILIENT ECONOMY</b></p>	<p>We are committed to expanding our diverse industries, vibrant arts community, world-renowned tourism, and professional health services. A healthy, growing economy will provide sustainable industries and jobs, and opportunities for all ages.</p>	<ul style="list-style-type: none"> <li>• Affordable and available housing will support our growing community and economy</li> <li>• Attract, retain and grow business in our Shire</li> <li>• Key infrastructure investment supports our economy and liveability</li> <li>• Colac Otway Shire is a destination to visit</li> <li>• Grow the Colac Otway Shire's permanent population by at least 1.5%</li> </ul>
<p><b>VALUING THE NATURAL AND BUILT ENVIRONMENT</b></p>	<p>We will protect our natural environment and communities, by maintaining and providing resilient infrastructure, and being leaders in sustainable living, modelling innovation and best practice.</p>	<ul style="list-style-type: none"> <li>• We mitigate impacts to people and property arising from climate change</li> <li>• We operate sustainably with a reduced carbon footprint</li> <li>• Protect and enhance the natural environment</li> <li>• We will satisfy our community's reasonable expectations to reduce waste going to landfill, increase resource recovery and minimise waste charges</li> <li>• Provide and maintain an attractive and safe built environment</li> </ul>
<p><b>HEALTHY AND INCLUSIVE COMMUNITY</b></p>	<p>We will continue to be a great place to live. We embrace our diverse community, take care of our older community and prepare our children for success. We care for each other, are friendly and welcoming, and enjoy a vibrant and active lifestyle. We are a small population with big hearts.</p>	<ul style="list-style-type: none"> <li>• All people have the opportunity to achieve and thrive in our shire</li> <li>• People are active and socially connected through engaging quality spaces and places</li> <li>• We are a safe, equitable and inclusive community</li> </ul>
<p><b>STRONG LEADERSHIP AND MANAGEMENT</b></p>	<p>We will be leaders in good governance, transparency and strive for ongoing improvement.</p>	<ul style="list-style-type: none"> <li>• We commit to a program of best practice and continuous improvement</li> <li>• We are a financially robust organisation</li> <li>• We provide exceptional customer service</li> <li>• We support and invest in our people</li> </ul>

## 2 Services, Initiatives and Service Performance Indicators

This section provides a description of the services and initiatives to be funded by Council in the 2023-24 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan.

It also describes several initiatives and service performance outcome indicators for key areas of Council’s operations. Council is required by legislation to identify in the budget major initiatives, initiatives and service performance outcome indicators, and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning.

Services for which there are prescribed performance indicators to be reported in accordance with the Regulations are included in the following sections. The reconciliation between the surplus for the year recorded on the Income Statement and the activities and initiatives is detailed within this section.

Sections 2.1 through to 2.4 provide indicative costs for the various services and functions of Council as they sit under each Council Plan theme.

The expenses, revenue and net costs indicated for the various services and functions in 2023-24 represent general recurrent operations and operational projects, but do not include non-cash items such as depreciation/amortisation or distribution of corporate overheads.

### 2.1 Council Plan Theme 1 - Strong and Resilient Economy

This theme represents Council’s commitment to supporting the expansion of the Shire’s diverse industries, vibrant arts community, world-renowned tourism, and professional health services.

This section outlines the activities and initiatives for Council services and key strategic activities.

Service area	Description of services provided		2021-22	2022-23	2023-24
			Actual \$'000	Forecast \$'000	Budget \$'000
Apollo Bay Harbour	The State Government has appointed Council to operate the Port of Apollo Bay to support the fishing industry and to manage the Apollo Bay Harbour for the enjoyment of the community	<i>Exp</i>	1,025	1,027	1,059
		<i>Rev</i>	(1,037)	(1,027)	(1,059)
		<b>NET</b>	<b>(12)</b>	<b>-</b>	<b>-</b>
Colac Livestock Selling Centre	This service provides a vital link in our rural infrastructure by providing a marketplace for buying and selling livestock.	<i>Exp</i>	377	396	366
		<i>Rev</i>	(515)	(467)	(505)
		<b>NET</b>	<b>(139)</b>	<b>(71)</b>	<b>(139)</b>
Economic Development	This service facilitates a healthy and resilient economy by providing effective leadership, advocacy, and partnership, by working with government business and the community.	<i>Exp</i>	1,562	935	1,188
		<i>Rev</i>	(44)	(36)	(39)
		<b>NET</b>	<b>1,518</b>	<b>899</b>	<b>1,149</b>
Tourism	This service provides economic benefit by promoting the Shire as a location for visitors to enjoy, explore and return to. Visitor information is provided via Council's two Visitor Information Centres and via media.	<i>Exp</i>	525	865	802
		<i>Rev</i>	(134)	(235)	(201)
		<b>NET</b>	<b>390</b>	<b>630</b>	<b>601</b>
Events	This service provides for active community involvement in the provisioning of management and support for community entertainment and events.	<i>Exp</i>	106	129	122
		<i>Rev</i>	(2)	(6)	(6)
		<b>NET</b>	<b>105</b>	<b>123</b>	<b>116</b>
Arts and Culture	This service is responsible for running the Colac Otway Performing Arts and Cultural Centre, plus providing support to the arts via events, grants and space provision.	<i>Exp</i>	769	929	849
		<i>Rev</i>	(149)	(399)	(441)
		<b>NET</b>	<b>620</b>	<b>530</b>	<b>408</b>
Statutory Planning	This service fulfils Council's statutory obligations in being the responsible authority for the management and regulation of land use and development, with the aim of achieving sustainable outcomes in the interests of current and future generations.	<i>Exp</i>	1,545	1,487	1,460
		<i>Rev</i>	(432)	(376)	(382)
		<b>NET</b>	<b>1,113</b>	<b>1,111</b>	<b>1,079</b>
Strategic Planning	This service ensures that land use planning is undertaken to meet the sustainable long term needs of current and future generations.	<i>Exp</i>	376	1,375	930
		<i>Rev</i>	(71)	(549)	-
		<b>NET</b>	<b>305</b>	<b>826</b>	<b>930</b>

### Major initiative in 2023-24 relating to this theme of a Strong and Resilient Economy

The major initiative for 2023-24 relating to this theme of a Strong and Resilient Economy is Council's funding commitment to complete the **Forrest Caravan Park, Wastewater System** project, with the goal of ensuring infrastructure investment supports the economy.

The allocation of \$450k in the Budget 2023-24 represents the balance of funding needed to install a new wastewater system at the Forrest Caravan Park, to be delivered in 2023-24. Council has already committed a funding to this project in previous years, and with the completion of detailed designs and the approvals now in hand this funding allocation in 2023-24 will enable this important infrastructure to be delivered.

## Other Initiatives – Capital Projects

- Colac Regional Saleyards, septic system works
- COPACC, resurfacing and painting of main stage
- COPACC, replace auditorium chairs (phase 1)

## Other Initiatives – Operational Projects

- Birregurra structure plan review
- Key Worker Housing Feasibility, Nelson St Apollo Bay
- Northern towns growth plans

## Initiatives – New Recurrent Expenditure

- Annual investment in planning scheme amendments

**Service Performance Outcome Indicators relevant to this theme**

Service	Indicator	Performance Measure	2021-22 Actual	2022-23 Forecast	2023-24 Target
Statutory planning	Decision making	Statutory planning Decision making Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	100%	100%	100%

**2.2 Council Plan Theme 2 - Valuing the Natural and Built Environment**

This theme represents Council's commitment to protecting our natural environment and communities, by maintaining and providing resilient infrastructure, and being leaders in sustainable living, modelling innovation and best practice.

This section outlines the activities and initiatives for Council services and key strategic activities.

Service area	Description of services provided		2021-22 Actual \$'000	2022-23 Forecast \$'000	2023-24 Budget \$'000
Building services	These services support maintaining a safe built environment by overseeing compliance with building development controls.	<i>Exp</i>	1,489	1,576	1,364
		<i>Rev</i>	(157)	(151)	(138)
		<b>NET</b>	<b>1,332</b>	<b>1,425</b>	<b>1,226</b>
Emergency Management	This service provides for the necessary support for the community in the case of an emergency event occurring.	<i>Exp</i>	545	386	268
		<i>Rev</i>	(0)	(14)	(10)
		<b>NET</b>	<b>545</b>	<b>372</b>	<b>258</b>

Service area	Description of services provided		2021-22	2022-23	2023-24
			Actual	Forecast	Budget
			\$'000	\$'000	\$'000
Environment Sustainability	This service provides for management of our natural environment to the betterment and enjoyment of all members of our community.	<i>Exp</i>	505	659	747
		<i>Rev</i>	(0)	(1)	(47)
		<b>NET</b>	<b>505</b>	<b>658</b>	<b>700</b>
Civil infrastructure and building maintenance (See note below)	The civil works team is responsible for the construction, maintenance and day-to-day operation of Council's sealed and unsealed road, bridges, drainage and pathways. The Building maintenance team is responsible for a wide range of Council facilities and associated infrastructure (e.g. indoor sports facilities, recreation, early years, public toilets, community halls).	<i>Exp</i>	8,212	7,283	8,355
		<i>Rev</i>	(7,741)	(14,513)	(297)
		<b>NET</b>	<b>471</b>	<b>(7,230)</b>	<b>8,058</b>
Waste Management	This service provides for the efficient and effective control of waste products produced by our community. It includes the provision of waste collection services as well as for disposal to landfill.	<i>Exp</i>	4,854	4,894	5,515
		<i>Rev</i>	(3,510)	(3,722)	(4,091)
		<b>NET</b>	<b>1,344</b>	<b>1,172</b>	<b>1,424</b>

### Major initiative in 2023-24 relating to this theme of Valuing the Natural and Built Environment

Coastal communities enjoy a special environment that needs to be protected from day-to-day activities, including appropriate stormwater management. Stormwater and drainage from the Kennett River hamlet discharges to a wetland that aims to provide treatment to stormwater before it is discharged to the environment. Over time, sediments collect in the wetland that reduce its capacity and treatment effectiveness. Council will invest \$50k in ***Kennett River Wetland sediment removal*** in 2023-24 to ensure that the wetland operates appropriately and the natural environment is protected.

#### Other Initiatives – Capital Projects

- Apollo Bay Resource Recovery Centre, Roller Door replacements
- Armstrong St Culvert, stormwater outlet renewal
- Bridges Renewal program (major culverts on Boundary Rd, De La Rues Rd, Hordern Vale Rd and Forest Rd South)
- Council Office, Rae St Colac, top level roof replacement
- Drainage improvement works, Murrell St, Birregurra
- Drainage improvement works, un-named laneway near Murray St, Colac
- Kerb and channel renewal works, 2023-24
- Landslip treatments, 2023-24 allocation
- Public street litter bin replacements and upgrades
- Road safety works including guard fence replacements, 2023-24
- Sealed roads, annual reseal program, 2023-24
- Sealed roads, crack sealing program 2023-24

- Sealed roads, major patching program 2023-24
- Sealed road reconstruction, Forest St Colac (J Barrys Rd to Pound Rd)
- Sealed road reconstruction, Mooleric Rd, Stage 1
- Stormwater outlet renewal near Colac Yacht Club
- Stormwater pipe renewal near 45 Scenic Drive Apollo Bay
- Unsealed roads, annual resheeting program, 2023-24
- Water Garden improvement works, Cruikshank Court, Elliminyt

Other Initiatives – Operational Projects

- Lavers Hill Hall septic compliance investigations

**Service Performance Outcome Indicators relevant to this theme**

Service	Indicator	Performance Measure	2021-22 Actual	2022-23 Forecast	2023-24 Target
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	55%	61%	63%
Roads	Satisfaction	Satisfaction with sealed local roads. (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	47	48	49

**2.3 Council Plan Theme 3 - Healthy and Inclusive Community**

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

This section outlines the activities and initiatives for Council services and key strategic activities.

Service area	Description of services provided		2021-22 Actual \$'000	2022-23 Forecast \$'000	2023-24 Budget \$'000
Parks gardens and reserves	The parks and gardens team cares for and manages the maintenance of landscaping in streetscapes and open space areas for the enjoyment of all community members, including the Colac Botanical Gardens.	<i>Exp</i>	1,325	2,267	2,816
		<i>Rev</i>	(1)	(1)	(1)
		<b>NET</b>	<b>1,324</b>	<b>2,266</b>	<b>2,815</b>
Children and Family Services	This service provides support to our children, families and youth to encourage and nurture their growth and development. Council's early years service delivery has a focus on kindergartens, family day care and maternal and child health services, and continues to supporting young people through delivery of state-funded programs.	<i>Exp</i>	1,104	971	977
		<i>Rev</i>	(811)	(582)	(647)
		<b>NET</b>	<b>294</b>	<b>389</b>	<b>330</b>
Older Persons & Disability	This service provides support to older persons and people with disabilities to with services and support that helps people to live independently in their own home for as long as possible.	<i>Exp</i>	4,113	5,039	4,032
		<i>Rev</i>	(4,499)	(5,278)	(4,606)
		<b>NET</b>	<b>(385)</b>	<b>(239)</b>	<b>(574)</b>
Recreation services	This service provides for active community involvement and the promotion of healthy lifestyles by providing for suitable sporting and recreational facilities.	<i>Exp</i>	315	305	304
		<i>Rev</i>	-	-	-
		<b>NET</b>	<b>315</b>	<b>305</b>	<b>304</b>
Leisure centre	This service provides for active community involvement and the promotion of healthy lifestyles by providing for suitable sporting and recreational facilities.	<i>Exp</i>	1,899	2,015	2,197
		<i>Rev</i>	(912)	(1,294)	(1,437)
		<b>NET</b>	<b>987</b>	<b>720</b>	<b>761</b>
Connected communities	This service provides the delivery of high quality, sustainable community health and wellbeing services that lead to a healthier and more active community.	<i>Exp</i>	522	293	416
		<i>Rev</i>	(111)	180	(68)
		<b>NET</b>	<b>410</b>	<b>473</b>	<b>348</b>
Library Services	The library service provides resources and oversight to the Corangamite Regional Library Corporation for the provision of information, education, recreation and enrichment for the community.	<i>Exp</i>	726	941	1,025
		<i>Rev</i>	-	(100)	-
		<b>NET</b>	<b>726</b>	<b>841</b>	<b>1,025</b>
Local Laws and Animal	This service provides for community safety and health by providing for a framework for behaviours which affect our community wellbeing. The work of the team is supported by Council's Local Laws that control general amenity matters. The team also undertakes animal management, helping lost pets be returned to their families and lost stock to be returned to farmers.	<i>Exp</i>	740	784	816
		<i>Rev</i>	(379)	(184)	(360)
		<b>NET</b>	<b>361</b>	<b>600</b>	<b>456</b>
Environmental Health	This service promotes a healthy and safe lifestyle by actively promoting and policing public health issues.	<i>Exp</i>	487	523	533
		<i>Rev</i>	(272)	(254)	(266)
		<b>NET</b>	<b>214</b>	<b>269</b>	<b>267</b>

**Major initiative in 2023-24 relating to this theme of a Healthy and Inclusive Community**

Council undertook a review of the role of Community Asset Committees in 2022-23 to ensure that it is providing the committees with good governance support that enables them to successfully look after assets that are important to their local communities.

