



# COLAC OTWAY SHIRE

Adopted Budget 2024-25 – Adopted at Council Meeting 26 June 2024

This Budget Report has been prepared with reference to Local Government Victoria (LGV) Local Government Model Financial Report (LGMFR) 2024-25

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

*The Colac Otway Shire Council respectfully acknowledges the Gulidjan and Gadabanud 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

On behalf of Council, I am pleased to present the Colac Otway Shire Budget for 2024-25. This Budget sets out our financial plan for the coming year, as we strive to achieve our community vision for 2050.

The theme of this Budget is ***enhancing community living***. We are making a significant investment in items that matter to our communities, small and large.

Through consultation and listening to our communities, we are aware of current priorities that will make a difference to people in our community who are passionate about building a stronger economy, celebrating community life, and protecting our beautiful natural environment.

To achieve these things, Council has decided to increase the total budgeted revenue from general rates and the municipal charge in line with the Fair Go Rates system which has set the rate cap at 2.75% for 2024-25. This rate cap was set by the Victorian Government at an amount lower than recent and projected inflation rates in recognition of the financial challenges faced by the community.

Council continues to pursue waste and resource recovery services in line with community expectations and the State Government's Recycling Victoria policy. To contain the burden on general rate revenue that supports many other services, this Budget incorporates increases to the weekly and fortnightly Kerbside Waste Charge of 14.5%, which is less than a dollar per week for all ratepayers who pay this charge.

This budget includes the first new loan for many years, for a specific and exciting project, the electrification of the Bluewater Leisure Centre. This project will proceed if Council is successful in securing an external grant for 50% of the total project cost, and offers diverse benefits for our community including environmental outcomes through ongoing carbon emission reductions, financial savings through lower operating costs and a co-contribution to major asset renewal works.

Council continues to invest in easing the housing and accommodation pressures faced by residents and businesses by investing in ongoing strategic land use planning work. Notably this year Council will fund and commence the Apollo Bay Structure Plan.

It is pleasing that this Budget 2024-25 sees a lift in Council's investment in asset renewal. Maintaining local infrastructure and facilities is important for everyday lives of people in our community as well as businesses and Council is committed to ensuring these assets are in good condition.

We recognise that younger people in our community face a range of challenges and need our support, and so this budget continues to Council's commitment to investing in local youth programs..

Finally, this budget sets our Council and community on a good path for a successful 2024 Council Election and new Council term.

To my fellow Councillors and staff, I express my appreciation for the thoughtful consideration that has been given to the development of a budget that will deliver many important outcomes for our community.



## CEO's Introduction and Executive Summary

The Budget 2024-25 continues our commitment to supporting the community to receive the many important services provided by Council, as well as ensuring that Council's many assets receive the investment needed to maintain them in good condition for the community.

This budget incorporates a number of financial management improvements, but does not address the trend of ongoing deficits experienced by so many regional Councils including Colac Otway Shire. Despite this, the budget supports an increased investment in asset renewal and capacity to undertake a major transformation at the Bluewater Leisure Centre.

We are aware that the community continues to face financial challenges. This organisation is committed to doing its part in finding efficiencies and has again been diligent in finding financial improvements.

This year Council invited the community to have early input to the budget process and we received many great ideas and opportunities, some of which have been incorporated into this Budget. We heard that it is often the small investments that can make a meaningful difference, which has led to a number of modest projects and initiatives being included. This budget also includes an additional \$120,000 that will be provided directly to community groups and partners to support their work for our community.

Thank you to the Councillors who are committed to representing the community and guiding the development of this budget, thanks to the individuals and community groups who shared their ideas and aspirations, and thanks to the many staff for their hard work in preparing this important document.

Summary of Key Financial Outcomes for the Budget 2024-25		\$'000
Net Result (deficit)		(\$5,263)
Adjusted Underlying Result (deficit)		(\$5,263)
Closing Cash Balance		\$28,015
Reserves balance		\$20,368
Capital Works Program (new allocations)		\$11,523
Allocation to Annual Asset Renewal Program (71% of target)		\$11,344



## Rates and municipal charges

This budget increase rate revenue in line with the limit set by the Victorian Government through the **Fair Go Rates System**, which is 2.75% for the 2024-25 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 2024-25 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 2024		\$31,476,606
Forecast Number of Assessments at 30 June 2024		16,058
<b>Forecast Base Average Rate 2023-24 per assessment</b>		<b>\$1,960</b>
Budget Rate Revenue 2024-25		\$32,342,212
<b>Capped Average Rate 2024-25 per assessment</b>		<b>\$2,014</b>
<b>Average Rate Increase</b>		<b>2.75%</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 2.75% 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 2024-25 document.