Council recognises that many of its halls need some renewal works to be done, and Community Asset Committees willing to help, and is committing \$190k to a **Small Halls Renewal Program** that will deliver a range of renewal projects at these important local facilities.

## Other Initiatives – Capital Projects

- Birregurra Hall and streetscape works
- Birregurra Play Space redevelopment
- Ceremonial/Recognition Flagpole at Civic Precinct Colac
- Colac Central Bowling Club, Kitchen renewal project
- Colac Mallet Sports Club
- Colac Otway, allocation for urgent building renewal works
- Cororooke Maternal and Child Health Centre, plumbing renewal
- Donaldson's Play Space renewal works
- Elliminyt Tennis Court resurfacing and fence repairs
- Flagpole lighting project to enable permanent flying
- Footpath renewal program, 2023-24 allocation
- Great Ocean Road path, complete link to Pisces
- Hickeys Cutting to Old Coach Rd, Skenes Creek, pedestrian safety improvements
- Lavers Hill Hall, various renewal works
- Netball Court resurfacing, Western Reserve, Colac
- Paradise Park Reserve, picnic improvements
- Open space renewal works, 2023-24 allocation
- Roof compliance works, various buildings
- Small Halls program, various renewal activities
- Winifred Nance Kindergarten, verandah replacement
- Wydinia Kindergarten, roof replacement

## Other Initiatives – Operational Projects

- Colac Library compliance and safety projects
- Local Law review project completion

**Service Performance Outcome Indicators relevant to this theme**

Service	Indicator	Performance Measure	2021-22 Actual	2022-23 Forecast	2023-24 Target
Libraries (see note below)	Participation	Active library borrowers. (Percentage of the population that are active library borrowers)	3.98%	8%	12%
Aquatic facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	1.73	4.5%	5%
Maternal and Child Health	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	75.84%	75%	75%
Food Safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	88.89%	100%	100%
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	0% (Note: there were no prosecutions in 2021-22)	100%	100%

Note – The performance indicator for libraries (reflecting active library borrowers) is calculated as a rolling average over three years. Because 2021-22 was the first year that Council was a member of the Geelong Regional Library Corporation (GRLC) the indicator is low because there were no GRLC members for Colac Otway Shire in the two years prior. Similarly, the forecast 2022-23 indicator only has two years of membership data and it is not until Council has been an active member of GRLC for three years that it will have a realistic indication of active borrowers.

## 2.4 Council Plan Theme 4 - Strong leadership and management

This theme represents Council's commitment to be leaders in good governance, transparency and strive for ongoing improvement. This section outlines the activities and initiatives for Council services and key strategic activities.

Service area	Description of services provided		2021-22	2022-23	2023-24
			Actual	Forecast	Budget
			\$'000	\$'000	\$'000
Councillors and Chief Executive	This area of governance includes the Mayor, Councillors, Chief Executive Officer, Business Improvement Officer and Public Relations Team and associated support w hich cannot be easily attributed to the direct service provision areas.	<i>Exp</i>	2,578	2,744	2,787
		<i>Rev</i>	(25)	(17)	(151)
		<b>NET</b>	<b>2,553</b>	<b>2,727</b>	<b>2,636</b>
Procurement and Contract	This service provides oversight and governance on contractual and procurement services undertaken by Council	<i>Exp</i>	159	279	378
		<i>Rev</i>	-	-	-
		<b>NET</b>	<b>159</b>	<b>279</b>	<b>378</b>
Finance, property and rates	This service has the responsibility to generate revenue for Council via rate, levies and charges and to provide sustainable and accountable financial management of Council's resources.	<i>Exp</i>	1,641	1,751	1,707
		<i>Rev</i>	(39,039)	(35,819)	(8,799)
		<b>NET</b>	<b>(37,399)</b>	<b>(34,068)</b>	<b>(7,092)</b>
Information Services	This services provides management and governance of information flow s, storage and retrieval w ithin the organisation in accordance w ith appropriate legislation and standards.	<i>Exp</i>	2,517	2,648	2,603
		<i>Rev</i>	-	-	-
		<b>NET</b>	<b>2,517</b>	<b>2,648</b>	<b>2,603</b>
People and Culture	This service provides and develops a cultural of high performance, productivity and accountability across the organisation.	<i>Exp</i>	2,517	2,795	2,603
		<i>Rev</i>	-	-	-
		<b>NET</b>	<b>2,517</b>	<b>2,795</b>	<b>2,603</b>
Risk management	This service has the responsibility to identify, record and manage all business risk associated w ith Council's activities. This service manages Council's insurance portfolio.	<i>Exp</i>	1,080	1,165	1,160
		<i>Rev</i>	(143)	(115)	(33)
		<b>NET</b>	<b>937</b>	<b>1,050</b>	<b>1,127</b>

### Major initiative in 2023-24 relating to this theme of Strong Leadership and Management

While Council continues to host its core business systems on premise, it is necessary that Council undertakes an **ICT Critical infrastructure** project to ensure it is appropriately managed. Core server and storage infrastructure is at its end of life and is to be replaced to ensure that business performance and capacity requirements are maintained as well as security and failure risks being minimised. Council is committing \$200k to this work in 2023-24.

#### Other Initiatives – Capital Project

- ICT annual device renewal program
- Fittings and Fixtures renewal program
- Light fleet replacement program, 2023-24
- Plant replacement program, 2023-24

**Service Performance Outcome Indicators relevant to this theme**

Service	Indicator	Performance Measure	2021-22 Actual	2022-23 Forecast	2023-24 Target
Governance	Satisfaction	Satisfaction with Council decisions. (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	53	52	53

**2.5 Service Performance Outcome Indicators**

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2023-24 Annual Report.

**2.6 Reconciliation of Council Plan themes to the Income Statement**

This section outlines the activities and initiatives for Council services and key strategic activities.

	Net Cost (Revenue)	Expenditure	Revenue
	\$'000	\$'000	\$'000
Strong and Resilient Economy	4,961	7,292	(2,330)
Valuing The Natural and Built Environment	13,120	17,565	(4,445)
Healthy and Inclusive Community	3,766	11,591	(7,825)
Strong Leadership & Management	1,044	10,026	(8,982)
<b>Total</b>	<b>22,892</b>	<b>46,473</b>	<b>(23,582)</b>

***Expenses added in:***

Depreciation	14,493
Amortisation - right of use assets	101
Finance costs	12

***Deficit before funding sources*** **37,498**

**Funding sources added in:**

Rates and charges revenue (excluding Waste)	(31,678)
Capital grants	(4,389)

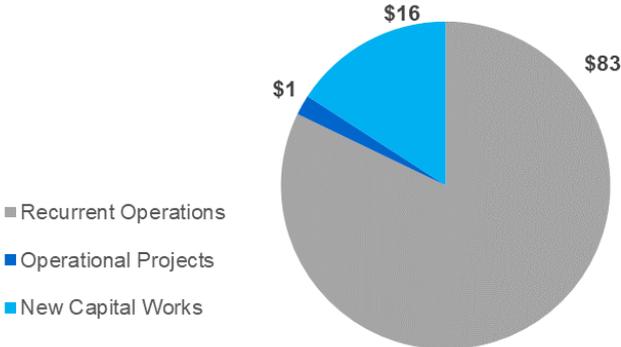
***Total funding sources*** **(36,067)**

**Operating (surplus)/deficit for the year** **1,431**

Each \$100 of expenditure in Council’s budget for the 2023-24 financial year is allocated as follows:

- \$83 will be spent delivering Council’s regular **services** and activities (recurrent operations)
- \$17 will be committed to new **initiatives** (capital and operational projects)

How does \$100 get spent in 2023-24?



## 2.7 Service Statistics

The following table provides the community with high-level information about the types and scale of regular services that Council can expect to deliver through this budget.

The list is not exhaustive and actual results are measured through the year.

<b>Customer experience</b>		<b>Community facilities</b>	
Total calls taken	35,000	Recreation reserves maintained	5
Total service centre visits	47,000	Recreation reserves supported	14
Number of transactions receipted	9,500	Playgrounds and skate parks maintained	33
<b>Governance functions</b>		<b>Aquatic facilities</b>	
Freedom of information requests p.a.	10	Bluewater annual members	1,500
Community Asset Committees supported.	21	Bluewater learn to swim enrolments	420
<b>Positive aging and community care</b>		<b>Local Laws and Rangers Services</b>	
In home care hours delivered	42,500	Dog registrations	4,202
Number of individual clients receiving service	1,000	Cat registrations	1,337
Meals delivered 'on wheels'	5,500	<b>Statutory Planning</b>	
<b>Children's Services</b>		Applications determined	365
Family Day Care (hours provided)	9,000	Planning compliance matters addressed	19
New babies supported by M&CH	240	<b>Road services</b>	
Consultations with 0-3.5 year olds	2,000	Total length of roads maintained	1,628 kms
<b>Regulatory Building Services</b>		<b>Waste services</b>	
Property Information requests	800	Urban bins collected kerbside	10,298
Building permits received for lodgement	455	Rural bins collected roadside	167
<b>Environmental Health Services</b>		Waste to landfill (tonnes)	6,347
Food premises inspections	200	Recyclables collected (tonnes)	2,203
Registered food businesses	328	Glass collected (tonnes)	330
Immunisation vaccinations delivered	2,080	Food and Organics collected (tonnes)	3,486
<b>Saleyards</b>		<b>Library services</b>	
Cattle throughput	25,000	Library members	5,400
<b>COPACC activities</b>		Loans from Council libraries	95,500
Performances hosted annually	50	<b>Community Grants</b>	
Annual attendance at performances	10,000	Community/business initiatives supported	90
Business events hosted annually	160	<b>Parks and gardens</b>	
Annual participation in business events	9,000	Street trees planned to be planted	300

### 3 Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2023-24 has been supplemented with projections to 2026-27 that will inform the update of the Long Term Financial Plan.

This section includes the following financial statements prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works
- Statement of Human Resources

#### **Pending Accounting Standards**

The 2023-24 budget has been prepared based on the accounting standards applicable at the date of preparation. Standards that are likely to impact on the 2023-24 financial statements have informed the preparation of the budget.

### 3.1 Comprehensive Income Statement

For the four years ending 30 June 2027

		Forecast Actual 2022-23	Budget 2023-24	Projections		
	NOTES	\$'000	\$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
<b>Income / Revenue</b>						
Rates and charges	4.1.1	33,726	35,365	36,686	38,072	39,529
Statutory fees and fines	4.1.2	866	917	931	945	959
User fees	4.1.3	7,526	6,745	6,856	6,970	7,179
Grants - Operating	4.1.4	14,652	11,734	11,464	11,191	11,359
Grants - Capital	4.1.4	12,779	4,389	1,703	1,703	1,703
Contributions - monetary	4.1.5	225	67	25	25	25
Contributions - non-monetary	4.1.5	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and Fair value adjustments for investment property		1,275	-	-	-	-
Share of net profits/(losses) of associates and joint ventures		-	(100)	(100)	(100)	(100)
Other income	4.1.6	365	333	331	330	331
<b>Total income / revenue</b>		<b>71,414</b>	<b>59,450</b>	<b>57,896</b>	<b>59,136</b>	<b>60,985</b>
<b>Expenses</b>						
Employee costs	4.1.7	24,035	24,271	24,915	25,585	26,609
Materials and services	4.1.8	22,941	20,527	20,769	21,310	22,056
Depreciation	4.1.9	13,900	14,493	14,593	14,693	14,793
Amortisation - right of use assets	4.1.10	24	101	119	118	113
Bad and doubtful debts		20	20	20	20	20
Borrowing costs		32	-	-	-	-
Finance Costs - leases		25	12	9	3	-
Other expenses	4.1.11	1,722	1,457	1,221	985	735
<b>Total expenses</b>		<b>62,699</b>	<b>60,881</b>	<b>61,646</b>	<b>62,715</b>	<b>64,327</b>
<b>Surplus/(deficit) for the year</b>		<b>8,715</b>	<b>(1,431)</b>	<b>(3,750)</b>	<b>(3,579)</b>	<b>(3,342)</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to surplus or deficit in future periods</b>						
Net asset revaluation increment /(decrement)		-	-	-	-	-
Share of other comprehensive income of associates and joint ventures		-	-	-	-	-
<b>Items that may be reclassified to surplus or deficit in future periods (detail as appropriate)</b>						
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>8,715</b>	<b>(1,431)</b>	<b>(3,750)</b>	<b>(3,579)</b>	<b>(3,342)</b>