## Waste charges

Council has three key parts to its total waste and resource recovery service:

1. Kerbside collection
2. Transfer stations and drop-off facilities; and
3. 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 a Forecast re 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 waste charges for the 2024-25 financial year are to increase by an average of 14.5% as follows:

- Properties receiving a weekly kerbside collection will be levied a charge of **\$402** per annum
- Properties receiving a fortnightly kerbside collection will be levied a charge of **\$307** per annum

When compared to the waste management charges levied on individual properties in the 2023-24 financial year, the increases to waste charges above equates to the following:

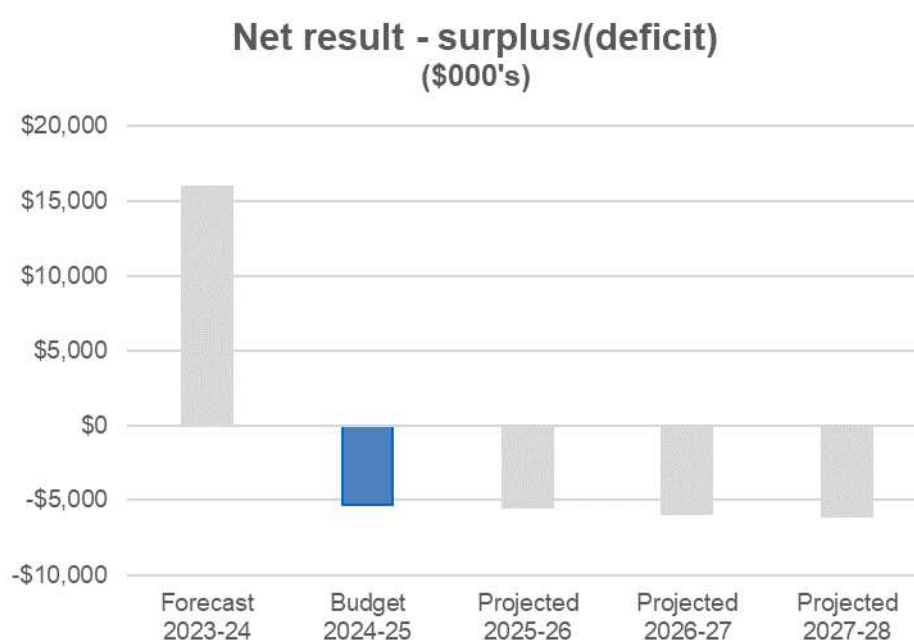
- \$51 per annum (or an average of 98 cents per week) for weekly kerbside collection
- \$39 per annum (or an average of 75 cents per week) for fortnightly kerbside collection.

The budget includes increases to the kerbside waste charges that are higher than in recent years, and higher than the average increase in general rates. This aims to contain the amount of overall kerbside collection expenses that are reliant on funding through general rate revenue, with the objective that in future years the waste charge will cover the full cost of kerbside collection services as intended under Council's policy.

## 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 2024-25 financial year is a deficit of \$5.26 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.



With respect to the Forecast 2023-24 surplus of \$15.89 million (refer to the previous graph), this includes approximately \$17.15 million of higher capital income compared to the adopted Budget

2023-24 that is tied to specific projects and outcomes. Council cannot re-direct or re-allocate this to general revenue or other activities and at the end of financial year 2023-24, much of this will be recognised as 'unearned income' or 'income not yet received' and therefore the Forecast 2023-24 represents an underlying deficit of (\$1.26 million).

### Adjusted Underlying Result

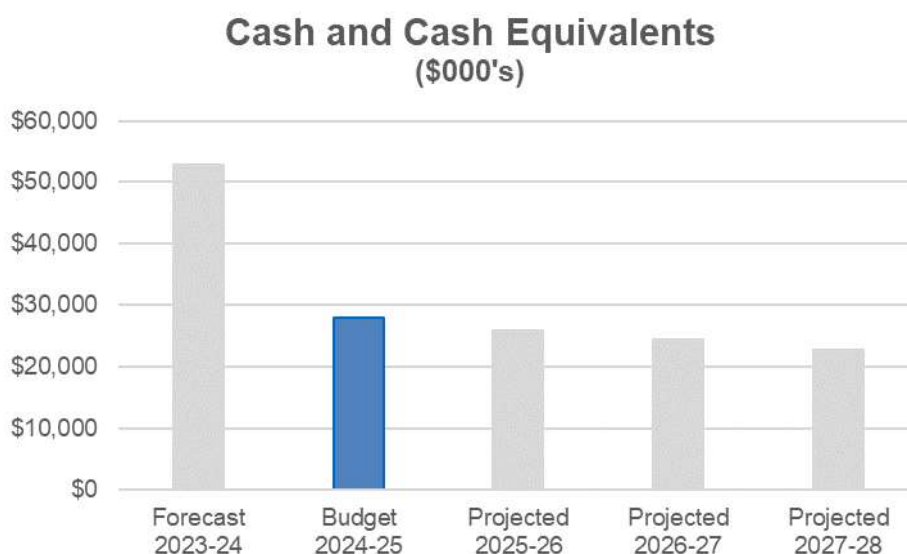
In addition to prescribing the calculation of the Net Result of Council's Budget, the regulations prescribe the method for calculating the 'Adjusted Underlying Result'. The purpose for calculating the Adjusted Underlying Result is to remove the effect on the budget of one-off (non-recurrent) revenue items that may otherwise overstate Council's normal performance. Under regulations the 2024-25 surplus/deficit is calculated as follows:

Adjusted Underlying Result	\$'000
Total Comprehensive Result	(\$5,263)
Non-recurrent grants used to fund capital expenditure	-
Non-monetary asset contributions	-
Other contributions to fund capital expenditure	-
Adjusted Underlying Result (surplus/deficit)	(\$5,263)

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

### Cash and Investments

Cash and investments are expected to decrease by \$24.63 million during the 2024-25 financial year to \$28.02 million. Over time there is a downward trend in cash balances as Council progressively delivers its capital projects and draws on project income paid in advance of project expenditure.



While Council's cash balance is expected to remain at moderate levels, the funds are already fully committed to achieving Council priorities and Council has no capacity to put aside unallocated cash for unforeseen events or discretionary allocations when opportunities arise.