### 3.2 Balance Sheet

For the four years ending 30 June 2027

		Forecast Actual 2022-23	Budget 2023-24	Projections		
	NOTES	\$'000	\$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents		19,717	25,335	27,574	29,059	30,465
Trade and other receivables		2,063	1,607	1,569	1,603	1,654
Inventories		191	191	191	191	191
Non-current assets held for sale		570	570	-	-	-
Prepayments		-	-	-	-	-
Other assets		242	242	242	242	242
<b>Total current assets</b>	4.2.1	<b>22,783</b>	<b>27,945</b>	<b>29,576</b>	<b>31,095</b>	<b>32,552</b>
<b>Non-current assets</b>						
Property, infrastructure, plant & equipment		447,351	442,566	437,366	432,466	427,884
Investments in associates, joint arrangement and subsidiaries		147	147	147	147	147
Right-of-use assets	4.2.4	3,060	2,959	2,893	2,775	2,662
<b>Total non-current assets</b>	4.2.1	<b>450,558</b>	<b>445,672</b>	<b>440,406</b>	<b>435,388</b>	<b>430,693</b>
<b>Total assets</b>		<b>473,341</b>	<b>473,617</b>	<b>469,983</b>	<b>466,483</b>	<b>463,245</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables		3,345	5,055	5,140	5,247	5,419
Trust funds and deposits		1,600	1,600	1,600	1,600	1,600
Provisions		4,226	4,226	4,226	4,226	4,226
Interest-bearing liabilities	4.2.3	-	-	-	-	-
Lease liabilities	4.2.4	18	6	27	18	-
<b>Total current liabilities</b>	4.2.2	<b>9,189</b>	<b>10,887</b>	<b>10,993</b>	<b>11,091</b>	<b>11,245</b>
<b>Non-current liabilities</b>						
Provisions		4,881	4,881	4,881	4,881	4,881
Interest-bearing liabilities	4.2.3	-	-	-	-	-
Lease liabilities	4.2.4	-	9	18	-	-
<b>Total non-current liabilities</b>	4.2.2	<b>4,881</b>	<b>4,890</b>	<b>4,899</b>	<b>4,881</b>	<b>4,881</b>
<b>Total liabilities</b>		<b>14,070</b>	<b>15,777</b>	<b>15,893</b>	<b>15,972</b>	<b>16,126</b>
<b>Net assets</b>		<b>459,271</b>	<b>457,840</b>	<b>454,090</b>	<b>450,511</b>	<b>447,119</b>
<b>Equity</b>						
Accumulated surplus		148,887	147,480	143,729	140,151	136,758
Reserves		310,384	310,360	310,360	310,360	310,360
<b>Total equity</b>		<b>459,271</b>	<b>457,840</b>	<b>454,089</b>	<b>450,511</b>	<b>447,118</b>

### 3.3 Statement of Changes in Equity

For the four years ending 30 June 2027

	NOTES	Total \$'000	Accumula ted Surplus \$'000	Revaluati on Reserve \$'000	Other Reserves \$'000
<b>2023 Forecast Actual</b>					
Balance at beginning of the financial year		450,555	133,368	291,114	26,073
Surplus/(deficit) for the year		8,715	8,715	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		1	6,804	-	(6,803)
<b>Balance at end of the financial year</b>		<b>459,272</b>	<b>148,888</b>	<b>291,114</b>	<b>19,270</b>
<b>2024 Budget</b>					
Balance at beginning of the financial year		459,272	148,888	291,114	19,270
Surplus/(deficit) for the year		(1,432)	(1,432)	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves	4.3.1	-	-	-	-
Transfers from other reserves	4.3.1	-	24	-	(24)
<b>Balance at end of the financial year</b>	4.3.2	<b>457,840</b>	<b>147,480</b>	<b>291,114</b>	<b>19,246</b>
<b>2025</b>					
Balance at beginning of the financial year		457,840	147,480	291,114	19,246
Surplus/(deficit) for the year		(3,750)	(3,750)	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>454,090</b>	<b>143,730</b>	<b>291,114</b>	<b>19,246</b>
<b>2026</b>					
Balance at beginning of the financial year		454,090	143,730	291,114	19,246
Surplus/(deficit) for the year		(3,579)	(3,579)	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>450,511</b>	<b>140,151</b>	<b>291,114</b>	<b>19,246</b>
<b>2027</b>					
Balance at beginning of the financial year		450,511	140,151	291,114	19,246
Surplus/(deficit) for the year		(3,342)	(3,342)	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>447,169</b>	<b>136,809</b>	<b>291,114</b>	<b>19,246</b>

### 3.4 Statement of Cash Flows

For the four years ending 30 June 2027

	Notes	Forecast	Budget	Projections		
		Actual 2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>						
Rates and charges		34,777	35,624	36,635	38,022	39,476
Statutory fees and fines		866	924	930	944	958
User fees		7,526	6,794	6,850	6,964	7,171
Grants - operating		9,061	11,820	11,467	11,194	11,350
Grants - capital		8,196	4,421	1,775	1,702	1,703
Contributions - monetary		225	67	25	25	25
Trust funds and deposits taken		469	-	-	-	-
Other receipts		449	336	333	331	331
Employee costs		(24,035)	(23,374)	(24,837)	(25,512)	(26,497)
Materials and services		(20,189)	(19,768)	(20,737)	(21,251)	(21,974)
Trust funds and deposits repaid		-	-	-	-	-
Other payments		(1,722)	(1,403)	(1,246)	(1,011)	(809)
<b>Net cash provided by/(used in) operating activities</b>	4.4.1	<b>15,623</b>	<b>15,441</b>	<b>11,195</b>	<b>11,409</b>	<b>11,734</b>
<b>Cash flows from investing activities</b>						
Payments for property, infrastructure, plant and equipment		(24,228)	(9,708)	(9,393)	(9,793)	(10,211)
Proceeds from sale of property, infrastructure, plant and equipment		3,193	-	570	-	-
Payments for investments		-	(100)	(100)	(100)	(100)
Proceeds from sale of investments		-	-	-	-	-
<b>Net cash provided by/ (used in) investing activities</b>	4.4.2	<b>(21,035)</b>	<b>(9,808)</b>	<b>(8,923)</b>	<b>(9,893)</b>	<b>(10,311)</b>
<b>Cash flows from financing activities</b>						
Finance costs		(32)	-	-	-	-
Proceeds from borrowings		-	-	-	-	-
Repayment of borrowings		(596)	-	-	-	-
Interest paid - lease liability		(25)	(12)	(9)	(3)	-
Repayment of lease liabilities		(24)	(3)	(24)	(27)	(18)
<b>Net cash provided by/(used in) financing activities</b>	4.4.3	<b>(677)</b>	<b>(15)</b>	<b>(33)</b>	<b>(30)</b>	<b>(18)</b>
Net increase/(decrease) in cash & cash equivalents		(6,089)	5,618	2,239	1,486	1,405
Cash and cash equivalents at the beginning of the financial year		25,806	19,717	25,335	27,574	29,060
<b>Cash and cash equivalents at the end of the financial year</b>		<b>19,717</b>	<b>25,335</b>	<b>27,574</b>	<b>29,060</b>	<b>30,466</b>

### 3.5 Statement of Capital Works

For the four years ending 30 June 2027

	Notes	Forecast Actual 2022-23 \$'000	Budget 2023-24 \$'000	Projections 2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
<b>Property</b>						
Land		298	-	-	-	-
Buildings		2,779	1,071	1,056	1,104	1,154
<b>Total land &amp; Buildings</b>		<b>3,077</b>	<b>1,071</b>	<b>1,056</b>	<b>1,104</b>	<b>1,154</b>
<b>Total property</b>	4.5.2	<b>3,077</b>	<b>1,071</b>	<b>1,056</b>	<b>1,104</b>	<b>1,154</b>
<b>Plant and equipment</b>						
Plant, machinery and equipment		2,056	800	836	874	913
Fixtures, fittings and furniture		0	20	21	22	23
Computers and telecommunications		507	310	324	339	354
<b>Total plant and equipment</b>	4.5.2	<b>2,563</b>	<b>1,130</b>	<b>1,181</b>	<b>1,235</b>	<b>1,290</b>
<b>Infrastructure</b>						
Roads		5,990	5,341	5,582	5,834	6,096
Bridges		1,509	244	255	266	278
Footpaths and cycleways		676	182	42	44	46
Drainage		146	320	262	274	286
Other infrastructure		10,267	1,419	1,014	1,037	1,061
<b>Total infrastructure</b>	4.5.2	<b>18,588</b>	<b>7,506</b>	<b>7,155</b>	<b>7,455</b>	<b>7,767</b>
<b>Total capital works expenditure</b>		<b>24,228</b>	<b>9,708</b>	<b>9,392</b>	<b>9,794</b>	<b>10,211</b>
<b>Represented by:</b>						
New asset expenditure		5,144	721	250	250	250
Asset renewal expenditure		16,362	8,510	8,893	9,293	9,711
Asset upgrade expenditure		2,722	477	250	250	250
<b>Total capital works expenditure</b>		<b>24,228</b>	<b>9,708</b>	<b>9,393</b>	<b>9,793</b>	<b>10,211</b>
<b>Funding Sources represented by:</b>						
Grants		12,621	4,388	1,703	1,703	1,703
Contributions		55	-	-	-	-
Council Cash		11,552	5,319	7,690	8,090	8,509
Borrowings		-	-	-	-	-
<b>Total capital works expenditure</b>		<b>24,228</b>	<b>9,708</b>	<b>9,393</b>	<b>9,793</b>	<b>10,211</b>

### 3.6 Statement of Human Resources

Council has continued to revise its functions and structures to ensure resources are used as efficiently as possible across the organisation. This has led to an overall reduction in budgeted FTE for the 2023-24 year. However, the reduction in overall FTE is primarily due to changes in the Federal Government's funding of in-house services to our older community, from a 'demand' based model to a 'supply' based model. This has meant a more realistic approach to the budgeting for what resourcing levels are required to deliver services. So whilst there has been a reduction in budgeted FTE, this does not mean a reduction in staff employed and does not mean a reduction in service delivery provided by Council.

For the four years ending 30 June 2027

Notes	Forecast	Budget	Projections		
	Actual 2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
<b>Staff expenditure</b>					
Employee costs - operating	24,035	24,271	24,915	25,585	26,609
Employee costs - capital	1,119	930	892	930	970
<b>Total staff expenditure</b>	<b>25,154</b>	<b>25,201</b>	<b>25,807</b>	<b>26,515</b>	<b>27,579</b>
	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
<b>Staff numbers</b>					
Employees	253.0	246.3	246.3	246.3	246.3
<b>Total staff numbers</b>	<b>253.0</b>	<b>246.3</b>	<b>246.3</b>	<b>246.3</b>	<b>246.3</b>

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

Department	Budget 2023-24 \$'000	Comprises			
		Permanent Full Time \$'000	Part time \$'000	Casual \$'000	Temp \$'000
Chief Executive Office	1,095	986	109	-	-
Corporate Services	3,611	3,036	474	-	101
Development and Community Services	9,461	5,026	4,425	10	-
Environment and Infrastructure Services	10,104	9,243	680	-	181
<b>Total permanent staff expenditure</b>	<b>24,271</b>	<b>18,291</b>	<b>5,688</b>	<b>10</b>	<b>282</b>
Capitalised labour costs	930				
<b>Total expenditure</b>	<b>25,201</b>				

A summary of the number of full time equivalent (FTE) Council staff in relation to the above expenditure is included below:

Department	Budget 2023-24	Comprises			
		Permanent Full Time	Part time	Casual	Temp
Chief Executive Office	11	10	1	-	-
Corporate Services	37	31	5	-	1
Development and Community Services	96	51	45	0	-
Environment and Infrastructure Services	103	94	7	-	2
<b>Total staff</b>	<b>246</b>	<b>186</b>	<b>58</b>	<b>0</b>	<b>3</b>

### 3.7 Summary of Planned Human Resources Expenditure

A summary of human resources expenditure categorised according to the organisational structure of Council for 2023-24 is included in the following table.

	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
<b>Chief Executive Office</b>				
Permanent - Full time	1,006	1,033	1,061	1,103
Women	805	826	849	882
Men	0	0	0	0
Vacant positions	201	207	212	221
Permanent - Part time	111	114	117	121
Women	111	114	117	121
Men	0	0	0	0
Vacant positions	0	0	0	0
<b>Total Chief Executive Office</b>	<b>1,117</b>	<b>1,146</b>	<b>1,177</b>	<b>1,224</b>
<b>Corporate Services</b>				
Permanent - Full time	3,099	3,181	3,267	3,397
Women	1,892	1,942	1,994	2,074
Men	805	826	849	882
Vacant positions	402	413	424	441
Permanent - Part time	486	499	512	533
Women	385	396	406	422
Men	101	103	106	110
Vacant positions	0	0	0	0
<b>Total Corporate Services</b>	<b>3,585</b>	<b>3,680</b>	<b>3,779</b>	<b>3,930</b>
<b>Development and Community Services</b>				
Permanent - Full time	5,131	5,267	5,409	5,626
Women	3,119	3,202	3,288	3,420
Men	1,509	1,549	1,591	1,655
Vacant positions	503	516	530	552
Permanent - Part time	4,519	4,638	4,763	4,954
Women	3,595	3,690	3,790	3,941
Men	485	498	511	532
Vacant positions	439	450	462	481
<b>Total Development and Community Services</b>	<b>9,650</b>	<b>9,906</b>	<b>10,173</b>	<b>10,580</b>
<b>Environment and Infrastructure Services</b>				
Permanent - Full time	8,935	9,171	9,418	9,795
Women	986	1,012	1,039	1,081
Men	7,345	7,540	7,743	8,052
Vacant positions	604	620	636	662
Permanent - Part time	692	711	730	759
Women	377	387	398	414
Men	0	0	0	0
Vacant positions	315	323	332	345
<b>Total Environment and Infrastructure Services</b>	<b>9,627</b>	<b>9,882</b>	<b>10,148</b>	<b>10,554</b>
<b>Casuals, temporary and other expenditure</b>	<b>292</b>	<b>300</b>	<b>308</b>	<b>320</b>
<b>Capitalised labour costs</b>	<b>930</b>	<b>892</b>	<b>930</b>	<b>970</b>
<b>Total staff expenditure</b>	<b>25,201</b>	<b>25,807</b>	<b>26,515</b>	<b>27,579</b>

A summary of human resources full-time equivalent (FTE) employees, categorised according to the organisational structure of Council for 2023-24, is included in the following table.