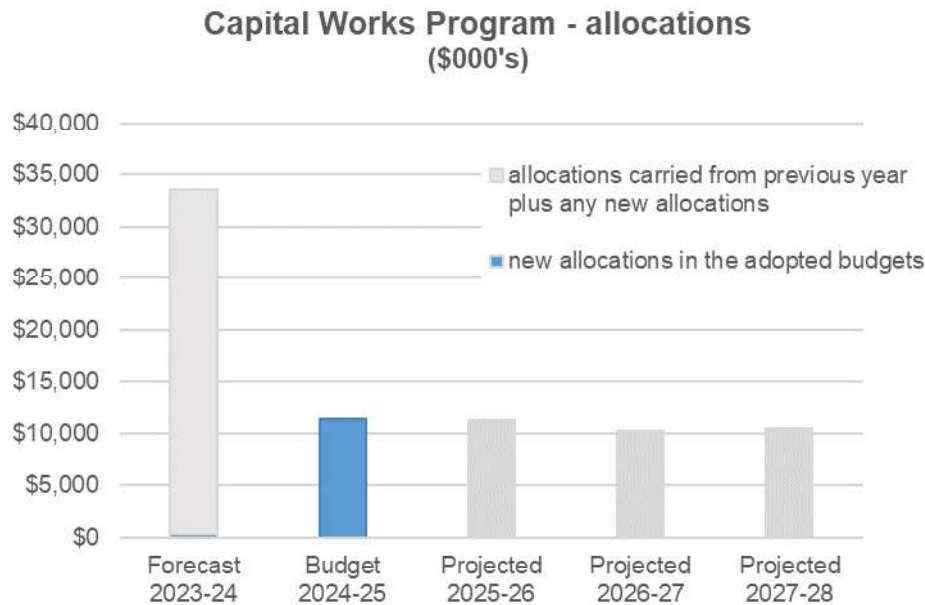


Capital Works Program

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 2023-24 is \$33.26 million.

While the majority of Budget 2024-25 assumes all current projects will be completed by 30 June 2024, the reality is that the majority of the program of works relates to multi-year or delayed projects and an amount will be carried forward from 2023-24 to 2024-25.

An estimate of projects to be carried forward is included in Note 4.5.3 of the Budget and the final amount will be calculated as part of the end of year process and incorporated into the Forecast 2024-25 as part of the first quarter of the next financial year.

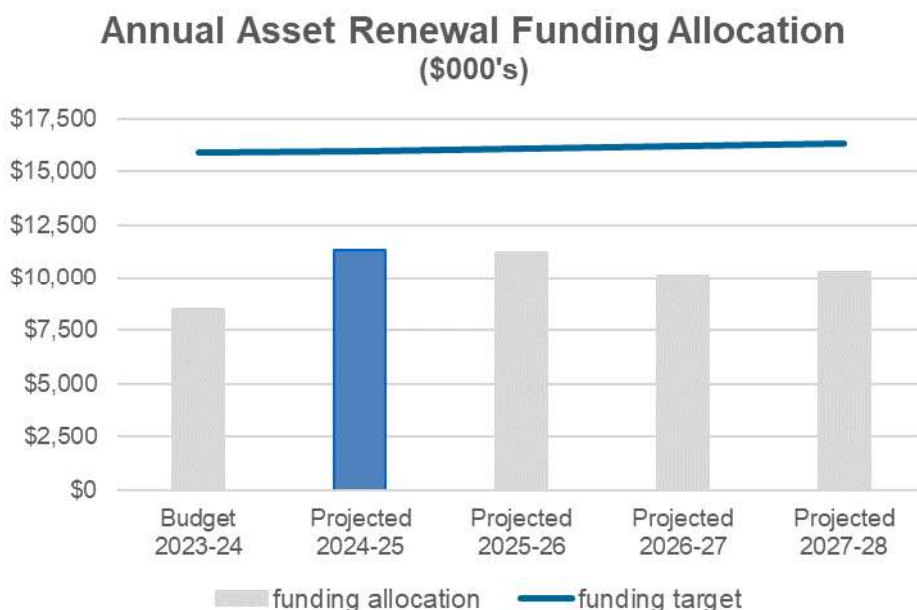


Asset Renewal Funding

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 2024-25 allocates \$11.34 million to the asset renewal program in a total capital program of \$11.52 million.



Council is not able to fund its desired asset renewal funding allocation in 2024-25, 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 \$1.859 million to operational projects in 2024-25 and these are listed in more detail in Appendix B.