	2023-24 FTE	2024-25 FTE	2025-26 FTE	2026-27 FTE
<b>Chief Executive Office</b>				
Permanent - Full time	10.0	10.0	10.0	10.0
Women	8.0	8.0	8.0	8.0
Men	0.0	0.0	0.0	0.0
Vacant positions	2.0	2.0	2.0	2.0
Permanent - Part time	1.1	1.1	1.1	1.1
Women	1.1	1.1	1.1	1.1
Men	0.0	0.0	0.0	0.0
Vacant positions	0.0	0.0	0.0	0.0
<b>Total Chief Executive Office</b>	<b>11.1</b>	<b>11.1</b>	<b>11.1</b>	<b>11.1</b>
<b>Corporate Services</b>				
Permanent - Full time	30.8	30.8	30.8	30.8
Women	18.8	18.8	18.8	18.8
Men	8.0	8.0	8.0	8.0
Vacant positions	4.0	4.0	4.0	4.0
Permanent - Part time	4.8	4.8	4.8	4.8
Women	3.8	3.8	3.8	3.8
Men	1.0	1.0	1.0	1.0
Vacant positions	0.0	0.0	0.0	0.0
<b>Total Corporate Services</b>	<b>35.6</b>	<b>35.6</b>	<b>35.6</b>	<b>35.6</b>
<b>Development and Community Services</b>				
Permanent - Full time	51.0	51.0	51.0	51.0
Women	31.0	31.0	31.0	31.0
Men	15.0	15.0	15.0	15.0
Vacant positions	5.0	5.0	5.0	5.0
Permanent - Part time	44.9	44.9	44.9	44.9
Women	35.7	35.7	35.7	35.7
Men	4.8	4.8	4.8	4.8
Vacant positions	4.4	4.4	4.4	4.4
<b>Total Development and Community Services</b>	<b>95.9</b>	<b>95.9</b>	<b>95.9</b>	<b>95.9</b>
<b>Environment and Infrastructure Services</b>				
Permanent - Full time	88.8	88.8	88.8	88.8
Women	9.8	9.8	9.8	9.8
Men	73.0	73.0	73.0	73.0
Vacant positions	6.0	6.0	6.0	6.0
Permanent - Part time	6.9	6.9	6.9	6.9
Women	3.8	3.8	3.8	3.8
Men	0.0	0.0	0.0	0.0
Vacant positions	3.1	3.1	3.1	3.1
<b>Total Environment and Infrastructure Services</b>	<b>95.7</b>	<b>95.7</b>	<b>95.7</b>	<b>95.7</b>
<b>Casuals and temporary staff</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
<b>Capitalised labour</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>
<b>Total staff numbers</b>	<b>246.3</b>	<b>246.3</b>	<b>246.3</b>	<b>246.3</b>

## 4 Notes to the Financial Statements

This section presents detailed information on material components of the financial statements. Council determines which components are of a material nature, considering the dollar amounts and nature of these components.

### 4.1 Comprehensive Income Statement

#### 4.1.1 Rates and Charges

Rates and charges are required by the Act and the Regulations to be disclosed in Council's budget.

As per the Local Government Act 2020, Council is required to adopt a four year Revenue and Rating Plan which is a four year plan for how Council will generate income to deliver the Council Plan, program and services and capital works commitments over a four-year period.

Rates and charges are an important source of revenue for Council. Planning for future rate increases is an important component of the Long Term Financial Planning process. Like it ratepayers, most of Council's costs are impacted by inflation and market forces. Each year there are additional obligations placed on Councils by other levels of government in addition to various requests from the community to assist with challenges faced, or support for opportunities and aspirations.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community.

The Fair Go Rates System sets out the maximum amount councils may increase rates in a year and in 2023-24 the rates cap has been set at 3.5%. The cap applies to both general rates and the municipal charge and is calculated based on council's average rates and charges (see table 4.1.1(I)). Council limits rate revenue increases to comply with the Fair Go Rates System.

The Valuer-General reviews the value of every property in the municipality annually, and these property values are used to calculate individual property rates. This annual revaluation does not result in a net gain or loss of revenue to Council.

Ratepayers may see rate increases that differ from the average 3.5% increase because of changes to their property value relative to that of other ratepayers' properties

At the time of preparing Council's draft budget, not all supplementary rate notices for 2022-23 have been processed. The final data in the adopted budget may differ from that which is disclosed below due to a change in the mix of differentials (types of property) once all of the supplementary rate notices for 2022-23 are processed. The average rate increase of 3.5% will still apply.

4.1.1(a) The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

	2022-23 Forecast \$'000	2023-24 Budget \$'000	Change \$'000	%
General rates*	26,916	28,123	1,208	4.49%
Municipal charge*	2,947	3,106	158	5.38%
Waste management charge	3,407	3,713	306	9.0%
Special rates and charges	23	23	-	0.00%
Supplementary rates and rate adjustments	100	100	0	-
Revenue in lieu of rates	233	250	17	7.31%
Interest on rates and charges	100	50	(50)	(50.0%)
<b>Total rates and charges</b>	<b>33,726</b>	<b>35,365</b>	<b>1,639</b>	<b>4.86%</b>

\* These items include annualised supplementary rates, which are not subject to the rate cap.

4.1.1(b) The rate in the dollar to be levied as general rates under Section 158 of the Act for each type or class of land compared with the previous financial year:

Type or class of land	2022-23 cents/\$CIV	2023-24 cents/\$CIV	Change
Residential - Colac/Elimityt	0.002860	0.002628	(8.1%)
Residential - Balance Of Shire	0.002431	0.002234	(8.1%)
Holiday Rental	0.002860	0.002628	(8.1%)
Rural Farm	0.002145	0.001971	(8.1%)
Commercial/Industrial - Colac/Elimityt	0.004719	0.004336	(8.1%)
Commercial/Industrial - Balance Of Shire	0.004004	0.003679	(8.1%)

4.1.1(c) The estimated total amount to be raised by general rates in relation to each type or class of land, compared with the previous financial year:

Type or class of land	2022-23 \$	2023-24 \$	Change \$	%
Residential - Colac/Elimityt	7,558,740	7,693,120	134,380	1.8%
Residential - Balance Of Shire	8,905,772	9,286,908	381,136	4.3%
Holiday Rental	1,436,120	1,436,347	227	0.0%
Rural Farm	6,248,340	6,751,840	503,500	8.1%
Commercial/Industrial - Colac/Elimityt	1,852,769	1,989,196	136,427	7.4%
Commercial/Industrial - Balance Of Shire	913,857	965,951	52,094	5.7%
<b>Total amount to be raised by general rates</b>	<b>26,915,598</b>	<b>28,123,362</b>	<b>1,207,764</b>	<b>4.5%</b>

4.1.1(d) The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year:

Type or class of land	2022-23	2023-24	Change	
	Number	Number	Number	%
Residential - Colac/Elimityt	5,883	5,965	82	1.4%
Residential - Balance Of Shire	5,460	5,563	103	1.9%
Holiday Rental	567	553	(14)	(2.5%)
Rural Farm	2,857	2,891	34	1.2%
Commercial/Industrial - Colac/Elimityt	663	673	10	1.5%
Commercial/Industrial - Balance Of Shire	330	333	3	0.9%
<b>Total number of assessments</b>	<b>15,760</b>	<b>15,978</b>	<b>218</b>	<b>1.4%</b>

4.1.1(e) The basis of valuation to be used is the Capital Improved Value (CIV).

4.1.1(f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year:

Type or class of land	2022-23	2023-24	Change	
	\$	\$	\$	%
Residential - Colac/Elimityt	2,642,916,000	2,927,367,000	284,451,000	10.8%
Residential - Balance Of Shire	3,663,419,000	4,157,076,000	493,657,000	13.5%
Holiday Rental	502,140,000	546,555,000	44,415,000	8.8%
Rural Farm	2,912,979,000	3,425,591,000	512,612,000	17.6%
Commercial/Industrial - Colac/Elimityt	392,619,000	458,763,000	66,144,000	16.8%
Commercial/Industrial - Balance Of Shire	228,236,000	262,558,000	34,322,000	15.0%
<b>Total value of land</b>	<b>10,342,309,000</b>	<b>11,777,910,000</b>	<b>1,435,601,000</b>	<b>13.9%</b>

4.1.1(g) The municipal charge under Section 159 of the Act compared with the previous financial year:

Type of Charge	Per Rateable Property 2022-23	Per Rateable Property 2023-24	Change	
	\$	\$	\$	%
Municipal Charge	198	206	8	4.0%

4.1.1(h) The estimated total amount to be raised by municipal charges compared with the previous financial year:

Type of Charge	2022-23	2023-24	Change	
	\$	\$	\$	%
Municipal Charge	2,947,428	3,105,862	158,434	5.4%

4.1.1(i) The rate or unit amount to be levied for each type of service rate or charge under Section 162 of the Act compared with the previous financial year:

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2022-23	2023-24	\$	%
Weekly Kerbside collection	319	351	32	10.0%
Fortnightly Kerbside collection	243	268	25	10.3%

4.1.1(j) The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year:

Type of Charge	2022-23	2023-24	Change	
	\$	\$	\$	%
Weekly Kerbside collection	3,366,088	3,668,652	302,564	9.0%
Fortnightly Kerbside collection	41,067	44,220	3,153	7.7%
<b>Total</b>	<b>3,407,155</b>	<b>3,712,872</b>	<b>305,717</b>	<b>9.0%</b>

These figures include supplementary waste charges from new properties.

4.1.1(k) The estimated total amount to be raised by all rates and charges compared with the previous financial year:

	2022-23	2023-24	Change	
	\$	\$	\$	%
General rates	26,915,598	28,123,362	1,207,764	4.5%
Municipal charge	2,947,428	3,105,862	158,434	5.4%
Kerbside collection and recycling	3,407,155	3,712,872	305,717	9.0%
Tirrengow er Drainage Scheme	22,500	22,500	-	-
<b>Total Rates and charges</b>	<b>33,292,681</b>	<b>34,964,596</b>	<b>1,671,915</b>	<b>5.0%</b>

#### 4.1.1(l) Fair Go Rates System Compliance

Colac Otway Shire Council is fully compliant with the State Government's Fair Go Rates System.

	2022-23	2023-24
Total Rates	\$ 29,356,729	\$ 30,182,219
Number of rateable properties	15,760	15,978
Base Average Rate	\$ 1,863	\$ 1,889
Maximum Rate Increase (set by the State Government)	<b>1.75%</b>	<b>3.50%</b>
Capped Average Rate	\$ 1,895	\$ 1,955
Maximum General Rates and Municipal Charges Revenue	\$ 29,870,472	\$ 31,238,597
Budgeted General Rates and Municipal Charges Revenue	\$ 29,863,026	\$ 31,229,224
Budgeted Supplementary Rates	\$ 100,000	\$ 100,000
Budgeted Total Rates and Municipal Charges Revenue	\$ 29,963,026	\$ 31,329,224

4.1.1(m) Any significant changes that may affect the estimated amounts to be raised by rates and charges.

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

- Supplementary valuations for new properties or subdivisions (2023/24: estimated \$100,000 and 2022/23: \$100,000)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa
- Changes of use of land such that residential land becomes business land and vice versa.

#### 4.1.1(n) Differential rates

The rate and amount of rates payable in relation to land in each category of differential are listed above in item 4.1.1(b).

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

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

### Residential – Colac/Elliminyt

#### Definition:

Any land, whether vacant or built upon, which is located in Colac, Colac East, Colac West and Elliminyt that is not zoned for commercial or industrial use and which does not have the characteristics of:

- a) Rural Farm Land;
- b) Holiday Rental Land; or
- c) Commercial/Industrial Land – Colac, Colac East, Colac West or Elliminyt.

and whose highest and best use is deemed to be as residential land.

#### Objectives:

To ensure that Council has adequate funding to undertake its strategic, statutory, service provision and community services obligations and to ensure that the differential rate in the dollar declared for defined general rate land properties is fair and equitable, having regard to the cost and the level of benefits derived from provision of Council services.

#### Types and Classes:

Rateable land having the relevant characteristics described below:

- a) used primarily for residential purposes,
- b) highest and best use is deemed to be as residential,
- c) any land that is not defined as Holiday rental land, Farm Land or Commercial/Industrial Land.

**Use of Rate:**

The differential rate will be used to fund items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Level of Rate:**

100% of the base rate.

This rating category is deemed to be the “base rate” due to it containing the majority of assessments.

**Use of Land:**

Any use permitted under the Colac Otway Shire Council Planning Scheme to be used for residential purposes

**Geographic Location:**

In the localities of Colac, Colac East, Colac West and Elliminyt.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Colac Otway Shire Council Planning Scheme.

**Types of Buildings:**

All buildings which are already constructed on the land or which are constructed prior to the end of the financial year.

**Residential – Balance of Shire**

**Definition:**

Any land which is located in localities other than Colac, Colac East, Colac West or Elliminyt which does not have the characteristics of:

- a) Rural Farm Land;
- b) Residential Land – Colac, Colac East, Colac West or Elliminyt; or
- c) Holiday Rental Land;

and whose highest and best use is deemed to be as residential land.

**Objectives:**

To ensure that Council has adequate funding to undertake its strategic, statutory, service provision and community services obligations and to ensure that the differential rate in the dollar declared for defined general rate land properties is fair and equitable, having regard to the cost and the level of benefits derived from provision of Council services.

**Characteristics:**

The characteristics of the planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate of residential land. The vacant land affected by this rate is that which is zoned residential under the Colac Otway Shire Council Planning Scheme. The classification of the land will be determined by the occupation of that land for its best use and have reference to the planning scheme zoning.

**Types and Classes:**

Rateable land having the relevant characteristics described below:

- a) used primarily for residential purposes,
- b) highest and best use is deemed to be as residential,
- c) any land that is not defined as Holiday rental land, Farm Land or Commercial/Industrial Land.

**Use of Rate:**

The differential rate will be used to fund items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Level of Rate:**

85% of the base rate.

The justification for this category to be rated at a lesser rate than the base rate is that properties in this category are:

- generally in smaller townships or rural areas;
- have less access to the full suite of services and amenities provided by Council; and
- due to small populations are generally less likely to attract expenditure by Council.

**Use of Land:**

Any use permitted under the Colac Otway Shire Council Planning Scheme to be used for residential purposes.

**Geographic Location:**

In the localities of Colac, Colac East, Colac West and Elliminyt.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Colac Otway Shire Council Planning Scheme.

**Types of Buildings:**

All buildings which are already constructed on the land or which are constructed prior to the end of the financial year.

**Holiday Rental**

**Definition:**

Any land that contains a dwelling, cabin or house or part of a house that:

- a) Is used for the provision of holiday accommodation for the purpose of generating income;  
or
- b) Is made generally available for holiday accommodation and is a secondary or supplemental source of income for the owner.

Note: Typically, the category will include absentee owned holiday houses publicly made available for short term accommodation for a tariff, owner occupied “Bed and Breakfast” establishments, farm properties with accommodation cabins, holiday farms and the like.

The category will not include:

- absentee owned holiday houses that are not publicly made available for hire but are used by family/friends of the owner for short term holiday accommodation, and
- land used to provide tourist/holiday accommodation on an overtly commercial scale and basis where the provision of accommodation is an integral part of the use of the property.

The types of properties excluded from this category would therefore include motels, resorts, hotels with accommodation, caravan parks, centrally managed and promoted multi-unit developments and the like.