### Debt Management

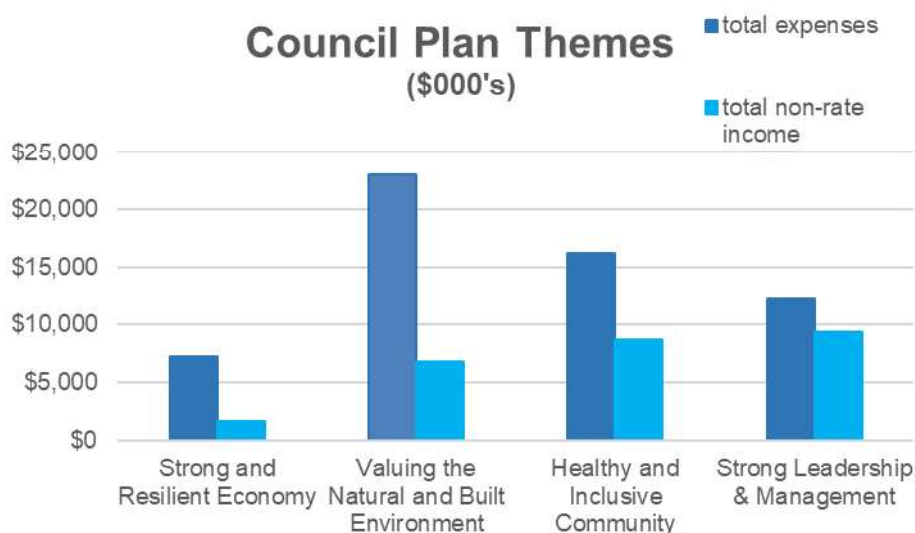
Council has included the procurement of a loan of \$500,000 in the year 2024-25. for the Electrification of the Bluewater Leisure Centre. This enables Council to meet its co-contribution if it is successful in securing an external grant for this project, in addition to a further cash contribution of \$842,000.

The budget anticipates borrowing the funds at the end of 2024-25, which is the earliest it is expected that Council may be in a position to enter a construction contract for this project, albeit the expenditure might not occur until 2025-26.

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 initiatives for each of the Council Plan Themes to be delivered in 2024-25 financial year which are summarised in the following table.

Council Plan 2021-25 Theme	Major Initiative	Expense Budget \$'000s
Strong and Resilient Economy	Commence the Apollo Bay Structure Plan	\$200
Valuing the Natural and Built Environment	Bluewater Leisure Centre Electrification Project – Stage 1 Planning and Design	\$42
Healthy and Inclusive Community	Ongoing Council contribution to the-Youth Engagement Program	\$70
Strong Leadership & Management	Council Election and new Councillor Term induction	\$350

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*. 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	2024-25 Target
Service Indicators		
<b>Governance</b>	Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	53.53
<b>Roads</b>	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>	Number of planning application decisions made within the relevant required time/Number of decisions made	85%
<b>Waste management</b>	Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins	63%
Financial Indicators		
<b>Liquidity</b>	Current assets/current liabilities	266.75%
<b>Obligations</b>	Asset renewal and upgrade expense/Asset depreciation	79.45%
<b>Stability</b>	Rate revenue/adjusted underlying revenue	64.50%
<b>Efficiency</b>	Total expenses/ no. of property assessments	4,019

# 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).

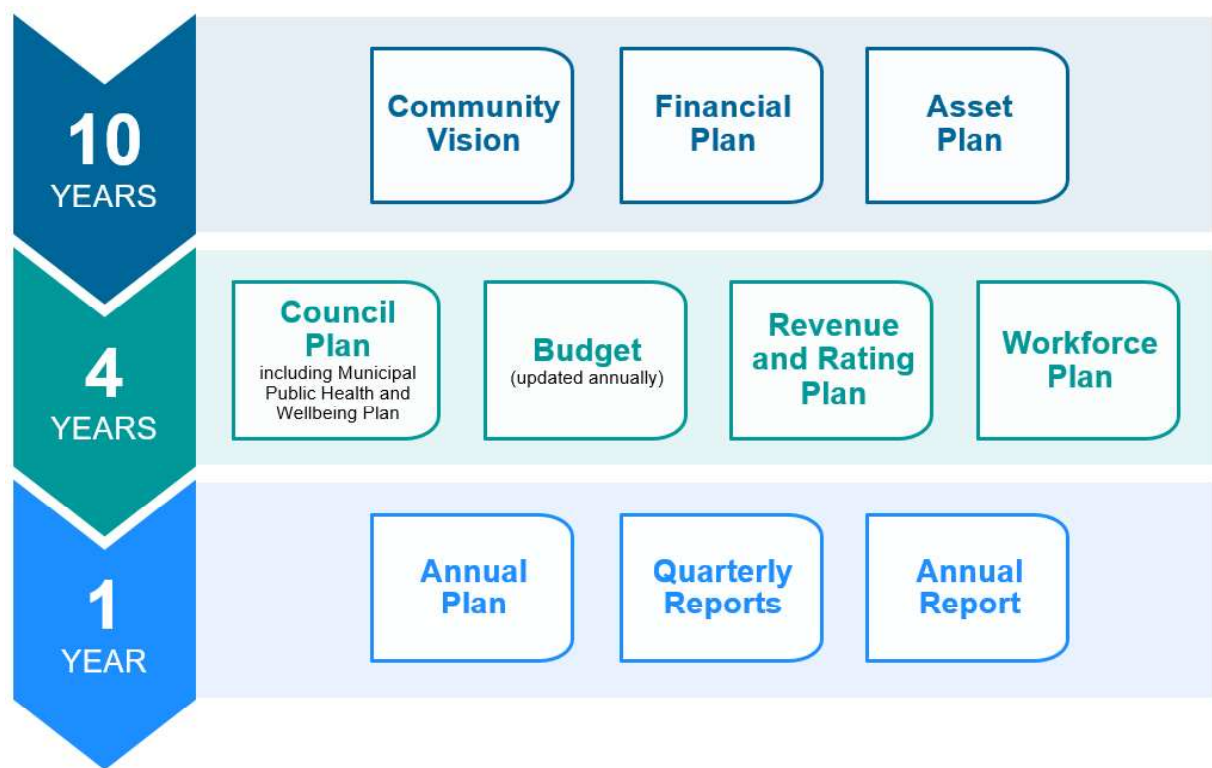
Council developed a vision statement with the community in 2021. This statement is found inside the cover of this budget document.

## 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.

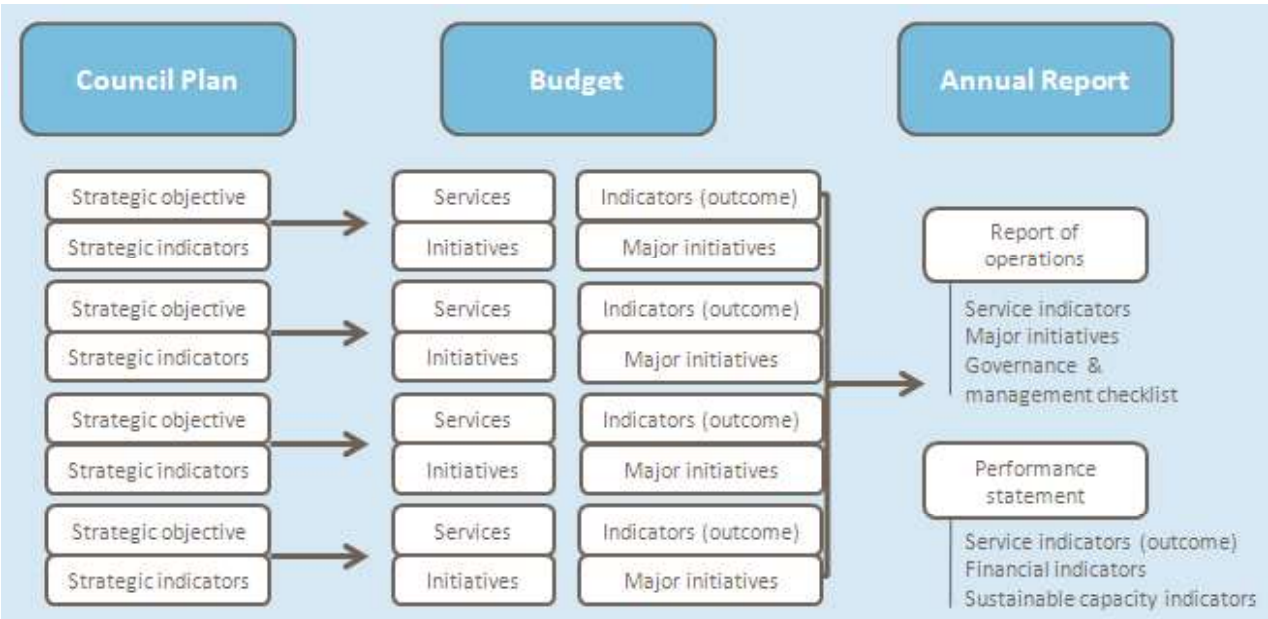
The following table lists the four Strategic Objectives as described in the Council Plan.

THEME	DESCRIPTION	STRATEGIC OBJECTIVES
<b>STRONG AND RESILIENT ECONOMY</b>	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.	<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>
<b>VALUING THE NATURAL AND BUILT ENVIRONMENT</b>	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.	<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>
<b>HEALTHY AND INCLUSIVE COMMUNITY</b>	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.	<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>
<b>STRONG LEADERSHIP AND MANAGEMENT</b>	We will be leaders in good governance, transparency and strive for ongoing improvement.	<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 in the Budget for the 2024-25 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 major initiatives, initiatives and service performance outcome indicators in the Budget 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 2024-25 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 and world-renowned tourism.

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

Council has not budgeted for the Port of Apollo Bay operations in 2024-25 as this is planned to transition to the Great Ocean Road Coast and Parks Authority as of 1 July 2024.

Service area	Description of services provided		2022-23 Actual \$'000	2023-24 Forecast \$'000	2024-25 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>	635	1,350	-
		<i>Rev</i>	(1,136)	(1,059)	-
		<b>NET</b>	<b>(502)</b>	<b>291</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>	384	366	387
		<i>Rev</i>	(473)	(505)	(523)
		<b>NET</b>	<b>(90)</b>	<b>(139)</b>	<b>(135)</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>	1,784	1,481	879
		<i>Rev</i>	(623)	(273)	(32)
		<b>NET</b>	<b>1,161</b>	<b>1,208</b>	<b>847</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>	716	802	837
		<i>Rev</i>	(197)	(201)	(184)
		<b>NET</b>	<b>519</b>	<b>601</b>	<b>653</b>
Events	This service provides for active community involvement in the provisioning of management and support for community entertainment and events.	<i>Exp</i>	139	122	132
		<i>Rev</i>	(6)	(6)	(5)
		<b>NET</b>	<b>133</b>	<b>116</b>	<b>127</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>	890	850	910
		<i>Rev</i>	(184)	(441)	(510)
		<b>NET</b>	<b>706</b>	<b>410</b>	<b>401</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>	1,591	1,570	1,449
		<i>Rev</i>	(548)	(472)	(381)
		<b>NET</b>	<b>1,042</b>	<b>1,098</b>	<b>1,068</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>	382	1,839	958
		<i>Rev</i>	(162)	(506)	-
		<b>NET</b>	<b>220</b>	<b>1,333</b>	<b>958</b>

### Major initiatives in 2024-25 relating to this theme of a Strong and Resilient Economy

The major initiative for 2024-25 relating to this theme of a Strong and Resilient Economy is Council's funding commitment to commence a review of the Apollo Bay Structure Plan. The primary goal is to ensure that adequate land supply is available in Apollo Bay, Skenes Creek and Marengo to cater for their future housing and commercial needs. In particular, the Structure Plan would investigate the potential to achieve increased housing diversity and affordability and improved accommodation options to meet the town's employment needs whilst maintaining the towns' unique coastal

character. The \$200k allocated to this project will support a review of land supply needs, an update to the 2005 Neighbourhood Character Study and a review of current planning controls.