**Objectives:**

To ensure that Council has adequate funding to undertake its strategic, statutory, service provision and community services obligations and to ensure that the differential rate in the dollar declared for defined general rate land properties is fair and equitable, having regard to the cost and the level of benefits derived from provision of Council services.

**Characteristics:**

Properties included in this rating category will be characterised by their use and/or availability for short term holiday accommodation for a tariff. The proportion of the year for which they are used for this purpose is not relevant.

The extent to which a property is let out for short term holiday accommodation will vary from property to property and will depend on a variety of factors.

A common factor however is the most property owners have the property set up as a business for taxation purposes.

**Types and Classes:**

Rateable land having the relevant characteristics described below:

- a) used for the provision of holiday accommodation for the purpose of generating income,
- b) Is made generally available for holiday accommodation and is a secondary or supplemental source of income for the owner.

**Use of Rate:**

The differential rate will be used to fund items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Level of Rate:**

100% of the base rate.

The justification for this category to be rated at the base rate is that

- the provision of short term holiday accommodation is generally conducted as a semi commercial activity, so rating these properties at the Commercial rate in the dollar would be unfair;

- There is also a wide variation as to the extent to which these properties are used for this purpose, so rating these properties at the Commercial rate in the dollar would be unfair and may force reluctant property owners to make the property available more often, possibly saturating the market and reducing returns able to be generated by many
- Use of these properties for this purpose tends to be seasonal

It is recognised however that:

- these properties are in direct competition with other holiday accommodation property types that are included in the Commercial rating category;
- owners of these properties benefit from using the property in this manner and that customers to these properties use facilities and infrastructure provided by the shire; and
- rates paid for properties in this category are generally a tax deductible expense.

It is therefore considered fair and equitable that these properties pay a rate in the dollar higher than the “Residential - Balance of Shire” rate in the dollar, but less than the Commercial rate in the dollar.

It is noted this means the Holiday rental properties in Colac/Elliminyt pay no more than the “Residential – Colac/Elliminyt” rate. Historically, there have been few properties in Colac/Elliminyt used for short term holiday accommodation, however with the rise of AirBnB, etc, this is an issue that will be monitored.

#### **Use of Land:**

Any use permitted under the Colac Otway Shire Council Planning Scheme that allows use of the property to provide short term holiday accommodation.

#### **Geographic Location:**

In all the localities of the Colac Otway Shire.

#### **Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Colac Otway Shire Council Planning Scheme.

#### **Types of Buildings:**

All buildings which are already constructed on the land or which are constructed prior to the end of the financial year.

### **Rural Farm**

#### **Definition:**

Any land located within the shire which is “Farm Land” within the meaning of section 2 of the Valuation of Land Act 1960 and is zoned to allow land to be used for rural and/or farming purposes.

Any land which is “Farm Land” within the meaning of Section 2(1) of the Valuation of Land Act 1960.

- a) Farm Land means any rateable land that is 2 or more hectares in area;
- b) used primarily for primary producing purposes from its activities on the land; used primarily for grazing (including agistment), dairying, pig-farming, poultry farming, fish farming, tree farming, bee keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or for any combination of those activities; and

That is used by a business –

- That has a significant and substantial commercial purpose of character;
- That seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
- That is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating.

Typically, these properties may contain buildings used as a residence and for farm purposes and will also contain land with no buildings located upon it.

In addition, it may include small parcels of undeveloped land that do not meet the meaning of “Farm Land” prescribed in of section 2 of the Valuation of Land Act 1960, but are also deemed unlikely to be granted a town planning permit for a dwelling to be located on the property.

Typically these properties will be:

- a) up to 5 hectares in area;
- b) be zoned to allow the land to be used for rural and/or farming purposes;
- c) been deemed unviable for the purposes of carrying on a business of primary production by Council; and
- d) been deemed unsuitable to allow the construction of a dwelling.

**Objectives:**

To ensure that Council has adequate funding to undertake its strategic, statutory, service provision and community services obligations and to ensure that the differential rate in the dollar declared for defined Farm Rate land properties is fair and equitable, having regard to the cost and the level of benefits derived from provision of Council services with considerations to maintain agriculture as a major industry in the municipal district, to facilitate the longevity of the farm sector and achieve a balance between providing for municipal growth and retaining the important agricultural economic base.

**Characteristics:**

The characteristics of the Rural Farm planning scheme zoning are applicable to the determination of whether land is included in the Rural Farm rating category.

**Types and Classes:**

Farm Land having the relevant characteristics described above that is:

- a) used primarily for primary production purposes; or
- b) any land that is not defined as Residential, Holiday Rental or Commercial/Industrial Land.

**Use of Rate:**

The differential rate will be used to fund items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Level of Rate:**

75% of the base rate.

The justification for this category to be rated at a lesser rate than the base rate is that properties in this category are:

- in rural areas;
- have less access to the full suite of services and amenities provided by Council;
- are generally less likely to attract expenditure by Council;
- due to the land area required to operate, these properties have higher valuations (and therefore higher rates) than residential properties; and
- tend to operate in an environment that is subject to the vagaries of weather and external factors beyond the farmer's control.

**Use of Land:**

Any use permitted under the Colac Otway Shire Council Planning Scheme.

**Geographic Location:**

In all the localities of the Colac Otway Shire that contain land zoned in the Colac Otway Planning Scheme as Rural Farm.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Colac Otway Shire Council Planning Scheme.

**Types of Buildings:**

All buildings which are already constructed on the land or which are constructed prior to the end of the financial year

**Commercial/Industrial – Colac/Elliminyt**

**Definition:**

Any land which is located in Colac, Colac East, Colac West or Elliminyt which does not have the characteristics of:

- a) Rural Farm Land;
- b) Residential Land – Colac, Colac East, Colac West or Elliminyt; or
- c) Holiday Rental Land; and;

Is used primarily for:

- a) The sale of goods or services;
- b) Other commercial purposes; or
- c) Industrial purposes, or is land which is vacant but zoned for commercial or industrial use.

**Objectives:**

To ensure that Council has adequate funding to undertake its strategic, statutory, service provision and community services obligations and to ensure that the differential rate in the dollar declared for defined Commercial/Industrial Rate land properties is fair and equitable, having regard to the cost and the level of benefits derived from provision of Council services.

The commercial businesses of Colac Otway Shire Council benefit from ongoing significant investment by Council in services and infrastructure. Council also notes the tax deductibility of

Council rates for commercial properties which is not available to the residential sector, and also the income generating capability of commercial based properties.

The Commercial differential rate is applied to promote the economic development objectives for the Colac Otway Shire Council as outlined in the Council Plan. These objectives include an ongoing significant investment to create a vibrant economy and includes the maintenance and improvement of tourism infrastructure. Construction and maintenance of public infrastructure, development and provision of health and community services and the general provision of support services and promotion of business in the municipality

**Characteristics:**

The characteristics of the planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to Commercial/Industrial Land. The classification of the land will be determined by the occupation of that land for its best use and have reference to the planning scheme zoning.

**Types and Classes:**

Commercial/Industrial having the relevant characteristics described below:

- a) used primarily for commercial or industrial purposes; or
- b) any land that is not defined as Residential, Holiday Rental or Farm Land.

**Use of Rate:**

The differential rate will be used to fund items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Level of Rate:**

165% of the base rate.

The rationale for this category to be rated at a rate above the base rate is that:

- businesses conducted at these properties benefit from the services and facilities provided by Council;
- services and facilities provided by the shire help to attract residents to the shire, which can provide businesses with both a source of labour and customers; and
- businesses generally have a capacity pay, which is complimented by rates being a tax deductible expense.

It is therefore deemed fair and equitable that properties in this category pay rates at a higher rate in the dollar than the base rate.

**Use of Land:**

Any use permitted under the Colac Otway Shire Council Planning Scheme.

**Geographic Location:**

In the localities of Colac, Colac East, Colac West and Elliminyt.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Colac Otway Shire Council Planning Scheme.

**Types of Buildings:**

All buildings which are already constructed on the land or which are constructed prior to the end of the financial year.

**Commercial/Industrial – Balance of Shire**

**Definition:**

Any land which is located in localities other than Colac, Colac East, Colac West or Elliminyt which does not have the characteristics of:

- a) Rural Farm Land;
- b) Residential Land – Colac, Colac East, Colac West or Elliminyt; or
- c) Holiday Rental Land; and;

is used primarily for:

- a) The sale of goods or services;
- b) Other commercial purposes; or
- c) Industrial purposes,

or is land which is vacant but zoned for commercial or industrial use.

**Objectives:**

To ensure that Council has adequate funding to undertake its strategic, statutory, service provision and community services obligations and to ensure that the differential rate in the dollar declared for defined Commercial/Industrial Rate land properties is fair and equitable, having regard to the cost and the level of benefits derived from provision of Council services.

The commercial businesses of Colac Otway Shire Council benefit from ongoing significant investment by Council in services and infrastructure. Council also notes the tax deductibility of Council rates for commercial properties which is not available to the residential sector, and also the income generating capability of commercial based properties.

The Commercial differential rate is applied to promote the economic development objectives for the Colac Otway Shire Council as outlined in the Council Plan. These objectives include an ongoing significant investment to create a vibrant economy and includes the maintenance and improvement of tourism infrastructure. Construction and maintenance of public infrastructure, development and provision of health and community services and the general provision of support services and promotion of business in the municipality

**Characteristics:**

The characteristics of the planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to Commercial/Industrial Land. The classification of the land will be determined by the occupation of that land for its best use and have reference to the planning scheme zoning.

**Types and Classes:**

Commercial/Industrial having the relevant characteristics described below:

- a) used primarily for commercial or industrial purposes; or
- b) any land that is not defined as Residential, Holiday Rental or Farm Land.

**Use of Rate:**

The differential rate will be used to fund items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Level of Rate:**

140% of the base rate.

The rationale for this category to be rated at a rate above the base rate is that:

- businesses conducted at these properties benefit from the services and facilities provided by Council;
- services and facilities provided by the shire help to attract residents to the shire, which can provide businesses with both a source of labor and customers; and
- businesses generally have a capacity pay, which is complimented by rates being a tax deductible expense.

However, as properties in this category are generally located in smaller townships, there can be less opportunity to generate revenue. This can vary depending on the type of business.

It is therefore deemed fair and equitable that properties in this category pay rates at a higher rate in the dollar than the base rate but less than the rate in the dollar for “Commercial/Industrial - Colac/Elliminyt”

**Use of Land:**

Any use permitted under the Colac Otway Shire Council Planning Scheme. Geographic Location: In the localities of Colac, Colac East, Colac West and Elliminyt.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Colac Otway Shire Council Planning Scheme.

**Types of Buildings:**

All buildings which are already constructed on the land or which are constructed prior to the end of the financial year.

**Other Charges**

**Municipal Charge**

A Municipal Charge be declared for the budgeted period pertaining to this budget document to cover some of the administrative costs of the Council.

The Municipal Charge to be as stated in item 4.1.1(g) per annum for each rateable property in respect of which a municipal charge can be levied.

**Annual Service (Waste Management) Charges**

An annual service charge for the weekly and fortnightly domestic kerbside collection service is also levied. The aim of the charge is to apportion the total cost of managing the collection, transportation and disposal of domestic waste, to the owners of all properties that derive a benefit from having the service available for use.

The charge is therefore levied on all developed assessments used primarily for residential or commercial purposes that are located on the designated collection routes. The charge is not levied on vacant land properties.

Commercial/Industrial properties may apply for an exemption from the charge if they produce non domestic types of waste and provide proof they have engaged a contractor to collect and dispose of their waste

### **Tirrengower Special (Drainage) Scheme**

Colac Otway Shire Council utilise Special Charges on a case-by-case basis, except for the application of the Tirrengower Special (Drainage) Scheme. This is an ongoing scheme where landholders who benefit from the infrastructure contribute an annual amount equal to \$2.50 per hectare.

The special charge for the Tirrengower drainage works previously declared by Council to be fixed at \$2.50 per hectare for the period 1 July 2023 to 30 June 2024.

#### 4.1.2 Statutory fees and charges

	Forecast	Budget	Change	
	2022-23	2023-24	\$'000	%
	\$'000	\$'000	\$'000	%
Statutory Planning Operations	373	373	0	-
Public Health Operations	232	243	11	4.5%
Building Services Operations	118	106	(12)	(10.2%)
Local Law s Operations	72	64	(8)	(11.1%)
Property & Rates Operations	42	33	(9)	(21.4%)
Infrastructure Customer Services	11	80	69	627.3%
Emergency Management Operations	14	10	(4)	(28.6%)
Planning Compliance	3	8	6	220.2%
Corporate Services Management	1	0	(1)	(66.7%)
<b>Total statutory fees and fines</b>	<b>866</b>	<b>917</b>	<b>52</b>	<b>6.0%</b>

Statutory fees and fines relate mainly to fees and fines levied in accordance with legislation and include fees for planning certificates, subdivision certificates, building certificates and local law infringements.

Revenue from statutory fees are budgeted to increase by 6.0% or \$0.052 million compared to 2022-23.

#### 4.1.3 User charges

	Forecast	Budget	Change	
	2022-23	2023-24	\$'000	%
	\$'000	\$'000	\$'000	%
Aged Care Management Administration	3,958	3,325	(633)	(16.0%)
Bluewater Fitness Centre Operations	1,500	1,369	(130)	(8.7%)
Colac Livestock Selling Centre Operations	467	505	38	8.1%
COPACC Management Operations	263	290	27	10.3%
Great Ocean Road VIC Operations	224	199	(25)	(11.2%)
Waste Management Administration	315	378	63	20.1%
Local Law s Operations	218	241	23	10.3%
Apollo Bay Harbour Admin	147	179	32	21.8%
Infrastructure Development	175	40	(135)	(77.1%)
Family & Children` s Services Operations	81	53	(28)	(34.0%)
Colac Visitor Information Centre Operations	35	-	(35)	(100.0%)
Airfield Operations	22	39	17	76.0%
Building Services Operations	32	32	(1)	(2.2%)
Public Health Operations	3	4	1	16.7%
Standpipe Management Operations	1	-	(1)	(100.0%)
Risk Management Operations	1	1	0	-
Statutory Planning Operations	1	1	0	-
Strategic Asset & Property Services Operations	80	87	7	8.7%
Financial Services Operations	2	2	0	-
Events Operations	4	4	0	-
<b>Total user fees</b>	<b>7,526</b>	<b>6,745</b>	<b>(781)</b>	<b>(10.4%)</b>

The budgeted decrease in user fees is largely due to change in delivery of fully-funded Home Care Packages in 2023-24 to reflect the new funding model of the Commonwealth Government. This increase is offset by the reduced costs to deliver the packages, as shown in the '4.1.7 Employee Cost' analysis.