#### Other Initiatives – Capital Projects

- Improvements to Meredith Park Camping and Recreation area

#### Other Initiatives – Operational Projects

- Gaming and Licensed Premises Policy – Stage 1

### Service Performance Outcome Indicators relevant to this theme

Service	Indicator	Performance Measure	2022-23 Actual	2023-24 Forecast	2024-25 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)	80%	80%	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		2022-23 Actual \$'000	2023-24 Forecast \$'000	2024-25 Budget \$'000
Building services	These services support maintaining a safe built environment by overseeing compliance with building development controls.	<i>Exp</i>	1,447	1,448	1,595
		<i>Rev</i>	(187)	(138)	(112)
		<b>NET</b>	<b>1,260</b>	<b>1,310</b>	<b>1,483</b>
Emergency Management	This service provides for the necessary support for the community in the case of an emergency event occurring.	<i>Exp</i>	425	327	286
		<i>Rev</i>	(30)	(70)	(16)
		<b>NET</b>	<b>394</b>	<b>258</b>	<b>270</b>
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>	570	665	605
		<i>Rev</i>	-	-	-
		<b>NET</b>	<b>570</b>	<b>665</b>	<b>605</b>
Civil infrastructure and building (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>	7,704	8,255	8,815
		<i>Rev</i>	(5,274)	(21,860)	(245)
		<b>NET</b>	<b>2,430</b>	<b>(13,605)</b>	<b>8,570</b>
Waste	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>	5,057	5,897	6,247
		<i>Rev</i>	(3,690)	(4,151)	(4,740)
		<b>NET</b>	<b>1,367</b>	<b>1,746</b>	<b>1,507</b>

**Major initiatives in 2024-25 relating to this theme of Valuing the Natural and Built Environment**

Council is committed to reducing its carbon emissions to zero and has submitted a grant application to the Federal Government's Community Energy Upgrades Fund to facilitate the full electrification of the Shire's Bluewater Leisure centre in Colac. If Council is successful in securing the grant, it will need to fund \$1.342m.

The \$2.7m project would avoid 379 tonnes of CO<sub>2</sub> currently produced by the Bluewater Leisure Centre operations, approximately 22% of Council's current residual emissions. The project would significantly advance Council towards meeting its aspirations for net zero emissions in its Environmental Sustainability Strategy and Climate Change Action Plan, both adopted in October 2023.

This budget supports this exciting project through the allocation of \$42k to commence planning and design work and through the inclusion of borrowings of \$500k. The borrowings and a further \$800k (to be drawn from cash reserves) will be expended in the following year 2025-26.

**Other Initiatives – Capital Projects**

- Asset Renewal Funds for unplanned works
- Connor and Scott Street, Colac intersection pavement renewal
- Koonya Avenue, Wye River reconstruction - Wallace Street to Dunoon Road
- Mooleric Road, Ombersley reconstruction, Stage 2
- Pascoe Street, Apollo Bay reconstruction - from Moore Street to Nelson Street
- Pengilley Avenue, Apollo Bay reconstruction - from Gallipoli Parade to McLachlan Street
- Pound Road and Queen Street Intersection
- The Boulevarde, Wye River reconstruction
- Eastern Reserve Oval Playing Surface Releveling
- Forward Capital Works Design Program
- Guardrail Replacement Program
- Heavy Fleet Replacement Program 2024-25
- Kerb and Channel Renewal Program
- Light Fleet Vehicle Replacement Program 2024-25
- Reseal Renewal Program
- Road Shoulder Resheeting Program – Renewal
- Road-slip Retaining Structures Renewal Program
- Sealed Road Crack Sealing Program
- Sealed Road Major Patching Program
- Strategic Drainage Improvement Program
- Unsealed Road Re-sheeting Program
- Pits, Pipes, Culverts and Headwall renewal program
- Bromfield Street – stormwater pipe Replacement
- Building Defects Rectification program
- Bridge Renewal Program
- Municipal Pound building improvements



Other Initiatives – Operational Projects

- Road Management Plan
- Street Tree Planting Program, 2024-25

Service Performance Outcome Indicators relevant to this theme

Service	Indicator	Performance Measure	2022-23 Actual	2023-24 Forecast	2024-25 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		2022-23 Actual \$'000	2023-24 Forecast \$'000	2024-25 Budget \$'000
Parks gardens and reserves management	The parks and gardens team cares for and manages the maintenance of landscaping in streetscapes and open space areas for the enjoyment of all community members, including the Colac Botanical Gardens.	<i>Exp</i>	2,113	2,999	2,630
		<i>Rev</i>	0	(1)	(0)
		<b>NET</b>	<b>2,113</b>	<b>2,998</b>	<b>2,630</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>	977	1,053	999
		<i>Rev</i>	(711)	(703)	(674)
		<b>NET</b>	<b>266</b>	<b>350</b>	<b>325</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>	4,590	4,032	5,633
		<i>Rev</i>	(4,973)	(4,606)	(5,649)
		<b>NET</b>	<b>(383)</b>	<b>(574)</b>	<b>(15)</b>
Recreation	This service provides for active community involvement and the promotion of healthy lifestyles by providing for suitable sporting and recreational facilities.	<i>Exp</i>	275	304	355
		<i>Rev</i>	-	-	-
		<b>NET</b>	<b>275</b>	<b>304</b>	<b>355</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>	2,044	2,197	2,457
		<i>Rev</i>	(1,210)	(1,437)	(1,636)
		<b>NET</b>	<b>833</b>	<b>761</b>	<b>820</b>
Connected	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>	387	565	444
		<i>Rev</i>	(152)	(207)	(2)
		<b>NET</b>	<b>234</b>	<b>358</b>	<b>442</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>	858	1,006	1,008
		<i>Rev</i>	-	-	-
		<b>NET</b>	<b>858</b>	<b>1,006</b>	<b>1,008</b>
Local Law s and Animal	This service provides for community safety and health by providing for a framework for behaviours which affect our community well-being. The work of the team is supported by Council's Local Law s 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>	669	823	770
		<i>Rev</i>	(421)	(360)	(397)
		<b>NET</b>	<b>248</b>	<b>463</b>	<b>373</b>
Environmental	This service promotes a healthy and safe lifestyle by actively promoting and policing public health issues.	<i>Exp</i>	630	699	561
		<i>Rev</i>	(348)	(396)	(255)
		<b>NET</b>	<b>282</b>	<b>302</b>	<b>306</b>

**Major initiative in 2024-25 relating to this theme of a Healthy and Inclusive Community**

Council recognises the importance of supporting young people, including young adults, to stay engaged in their community in ways that are meaningful, to support them to have healthy and successful lives and contribute to the future of the municipality. Council has a modest amount of external funding, and is committed to maximise outcomes for young people by making additional investment in its youth services team and programs.

**Other Initiatives – Capital Projects**

- Carlisle River school bollards
- Colac Central Bowling Club
- Colac Visitor Information Centre
- Colac Maternal Child Health Building - minor renewal works
- Facilities amenities and bathroom works
- Facilities painting program
- Fixtures, Fittings and Furniture program
- Footpath Renewal annual program
- Lake Colac Foreshore furniture improvements
- Lake Colac Oval pavilion fixtures renewal
- Memorial Square Colac Fountain Renewal
- Open Space Improvements at Wyuna Estate – bbq and picnic shelter
- Open Space Renewal Annual Program
- Installation of Street Art
- Roof Replacement Program
- Wastewater management systems at public toilets and halls
- Strategic footpath network expansion

**Other Initiatives – Operational Projects**

- Aged Care Review Implementation
- Apollo Bay Cricket Net upgrade - Council contribution
- Planning for Future Bike Parks
- Christmas Events
- Council's ongoing contribution to the Youth Engagement Program
- Soccer Facilities Feasibility Study

### Service Performance Outcome Indicators relevant to this theme

Service	Indicator	Performance Measure	2022-23 Actual	2023-24 Forecast	2024-25 Target
Libraries (See note below)	Participation	Active library members. (Percentage of the municipal population that are active library members)	3.98%	8%	12%
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities. (Number of visits to aquatic facilities per head of municipal population)	1.73%	4.50%	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 2022-23)	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		2022-23 Actual \$'000	2023-24 Forecast \$'000	2024-25 Budget \$'000
Councillors and Chief Executive Office	This area of governance includes the Mayor, Councillors, Chief Executive Officer, Business Improvement Officer and Public Relations Team and associated support which cannot be easily attributed to the direct service provision areas.	<i>Exp</i>	1,973	2,178	2,962
		<i>Rev</i>	(1)	(12)	(1)
		<b>NET</b>	<b>1,972</b>	<b>2,166</b>	<b>2,961</b>
Procurement and Contract Management	This service provides oversight and governance on contractual and procurement services undertaken by Council.	<i>Exp</i>	300	378	341
		<i>Rev</i>	-	-	-
		<b>NET</b>	<b>300</b>	<b>378</b>	<b>341</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>	1,508	1,814	1,785
		<i>Rev - Rates</i>	(30,444)	(31,802)	-
		<i>Rev - Other</i>	(11,625)	(8,649)	(9,342)
		<b>NET</b>	<b>(40,561)</b>	<b>(38,637)</b>	<b>(7,557)</b>
Information Services	This services provides management and governance of information flows, storage and retrieval within the organisation in accordance with appropriate legislation and standards.	<i>Exp</i>	2,479	2,634	3,566
		<i>Rev</i>	-	-	-
		<b>NET</b>	<b>2,479</b>	<b>2,634</b>	<b>3,566</b>
Corporate Services Management	This service has the responsibility to maintain strong governance and administrative systems and to ensure that these systems are responsive, accountable and transparent to internal users and community needs.	<i>Exp</i>	445	416	471
		<i>Rev</i>	(0)	(0)	(0)
		<b>NET</b>	<b>445</b>	<b>415</b>	<b>471</b>
Customer Service	This service has the responsibility to provide the first point of contact between Council and the public through Council's Customer Service Centres. The service provides overall corporate customer service to the wider community and assists all areas of Council with the provision of corporate responsibility.	<i>Exp</i>	542	549	485
		<i>Rev</i>	-	-	-
		<b>NET</b>	<b>542</b>	<b>549</b>	<b>485</b>
People and Culture	This service provides and develops a culture of high performance, productivity and accountability across the organisation.	<i>Exp</i>	855	1,166	1,163
		<i>Rev</i>	-	-	-
		<b>NET</b>	<b>855</b>	<b>1,166</b>	<b>1,163</b>
Risk management	This service has the responsibility to identify, record and manage all business risk associated with Council's activities. This service manages Council's insurance portfolio.	<i>Exp</i>	1,261	1,160	1,202
		<i>Rev</i>	(256)	(33)	(33)
		<b>NET</b>	<b>1,005</b>	<b>1,127</b>	<b>1,169</b>



### Major initiative in 2024-25 relating to this theme of Strong Leadership and Management

The major investment in leadership in 2023-24 will be the investment in the **2024 General Election** and ensuring that the Councillors are strongly supported with a robust **Councillor Induction** program.