The other area where user fees has decreased in comparison to 2022-23 is in the area of Infrastructure Development, where some categories of fees have been more correctly categorised as Statutory Fees and are now included in Note 4.1.2.

#### **4.1.4 Grants operating and capital**

The budgeted recurrent operating grants are similar to the 2022-23 forecast, with the expectation that Federal Assistant Grant (Victorian Grants Commission) funding will increase, with 75% of the 2023-24 grant received in advance in 2022-23.

The 2022-23 forecast includes \$2.18m funding for Economic and Business Enterprise one-off projects, which has an offsetting expense.

The budgeted capital grants have decreased compared to 2022-23 by \$8.39m. 2022-23 includes capital grant funding received for capital works carried forward from 2021-22 and additional Local Roads and Community Infrastructure (LRCI) program funding of \$4.3m. 2023-24 capital grants include funding for Roads to Recovery of \$1.7m. The reduction in expected capital grants is reflected in the reduced capital works program (refer to section 4.5 Capital works program).

Council does not budget for grants or corresponding project budgets that are not confirmed with a signed grant agreement.

	Forecast	Budget	Change	
	2022-23	2023-24	\$'000	%
	\$'000	\$'000	\$'000	%
<b>Grants were received in respect of the following:</b>				
Summary of grants				
Commonwealth funded grants	16,740	10,547	(6,193)	(37.0%)
State funded grants	10,691	5,576	(5,115)	(47.8%)
<b>Total grants received</b>	<b>27,431</b>	<b>16,123</b>	<b>(11,308)</b>	<b>(41.2%)</b>
<b>(a) Operating Grants</b>				
<b>Recurrent - Commonwealth Government</b>				
Family & Children's Services Operations	330	170	(160)	(48.5%)
Aged Care Management Administration	91	29	(62)	(68.1%)
Other	66	66	0	-
Victorian Grants Commission	8,599	8,579	(20)	(0.2%)
<b>Recurrent - State Government</b>				
Aged Care Management Administration	1,048	1,071	23	2.2%
Port of Apollo Bay Operations	878	878	0	-
Environment and Community Safety Operations	21	47	26	123.8%
Maternal & Child Health Operations	410	423	13	3.2%
Regional Assessment Service Operations	182	182	0	-
COPACC Management Operations	95	95	0	-
School Crossing Supervision Operations	55	55	0	-
Revenue Services	50	50	0	-
Public Health Operations	19	20	1	6.4%
Family & Children's Services Operations	1	1	0	-
Bluewater Leisure Centre	10	-	(10)	(100.0%)
<b>Total recurrent grants</b>	<b>11,855</b>	<b>11,666</b>	<b>(29)</b>	<b>(0.2%)</b>
<b>Non-recurrent - Commonwealth Government</b>				
City Deal Projects	744	-	(744)	(100.0%)
Family & Children's Services Operations	39	-	(39)	(100.0%)
<b>Non-recurrent - State Government</b>				
Economic Development Operations	1,166	-	(1,166)	(100.0%)
Community Services Management	194	68	(126)	(64.9%)
Family & Children's Services Operations	5	-	(5)	(100.0%)
Recreation & Open Spaces	77	-	(77)	100.0%
Working For Victoria	13	-	(13)	(100.0%)
Strategic Planning Operations	559	-	(559)	(100.0%)
<b>Total non-recurrent grants</b>	<b>2,797</b>	<b>68</b>	<b>(2,729)</b>	<b>(97.6%)</b>
<b>Total operating grants</b>	<b>14,652</b>	<b>11,734</b>	<b>(2,918)</b>	<b>(19.9%)</b>
<b>(b) Capital Grants</b>				
<b>Recurrent - Commonwealth Government</b>				
Roads to recovery	1,703	1,703	-	-
<b>Total recurrent grants</b>	<b>1,703</b>	<b>1,703</b>	<b>0</b>	<b>0.0%</b>
<b>Non-recurrent - Commonwealth Government</b>				
Recreation, Leisure and Community Facilities	5,168	-	(5,168)	(100.0%)
<b>Non-recurrent - State Government</b>				
Local Roads and Community Infrastructure Funding	5,908	2,686	(3,222)	(54.5%)
<b>Total non-recurrent grants</b>	<b>11,076</b>	<b>2,686</b>	<b>(8,390)</b>	<b>(75.7%)</b>
<b>Total capital grants</b>	<b>12,779</b>	<b>4,389</b>	<b>(8,390)</b>	<b>(65.7%)</b>
<b>Total Grants</b>	<b>27,431</b>	<b>16,123</b>	<b>(11,308)</b>	<b>(41.2%)</b>

#### 4.1.5 Contributions

	Forecast	Budget	Change	
	2022-23	2023-24	\$'000	%
	\$'000	\$'000	\$'000	%
Monetary	225	67	(158)	(70.1%)
Non-monetary	-	-	-	-
<b>Total contributions</b>	<b>225</b>	<b>67</b>	<b>(158)</b>	<b>(70.1%)</b>

Monetary contributions are expected to decrease due to 2023-24 contributions relating to one-off projects and anticipated public open space contributions. 2022-23 project contributions related to the Colac Civic Precinct Plan (\$90k), Planning Scheme Amendment Birregurra Flood Study (\$20K), Community Sport Lighting Upgrades (\$55k), and various reserve projects (\$55k).

#### 4.1.6 Other income

	Forecast	Budget	Change	
	2022-23	2023-24	\$'000	%
	\$'000	\$'000	\$'000	%
Reimbursements	56	41	(15)	(27.0%)
Port of Apollo Bay Administration Income	2	2	-	-
Interest	20	20	0	-
Other income	234	258	24	10.1%
Works on Road Permits	-	-	0	-
Rates Legal Costs Recovered	53	13	(40)	(75.5%)
Landing Fees	-	-	-	-
<b>Total other income</b>	<b>365</b>	<b>333</b>	<b>(31)</b>	<b>(8.6%)</b>

The budget for other income is expected to reduce due to a realignment to use fees as well as removal of Barnard Trust will be offset by the reduced costs in materials and services, as shown in the '4.1.8 Materials and services' analysis.

#### 4.1.7 Employee costs

	Forecast	Budget	Change	
	2022-23	2023-24	\$'000	%
	\$'000	\$'000	\$'000	%
Wages and salaries	17,331	17,707	376	2.2%
Employee Leave	2,887	2,006	(881)	(30.5%)
Superannuation	1,982	2,414	432	21.8%
Casual Staff	591	729	139	23.5%
Sick Leave	565	678	114	20.1%
Other Employee Benefits	9	12	3	36.8%
Fringe Benefits Tax	174	175	1	0.4%
WorkCover	497	550	53	10.6%
<b>Total employee costs</b>	<b>24,035</b>	<b>24,271</b>	<b>236</b>	<b>1.0%</b>

Primary drivers of the change between the 2022-23 and 2023-24 financial years include: reduction in overall FTE, increases in wages and salaries arising from EBA increments and allowances, increase in superannuation to 11.5% and increase in WorkCover premiums. While these are the underlying changes, the financial model Council uses to distribute overall employee costs includes a re-distribution of overheads across various cost elements, and so comparison between years for each line is not directly comparable.

Refer to section 3.6 notes to the Statement of Human Resources for more information on employee costs.

#### 4.1.8 Materials and services

	Forecast	Budget	Change	
	2022-23	2023-24	\$'000	%
	\$'000	\$'000	\$'000	%
Contractors	11,896	9,094	(2,802)	(23.6%)
Materials	3,743	4,043	300	8.0%
Subscriptions and memberships	2,360	2,436	76	3.2%
Utilities	1,254	1,281	27	2.1%
Consultants	1,269	814	(456)	(35.9%)
Agency staff	543	652	109	20.1%
Insurances	938	1,187	249	26.6%
Training costs	504	523	19	3.8%
Plant and equipment (maintenance & internal charge)	214	314	101	47.1%
Legal costs	144	160	16	11.1%
Venue Hire	31	8	(23)	(73.7%)
Other expenditure	41	10	(31)	(75.6%)
Permits	2	2	0	-
Merchant Fees	3	5	2	66.7%
<b>Total materials and services</b>	<b>22,941</b>	<b>20,527</b>	<b>(2,413)</b>	<b>(10.5%)</b>

The budget for materials and services is expected to reduce in 2023-24, largely due to the 2022-23 forecast including projects carried forward from previous years, as well as non-recurrent operational initiatives. These significant initiatives total \$930k for expenses related to the Forrest Mountain Bike Trail.

As referenced in the CEO's introduction, Council has also reduced its budget in 2023-24 by \$0.257 million through identifying efficiencies and improved budgeting processes, including through centralising training budgets, phones and printing costs, and reduced legal costs and other miscellaneous savings.

#### 4.1.9 Depreciation

	Forecast	Budget	Change	
	2022-23	2023-24	\$'000	%
	\$'000	\$'000	\$'000	%
Buildings	1,939	1,939	0	-
Plant & equipment	1,770	1,770	0	-
Infrastructure	10,190	10,783	592	5.8%
<b>Total depreciation</b>	<b>13,900</b>	<b>14,493</b>	<b>592</b>	<b>4.3%</b>

Depreciation measures the allocation of the value of an asset over its useful life for Council's property, plant and equipment (including infrastructure assets such as roads and drains) as a result of delivering services to the community. The increase of \$0.592 million or 4.3% compared to 2022-23 is due mainly to the anticipated completion of the 2022-23 capital works program and incorporation of information coming through preliminary asset revaluation work in early 2023.

#### 4.1.10 Amortisation

	Forecast	Budget	Change	
	2022-23	2023-24	\$'000	%
	\$'000	\$'000	\$'000	%
Right of use assets	24	101	77	324.8%
<b>Total amortisation - right of use assets</b>	<b>24</b>	<b>101</b>	<b>77</b>	<b>324.8%</b>

Amortisation measures the allocation of an intangible asset over its useful life for the tip air space and leases (right of use assets). Amortisation of right of use assets include the Apollo Bay Early Years Hub, Colac Library and gym equipment at Bluewater Leisure Centre.

#### 4.1.11 Other expenses

	Forecast	Budget	Change	
	2022-23	2023-24	\$'000	%
	\$'000	\$'000	\$'000	%
Grants and donations paid	748	711	(38)	(5.1%)
Elected Members Allowances	234	312	78	33.4%
Other costs	510	222	(288)	(56.5%)
Fire service levy	70	70	-	-
Auditors remuneration	47	60	13	27.7%
Rates Written Off	30	-	30	(100.0%)
Elected Members Superannuation Contribution	24	25	-	-
Elected Member Mileage Allowance per km	20	20	-	-
Animal registration levy	23	24	1	4.3%
Royalties and commissions	5	9	4	80.0%
Interest Payments Interfund	5	-	(5)	(100.0%)
Remote Area Councillor Travel Allowance	3	3	-	-
Corporate Card Expenses	3	3	-	-
<b>Total other expenses</b>	<b>1,722</b>	<b>1,457</b>	<b>(264)</b>	<b>(15.3%)</b>

The budgeted movement mainly relates to operating projects carried forward from 2021-22, Outdoor Activation \$171k and Information Service projects \$150k which are reflected in the forecast 'Other costs' in 2022-23.

## 4.2 Balance Sheet

### 4.2.1 Assets

Assets will decrease in 2023-24 with Cash increasing and Property, Infrastructure, Plant and Equipment expected to decrease. Property, infrastructure, plant and equipment comprise 93.4% of Council's total assets and the decrease is largely due to the capital works program being lower than depreciation. 'Right-of-Use' assets have increased from prior years, primarily by the recognition of the Colac Library which was transferred at a value of \$2.76 million.

### 4.2.2 Liabilities

Liabilities will decrease in 2023-24, with a combination of reduced trade creditors and provisions offset with an increase in trust deposits held by Council, the main contributors. The lease liabilities of \$9k reflect the remaining liability for committed lease payments for equipment. The leased equipment assets are represented under 'Right of Use' assets in the balance sheet.

### 4.2.3 Borrowings

The table below shows information on borrowings specifically required by the Regulations.

	Forecast 2022-23 \$'000	Budget 2023-24 \$	Budget 2024-25 \$	Budget 2025-26 \$	Budget 2026-27 \$
Amount borrowed as at 30 June of the prior year	596	-	-	-	-
Amount proposed to be borrowed	-	-	-	-	-
Amount projected to be redeemed	(596)	-	-	-	-
<b>Amount of borrowings as at 30 June</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 4.2.4 Leases by category

As a result of the introduction of AASB 16 Leases, right-of-use assets and lease liabilities have been recognised as outlined in the table below.

	Forecast 2022-23 \$'000	Budget 2023-24 \$'000
<b>Right-of-use assets</b>		
Property	3,000	2,918
Plant and equipment	60	41
<b>Total right-of-use assets</b>	<b>3,060</b>	<b>2,959</b>
<b>Lease liabilities</b>		
<b>Current lease Liabilities</b>		
Plant and equipment	18	6
<b>Total current lease liabilities</b>	<b>18</b>	<b>6</b>
<b>Non-current lease liabilities</b>		
Plant and equipment	-	9
<b>Total non-current lease liabilities</b>	<b>-</b>	<b>9</b>
<b>Total lease liabilities</b>	<b>18</b>	<b>15</b>

### 4.3 Statement of Changes in Equity

Reserve Name	Reserve Type	Forecast	Budget
		2022-23 \$'000	2023-24 \$'000
Asset Revaluation Reserve	Discretionary	291,114	291,114
Financial Assistance Grants Received in Advance	Discretionary	6,316	6,474
Waste Management Reserve	Discretionary	2,682	2,610
Landfill Rehabilitation (Alvie) Reserve	Discretionary	1,151	1,208
Long Service Leave Reserve	Discretionary	2,983	2,883
Plant Replacement Reserve	Discretionary	884	954
Port of Apollo Bay Reserve	Contractual	17	17
Recreational Lands Reserve	Statutory	970	970
Rehabilitation Reserve	Discretionary	1,046	1,189
Water Sensitive Urban Design	Discretionary	68	68
Disaster Recovery	Discretionary	6	6
Strategic Projects Reserve	Discretionary	3,069	2,789
Tirrengow er Drainage Scheme Reserve	Contractual	78	78
<b>Total Equity Reserves</b>		<b>310,384</b>	<b>310,360</b>

#### Purpose for Reserves

##### Asset Revaluation Reserve

###### Purpose

This reserve captures the reassessment of the value of Council's capital assets.

##### Carryover Reserve

###### Purpose

The purpose of this reserve is to act as a mechanism to carry over funding for projects that are still in progress at year end.

##### Financial Assistance Grants received in advance

###### Purpose

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

##### Waste Management Reserve

###### Purpose

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

###### Purpose

The purpose of this reserve is to ensure that the nominal long service leave balances owing to employees are maintained.

### **Landfill Rehabilitation (Alvie) Reserve**

#### Purpose

This reserve relates to the funds required to restore the Alvie landfill. The rehabilitation reserve will continue to grow until the landfill closes, at which time, the funds will be utilised to meet this obligation.

### **Recreational Lands Reserve**

#### Purpose

Statutory reserve to be used for the development of recreational reserves and public open space.

### **Rehabilitation Reserve**

#### Purpose

This reserve is to fund the rehabilitation and aftercare of the various closed waste disposal sites across the Colac Otway Shire.

### **Plant replacement Reserve**

#### Purpose

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.

### **Strategic Projects Reserve**

#### Purpose

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

### **Tirrengower Drainage Scheme Reserve**

#### Purpose

These funds are collected via a special rate and must be expended against the purpose of the drainage scheme at Tirrengower.

### **Disaster Recovery**

#### Purpose

This reserve relates to disaster recovery funds received for bushfire and flood events.

## **4.4 Statement of Cash Flows**

### **4.4.1 Net Cash Provided from Operating Activities**

There is an increase in cash provided by operating activities in 2023-24 compared to the forecast 2022-23 financial year due to the higher cost of materials and services expected to be incurred in 2022-23 to complete the projects carried forward from 2021-22.

The capital program is budgeted to reduce in 2023-24, as carried forward projects from 2021-22 are completed in 2022-23.

### **4.4.2 Cash Flows from Investing Activities**

New capital works budgeted in 2023-24 is lower than the 2022-23 budgeted program of \$12.1m by \$2.4m. The decrease in 'Payments for property, infrastructure, plant and equipment' mainly reflects this reduced program.

### **4.4.3 Cash Flows from Financing Activities**

One loan to be repaid in full in June 2023. 2022-23 repayments represent scheduled loan repayments of \$596k.

## 4.5 Statement of Capital Works

This section provides a summary of the planned capital expenditure and funding for the 2023-24 year classified by expenditure type and funding source.

### 4.5.1 Summary

	Forecast	Budget	Change	%
	2022-23	2023-24		
	\$'000	\$'000	\$'000	
Property	3,077	1,071	(2,006)	-65.19%
Plant and equipment	2,563	1,130	(1,433)	-55.91%
Infrastructure	18,588	7,506	(11,082)	-59.62%
<b>Total</b>	<b>24,228</b>	<b>9,708</b>	<b>(14,520)</b>	<b>-59.93%</b>

	Project Cost \$'000	Asset expenditure types			Summary of Funding Sources			
		New	Renewal	Upgrade	Grants	Contrib.	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	1,071	-	1,011	60	436	-	635	-
Plant and equipment	1,130	-	1,130	-	-	-	1,130	-
Infrastructure	7,506	721	6,368	417	3,952	-	3,554	-
<b>Total</b>	<b>9,708</b>	<b>721</b>	<b>8,510</b>	<b>477</b>	<b>4,388</b>	<b>-</b>	<b>5,319</b>	<b>-</b>

The 2022-23 forecast figures include capital works carried forward from previous years and increased funding renewal and upgrade works. The 2022-23 Capital Works Program has increased from the Adopted Budget of \$12.33million, by \$11.895million. The proposed Budget 2023-24 is premised on all of the 2022-23 Capital Works Program being completed and this will be affirmed at the end of 2022-23 financial year draws to a close.

### 4.5.2 Current Budget

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding Sources			
		New	Renewal	Upgrade	Grants	Contrib.	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>PROPERTY</b>								
<b>Buildings</b>								
<i>Building Renewal Programme</i>	1,011	-	1,011	-	436	-	575	-
<i>Building Upgrade Programme</i>	60	-	-	60	-	-	60	-
<b>TOTAL PROPERTY</b>	<b>1,071</b>	<b>-</b>	<b>1,011</b>	<b>60</b>	<b>436</b>	<b>-</b>	<b>635</b>	<b>-</b>
<b>PLANT AND EQUIPMENT</b>								
<b>Plant, Machinery and Equipment</b>								
<i>Annual Heavy Plant Replacement Program</i>	600	-	600	-	-	-	600	-
<i>Annual Light Fleet Replacement Program</i>	200	-	200	-	-	-	200	-
<b>Fixtures, Fittings and Furniture</b>								
<i>Fixtures, Fittings and Furniture</i>	20	-	20	-	-	-	20	-
<b>Computers and Telecommunications</b>								
<i>ICT - Device Renewal</i>	110	-	110	-	-	-	110	-
<i>ICT - Critical Infrastructure Improvement</i>	200	-	200	-	-	-	200	-
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>1,130</b>	<b>-</b>	<b>1,130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,130</b>	<b>-</b>

**Current Budge (cont.)**

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
<b>INFRASTRUCTURE</b>								
<b>Roads</b>								
<i>Crack Sealing Program</i>	80	-	80	-	-	-	80	-
<i>Kerb and Channel Renewal Program</i>	109	-	109	-	-	-	109	-
<i>Major Patching Program</i>	300	-	300	-	-	-	300	-
<i>LRCI Sealed Road Reconstruction Renewal Program</i>	982	-	982	-	982	-	-	-
<i>Sealed Road Reconstruction Renewal Program</i>	1,780	-	1,780	-	703	-	1,077	-
<i>Unsealed Road Reconstruction Program</i>	1,850	-	1,850	-	1,000	-	850	-
<i>Road Safety Renewal Program</i>	90	-	90	-	-	-	90	-
<i>Road Safety Upgrade Program</i>	150	-	150	-	-	-	150	-
<b>Bridges</b>								
<i>Bridge Renewal Program</i>	244	-	244	-	-	-	244	-
<b>Footpaths and Cycleways</b>								
<i>Footpath New Program</i>	142	142	-	-	142	-	-	-
<i>Footpath Renewal Program</i>	40	-	40	-	-	-	40	-
<b>Drainage</b>								
<i>Stormwater Renewal Program</i>	251	-	251	-	-	-	251	-
<i>Stormwater Upgrade Program</i>	69	-	-	69	-	-	69	-
<b>Other infrastructure</b>								
<i>Public street litter bin replacement program-Includes solar compaction bins and additional public recycling bins</i>	120	-	72	48	-	-	120	-
<i>Repair works to the Apollo Bay Recourse Recovery Centre building</i>	55	-	55	-	-	-	55	-
<i>Eliminyt Tennis court resurfacing and fence repair</i>	250	-	250	-	250	-	-	-
<i>Open Space renewal works - scope to budget allocation</i>	40	-	40	-	-	-	40	-
<i>Birregurra play space redevelopment</i>	275	-	55	220	275	-	-	-
<i>Fourth flagpole for Rae Street civic campus</i>	6	6	-	-	-	-	6	-
<i>Lighting of existing three flagpoles to enable the Australian flag to fly "permanently"</i>	13	13	-	-	-	-	13	-
<i>Forrest Caravan Park Wastewater System</i>	450	450	-	-	450	-	-	-
<i>Tree planting program</i>	60	60	-	-	-	-	60	-
<i>Paradise Picnic Reserve Facility Improvements</i>	50	50	-	-	50	-	-	-
<i>Donaldson's Play Space Upgrades</i>	100	-	20	80	100	-	-	-
<b>TOTAL INFRASTRUCTURE</b>	<b>7,506</b>	<b>721</b>	<b>6,368</b>	<b>417</b>	<b>3,952</b>	<b>-</b>	<b>3,554</b>	<b>-</b>
<b>TOTAL NEW CAPITAL WORKS</b>	<b>9,708</b>	<b>721</b>	<b>8,510</b>	<b>477</b>	<b>4,388</b>	<b>-</b>	<b>5,319</b>	<b>-</b>

## 4.6 Summary of Planned Capital Works Expenditure

For the year ending 30 June 2025

2024-25	Asset Expenditure Types					Funding Sources				
	Total \$'000	New \$'000	Renewal \$'000	Expansion \$'000	Upgrade \$'000	Total \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
<b>Property</b>										
Land	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-
<b>Total Land</b>										
Buildings	1,056	-	1,056	-	-	1,056	-	-	1,056	-
<b>Total Buildings</b>	1,056	-	1,056	-	-	1,056	-	-	1,056	-
<b>Total Property</b>	<b>1,056</b>	-	<b>1,056</b>	-	-	<b>1,056</b>	-	-	<b>1,056</b>	-
<b>Plant and Equipment</b>										
Plant, machinery and equipment	836	-	836	-	-	836	-	-	836	-
Fixtures, fittings and furniture	21	-	21	-	-	21	-	-	21	-
Computers and telecommunications	324	-	324	-	-	324	-	-	324	-
<b>Total Plant and Equipment</b>	<b>1,181</b>	-	<b>1,181</b>	-	-	<b>1,181</b>	-	-	<b>1,181</b>	-
<b>Infrastructure</b>										
Roads	5,583	-	5,583	-	-	5,583	1,703	-	3,880	-
Bridges	255	-	255	-	-	255	-	-	255	-
Footpaths and cycleways	42	-	42	-	-	42	-	-	42	-
Drainage	262	-	262	-	-	262	-	-	262	-
Other infrastructure	1,014	250	514	-	250	1,014	-	-	1,014	-
<b>Total Infrastructure</b>	<b>7,156</b>	<b>250</b>	<b>6,656</b>	-	<b>250</b>	<b>7,156</b>	<b>1,703</b>	-	<b>5,453</b>	-
<b>Total Capital Works Expenditure</b>	<b>9,393</b>	<b>250</b>	<b>8,893</b>	-	<b>250</b>	<b>9,393</b>	<b>1,703</b>	-	<b>7,690</b>	-

For the year ending 30 June 2026

2025-26	Asset Expenditure Types				Funding Sources				
	Total \$'000	New \$'000	Renewal \$'000	Expansion \$'000	Upgrade \$'000	Total \$'000	Grants \$'000	Contributions \$'000	Council Cash Borrowings \$'000
<b>Property</b>									
Land	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-
<b>Total Land</b>	-	-	-	-	-	-	-	-	-
Buildings	1,104	-	1,104	-	-	1,104	-	-	1,104
<b>Total Buildings</b>	1,104	-	1,104	-	-	1,104	-	-	1,104
<b>Total Property</b>	<b>1,104</b>	-	<b>1,104</b>	-	-	<b>1,104</b>	-	-	<b>1,104</b>
<b>Plant and Equipment</b>									
Plant, machinery and equipment	874	-	874	-	-	874	-	-	874
Fixtures, fittings and furniture	22	-	22	-	-	22	-	-	22
Computers and telecommunications	338	-	338	-	-	338	-	-	338
<b>Total Plant and Equipment</b>	<b>1,234</b>	-	<b>1,234</b>	-	-	<b>1,234</b>	-	-	<b>1,234</b>
<b>Infrastructure</b>									
Roads	5,834	-	5,834	-	-	5,834	1,703	-	4,131
Bridges	266	-	266	-	-	266	-	-	266
Footpaths and cycleways	44	-	44	-	-	44	-	-	44
Drainage	274	-	274	-	-	274	-	-	274
Other infrastructure	1,037	250	537	-	250	1,037	-	-	1,037
<b>Total Infrastructure</b>	<b>7,455</b>	<b>250</b>	<b>6,955</b>	-	<b>250</b>	<b>7,455</b>	<b>1,703</b>	-	<b>5,752</b>
<b>Total Capital Works Expenditure</b>	<b>9,793</b>	<b>250</b>	<b>9,293</b>	-	<b>250</b>	<b>9,793</b>	<b>1,703</b>	-	<b>8,090</b>

For the year ending 30 June 2027

2026-27	Asset Expenditure Types				Funding Sources				
	Total \$'000	New \$'000	Renewal \$'000	Expansion \$'000	Upgrade \$'000	Total \$'000	Grants \$'000	Contributions \$'000	Council Cash Borrowings \$'000
<b>Property</b>									
Land	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-
<b>Total Land</b>									
Buildings	1,154	-	1,154	-	-	1,154	-	-	1,154
<b>Total Buildings</b>	1,154	-	1,154	-	-	1,154	-	-	1,154
<b>Total Property</b>	1,154	-	1,154	-	-	1,154	-	-	1,154
<b>Plant and Equipment</b>									
Plant, machinery and equipment	913	-	913	-	-	913	-	-	913
Fixtures, fittings and furniture	23	-	23	-	-	23	-	-	23
Computers and telecommunications	354	-	354	-	-	354	-	-	354
<b>Total Plant and Equipment</b>	1,290	-	1,290	-	-	1,290	-	-	1,290
<b>Infrastructure</b>									
Roads	6,096	-	6,096	-	-	6,096	1,703	-	4,393
Bridges	278	-	278	-	-	278	-	-	278
Footpaths and cycleways	46	-	46	-	-	46	-	-	46
Drainage	286	-	286	-	-	286	-	-	286
Other infrastructure	1,061	250	561	-	250	1,061	-	-	1,061
<b>Total Infrastructure</b>	7,767	250	7,267	-	250	7,767	1,703	-	6,064
<b>Total Capital Works Expenditure</b>	10,211	250	9,711	-	250	10,211	1,703	-	8,508

## 5 Indicators

The following tables highlight Council's current and projected performance across a selection of targeted service and financial performance indicators. These indicators provide a useful analysis of Council's intentions and performance and should be interpreted in the context of the organisation's objectives.

The targeted performance indicators below are the prescribed performance indicators contained in Schedule 4 of the *Local Government (Planning and Reporting) Regulations 2020*. Results against these indicators and targets will be reported in Council's Performance Statement included in the Annual Report.

### 5.1 Targeted Performance Indicators

Indicator	Measure	Notes	Actual	Forecast	Target	Target Projections			Trend
			2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	+/-
<b>Governance</b>									
Satisfaction with community consultation and engagement	Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	1	53	52	53	53.53	54.33	54.88	+
<b>Roads</b>									
Sealed local roads below the intervention level	Number of kms of sealed local roads below the renewal intervention level set by Council / Kms of sealed local roads	2	96%	95%	100%	100%	100%	100%	o
<b>Statutory planning</b>									
Planning applications decided within the relevant required time	Number of planning application decisions made within the relevant required time / Number of decisions made	3	78.33%	80.00%	85.00%	85.00%	85.00%	85.00%	+
<b>Waste management</b>									
Kerbside collection waste diverted from landfill	Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins	4	55.44%	61.10%	63%	67%	70%	73%	+
<b>Liquidity</b>									
Working Capital	Current assets / current liabilities	5	187.14%	247.94%	256.68%	269.04%	280.36%	289.48%	+
<b>Obligations</b>									
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	6	105.27%	137.29%	62.01%	62.65%	64.95%	67.34%	o
<b>Stability</b>									
Rates concentration	Rate revenue / adjusted underlying revenue	7	55.67%	47.19%	61.20%	63.33%	64.34%	64.78%	+
<b>Efficiency</b>									
Expenditure level	Total expenses / no. of property assessments	8	\$3,669	\$3,978	\$3,810	\$3,804	\$3,817	\$3,861	+

#### 1. Satisfaction with community consultation and engagement

Council plans to hold a number of 'Community Conversation' sessions in 2023 to create opportunities for local discussions across the Shire.

#### 2. Sealed local roads below the intervention level

Council should always plan for, and strive to achieve, 100% compliance with the Road Management Plan.

#### 3. Planning applications decided within the relevant required time

Process improvements are being introduced to provide greater efficiencies that aim to improve customer experience and reduce turnaround times.

#### 4. Kerbside collection waste diverted from landfill

Council introduced kerbside collection of glass in 2021 and continues to assist the community with information and facilities that increase diversion of materials from landfill. Council's Waste Strategy includes a target of 70% total diversion from landfill by 2025-26.

#### 5. Working Capital

Council aims to maintain a consistent level of liquidity.

#### 6. Asset renewal

Council's depreciation has increased significantly over recent years through revaluations and market increases, and therefore this target is below 100% to reflect estimated financial capacity.

#### 7. Rates concentration

Council aims to maintain a current sustainability level as measured by this indicator.

#### 8. Expenditure level

Target reflects the anticipated increase in revenue from rates and charges.

## 5.2 Financial Performance Indicators

Indicator	Measure	Notes	Actual	Forecast	Budget	Projections			Trend
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	+/-
<b>Operating position</b>									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	9	0.91%	-3.91%	-6.92%	-6.48%	-6.05%	-0.55%	+
<b>Liquidity</b>									
Unrestricted cash	Unrestricted cash / current liabilities	10	-16.72%	27.97%	23.61%	23.38%	23.17%	22.85%	o
<b>Obligations</b>									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	11	1.81%	0.00%	0.00%	0.00%	0.00%	0.00%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		0.55%	1.86%	0.00%	0.00%	0.00%	0.00%	+
Indebtedness	Non-current liabilities / own source revenue		11.86%	32.15%	36.08%	35.26%	34.35%	33.54%	+
<b>Stability</b>									
Rates effort	Rate revenue / CIV of rateable properties in the municipality	12	0.41%	0.33%	0.30%	0.33%	0.35%	0.35%	o
<b>Efficiency</b>									
Revenue level	General rates and municipal charges / no. of property assessments	13	\$1,832	\$1,895	\$1,955	\$2,051	\$2,153	\$2,260	+

### 9. Operating Position

Council's budget projects ongoing negative Operating Position due primarily to the high value of depreciation driving an ongoing deficit result, however this measure is an important indicator of the sustainable operating result required to enable Council to generate enough cash from operations and future projects including asset renewal. The results are showing underlying deficit results in 2022-23, 2023-24 and future years.

The budgeted deficit indicates that Council is generating less revenue from sources it can control, increasing reliance on funding from external sources such as grant funding. This is not considered to be sustainable in the long term, however adjusted underlying deficits are sustainable in the short term, providing other indicators remain healthy.

Without important changes to Council's service offering and delivery models, future years will also present deficits and erode Council's ability to support the community in the future.

### 10. Liquidity

This shows an increase in the available unrestricted cash. This is due to the improvement in cash and cash equivalents levels over the period. This trend is consistent and reflective of the adjusted underlying result and working capital.

### 11. Obligations

The decrease in indebtedness (non-current liabilities) mainly reflects a payout of the existing loan (\$596k).

### 12. Stability

This indicator remains relatively stable and typical of other councils that are of similar scale to Colac Otway Shire.

### 13. Efficiency

Efficiency is projected to increase in future years due to the relatively low increase in the number of property assessments.

## Appendix A – Council Contributions to External Parties

Organisations	Contribution
<b>Memberships and commitments to working with regional partners</b>	<b>\$1,060,422</b>
Geelong Regional Library Corporation	\$ 838,000
G21 Region Alliance	\$46,103
SouthWest Victoria Alliance	\$25,000
Rural Councils Victoria	\$ 4,400
Timber Towns Victoria	\$2,750
Municipal Association of Victoria	\$31,500
Barwon South West Climate Alliance	\$15,000
Great Ocean Road Regional Tourism	\$97,669
<b>Community and Business Funding Programs</b>	<b>\$317,500</b>
Community Grants / Garden Awards	\$316,500
Student Achievement Awards	\$1,000
<b>Contributions to others providing Leisure / Recreation to community</b>	<b>\$314,952</b>
Apollo Bay P12 College - Aquatic Centre	\$227,152
Lavers Hill K-12 College - Leisure Centre	\$21,700
Life Saving Victoria	\$39,000
Old Beechy Rail Trail landowner insurance	\$26,000
Play audits - GORCAPA managed assets	\$1,100
<b>Other Programs and Services</b>	<b>\$44,000</b>
Great Ocean Road Health	\$39,000
Apollo Bay Foreshore sculpture maintenance	\$3,500
Mt Gellibrand Fire Tower Lookout Committee	\$1,500
<b>Contributions to others managing Council and non-Council recreation reserves</b>	<b>\$56,035</b>
Apollo Bay Recreation Reserve	\$7,200
Alvie Recreation Reserve	\$5,674
Beeac Recreation Reserve	\$2,127
Birregurra Recreation Reserve	\$7,727
Beech Forest Recreation Reserve	\$1,527
Carlisle River Recreation Reserve	\$3,130
Cressy River Recreation Reserve	\$1,418
Forrest Recreation Reserve	\$3,321
Gellibrand Recreation Reserve	\$3,720
Irrewillipe Recreation Reserve	\$5,674
Pirron Yallock Recreation Reserve	\$2,127
Warrion Recreation Reserve	\$2,127
Warrowie Recreation Reserve	\$6,068
Colac Secondary College	\$4,194

<b>Neighbourhood Houses</b>	<b>\$8,400</b>
Apollo Bay Neighbourhood House	\$2,100
Colac Neighbourhood House	\$2,100
Forrest Neighbourhood House	\$2,100
Gellibrand Neighbourhood House	\$2,100
<b>Total contributions to partners and community</b>	<b>\$1,801,309</b>

**Appendix B - Capital Works Program 2023-24, project listing**

Capital Works Project/allocation	Total Expense Budget \$'000s	Roads to Recovery Funding \$'000s	LRCI Round 4 Funding \$'000s	Council Funding \$'000s
<b>Bridges</b>	<b>\$244</b>	<b>\$0</b>	<b>\$0</b>	<b>\$244</b>
Boundary Road	\$65	\$0	\$0	\$65
De La Rues Rd	\$60	\$0	\$0	\$60
Forrest Road South (0.5 from Woodrovale Rd)	\$55	\$0	\$0	\$55
Hordern Vale Road	\$64	\$0	\$0	\$64
<b>Buildings</b>	<b>\$1,070</b>	<b>\$0</b>	<b>\$436</b>	<b>\$634</b>
Birregurra Hall and streetscape works	\$110	\$0	\$110	\$0
Building compliance	\$46	\$0	\$0	\$46
Colac Mallet Sports Club	\$75	\$0	\$0	\$75
COPACC, replace auditorium chairs, phase 1	\$66	\$0	\$66	\$0
COPACC, re-surfacing and painting of main stage	\$47	\$0	\$0	\$47
Cororooke Maternal and Child Health Centre, plumbing renewal	\$7	\$0	\$0	\$7
Emergency Building renewal/compliance Works	\$40	\$0	\$0	\$40
Kitchen renewal, Colac Central Bowling Club	\$48.5	\$0	\$0	\$48.5
Lavers Hill Hall	\$70	\$0	\$70	\$0
Rae Street Office - Top Level roof replacement	\$150	\$0	\$0	\$150
Sale Yards Septic system	\$45	\$0	\$0	\$45
Small Halls program	\$190	\$0	\$190	\$0
Winifred Nance Kindergarten	\$85	\$0	\$0	\$85
Wydinya Kindergarten roof replacement	\$91	\$0	\$0	\$91
<b>Computers and telecommunications</b>	<b>\$310</b>	<b>\$0</b>	<b>\$0</b>	<b>\$310</b>
ICT - Critical Infrastructure Improvement	\$200	\$0	\$0	\$200
ICT - Device Renewals	\$110	\$0	\$0	\$110
<b>Drainage</b>	<b>\$320</b>	<b>\$0</b>	<b>\$0</b>	<b>\$320</b>
12 Cruickshank Court, Elliminyt	\$22	\$0	\$0	\$22
12 Murrell Street, Birregurra Strachan and Murrell corner	\$44	\$0	\$0	\$44
397 Murray Street, Unnamed Laneway 5	\$25	\$0	\$0	\$25
45 Scenic Drive, Apollo Bay	\$30	\$0	\$0	\$30
Armstrong Street Outlet renewal	\$125	\$0	\$0	\$125
Kennett River Wetlands Sediment Removal Project	\$50	\$0	\$0	\$50
Yacht club Pipe replacement	\$24	\$0	\$0	\$24
<b>Fixtures, fittings and furniture</b>	<b>\$470</b>	<b>\$0</b>	<b>\$450</b>	<b>\$20</b>
Fixtures, Fittings and Furniture	\$20	\$0	\$0	\$20
Forrest Caravan Park Wastewater system	\$450	\$0	\$450	\$0
<b>Footpaths and cycleways</b>	<b>\$182</b>	<b>\$0</b>	<b>\$142</b>	<b>\$40</b>
Footpath renewal works - scope to budget allocation	\$40	\$0	\$0	\$40
GOR footpath stage 3	\$120	\$0	\$120	\$0
Walking connection from Old Coach Rd to Hickeys Cutting, Skenes Creek	\$22	\$0	\$22	\$0

Capital Works Project/allocation	Total Expense Budget \$'000s	Roads to Recovery Funding \$'000s	LRCI Round 4 Funding \$'000s	Council Funding \$'000s
<b>Other infrastructure</b>	<b>\$969</b>	<b>\$0</b>	<b>\$675</b>	<b>\$294</b>
Birregurra play space redevelopment	\$275	\$0	\$275	\$0
Donaldson's reserve play space redevelopment	\$100	\$0	\$100	\$0
Elliminyt Tennis court resurfacing and fence repair	\$250	\$0	\$250	\$0
Fourth flagpole for Rae Street civic campus	\$6	\$0	\$0	\$6
Lighting of existing three flagpoles to enable the Australian flag to fly "permanently"	\$13	\$0	\$0	\$13
Open Space renewal works - scope to budget allocation	\$40	\$0	\$0	\$40
Paradise Picnic Reserve facility improvements	\$50	\$0	\$50	\$0
Public street litter bin replacement program	\$120	\$0	\$0	\$120
Repair works to the Apollo Bay Resource Recovery Centre building	\$55	\$0	\$0	\$55
Street Planting Program 2023-24	\$60	\$0	\$0	\$60
<b>Plant, machinery and equipment</b>	<b>\$800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$800</b>
Heavy Plant Replacement Program 2023-24	\$600	\$0	\$0	\$600
Light Fleet Replacement Program 2023-24	\$200	\$0	\$0	\$200
<b>Roads</b>	<b>\$5,341</b>	<b>\$1,703</b>	<b>\$982</b>	<b>\$2,656</b>
Forest Street - from J Barrys Road to Pound Road	\$780	\$703	\$0	\$77
Guardrail replacement	\$35	\$0	\$0	\$35
Kerb and channel replacement works 2023-24	\$109	\$0	\$0	\$109
Landslip Treatment - Emergency response upgrade works (Cost to Council)	\$150	\$0	\$0	\$150
Mooleric Road, Stage 1	\$850	\$500	\$0	\$350
Reseal Program - Renewal	\$1,000	\$0	\$0	\$1,000
Road safety treatment	\$55	\$0	\$0	\$55
Sealed road crack sealing program - Renewal	\$80	\$0	\$0	\$80
Sealed road major patching program	\$300	\$0	\$0	\$300
LRCI Road Reconstruction	\$982	\$0	\$982	\$0
Unsealed road resheet program - Renewal	\$1,000	\$500	\$0	\$500
<b>Grand Total</b>	<b>\$9,708</b>	<b>\$1,703</b>	<b>\$2,685</b>	<b>\$5,319</b>

Note \$800k of Council's cash to fund this program includes \$800k of funds held in cash reserve for Plant and Light Fleet replacement.

## Appendix C – Operational Projects 2023-24

In 2023-24 Council plans to fund \$355k of operational projects with a particular focus on strategic planning activities that help progress residential land and dwellings.

Operational Projects 2023-24	\$'000s
Birregurra Structure Plan Review	\$80
Northern Towns Growth Plans (Alvie, Cororooke, Coragulac, Beeac and Cressy)	\$80
Key Worker Housing Feasibility, Nelson St, Apollo Bay	\$120
Colac Library Returns Room safety projects	\$30
Local Law Review project completion	\$25
Colac Library, fire safety items	\$15
Lavers Hill Hall, investigate septic operations	\$5
OPASS Community Care Review	\$45
Carbon Offset project	\$35
Youth Engagement Officer	\$70
<b>Total</b>	<b>\$505</b>

All operational projects are to be fully funded by Council. The source of funding for the two strategic land use planning projects will be from proceeds from the sale of Bruce St Colac property as these are consistent with Council's resolution of February 2023 to use a portion of the proceeds to progress land for residential purposes. The Key Worker Housing Feasibility (Nelson St, Apollo Bay) will also be funded from Bruce St proceeds as per Council's previous resolution.