#### Other Initiatives – Capital Projects

- ICT Annual Network Switch Replacement
- ICT Annual device renewal program

#### Other Initiatives – Operational Projects

- Asset Condition Assessments
- Revenue and Rating Plan
- Security Application Control
- Storage Compliance

### Service Performance Outcome Indicators relevant to this theme

Service	Indicator	Performance Measure	2022-23 Actual	2023-24 Forecast	2024-25 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 2024-25 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) \$'000	Expenditure \$'000	Revenue \$'000
Strong and Resilient Economy	3,918	5,552	(1,634)
Valuing The Natural and Built Environment	12,434	17,547	(5,114)
Healthy and Inclusive Community	6,243	14,856	(8,613)
Strong Leadership & Management	2,600	11,975	(9,375)
<b>Total</b>	<b>25,194</b>	<b>49,930</b>	<b>(24,736)</b>

### **Expenses added in:**

Depreciation	14,503
Amortisation - right of use assets	101
Finance costs	10

**Deficit before funding sources 39,808**

### **Funding sources added in:**

Rates and charges revenue (excluding Waste)	(32,843)
Capital grants	(1,703)

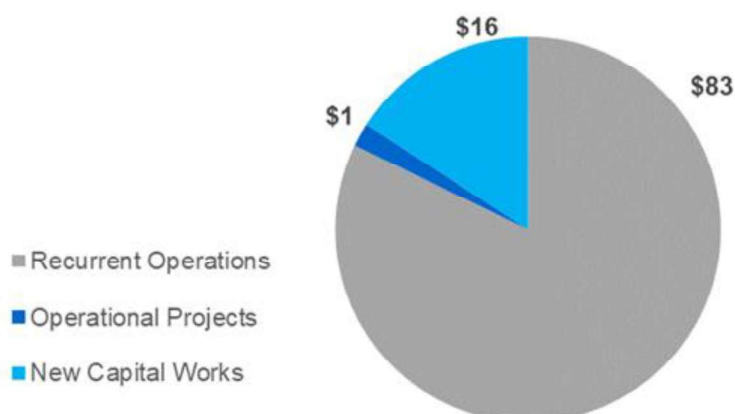
**Total funding sources (34,546)**

**Operating (surplus)/deficit for the year 5,263**

Each \$100 of expenditure in Council's budget for the 2024-25 financial year is allocated as follows:

- \$83 will be spent delivering Council's regular **services** and activities (recurrent operations that occur each year)
- \$17 will be committed to new **initiatives** (capital and operational projects and one-off initiatives)

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	27,500	Recreation reserves maintained	5
Total service centre visits	5,200	Recreation reserves supported	14
Number of transactions receipted	8,100	Playgrounds and skate parks maintained	29
<b>Governance functions</b>		<b>Aquatic facilities</b>	
Freedom of information requests p.a.	20	Bluewater annual members	1,400
Community Asset Committees supported.	24	Bluewater learn to swim enrolments	450
<b>Positive aging and community care</b>		<b>Local Laws and Rangers Services</b>	
In home care hours delivered	47,000	Dog registrations	4,130
Number of individual clients receiving service	1,100	Cat registrations	1,363
Meals delivered 'on wheels'	3,500	<b>Statutory Planning</b>	
<b>Children's Services</b>		Applications determined	370
Family Day Care (hours provided)	25,000	Planning compliance matters addressed	20
New babies supported by M&CH	231	<b>Road services</b>	
Consultations with 0-3.5 year olds	1,976	Total length of roads maintained	1,628 kms
<b>Regulatory Building Services</b>		<b>Waste services</b>	
Property Information requests	700	Urban bins collected kerbside	10,565
Building permits received for lodgement	425	Rural bins collected roadside	166
<b>Environmental Health Services</b>		Waste to landfill (tonnes)	6,699
Food premises inspections	324	Recyclables collected (tonnes)	1,943
Registered food businesses	324	Glass collected (tonnes)	577
Immunisation vaccinations delivered	1,950	Food and Organics collected (tonnes)	3,729
<b>Saleyards</b>		<b>Library services</b>	
Cattle throughput	23,500	Active library borrowers	2,978
<b>COPACC activities</b>		Physical library collection items loaned	106,259
Performances hosted annually	60	<b>Community Grants</b>	
Annual attendance at performances	10,500	Community/business initiatives supported	90
Business events hosted annually	200	<b>Parks and gardens</b>	
Annual participation in business events	13,500	Street trees planned to be planted	400

### 3 Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2024-25 has been supplemented with projections to 2027-28.

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

### 3.1 Comprehensive Income Statement

For the four years ending 30 June 2028

		Forecast Actual 2023-24	Budget 2024-25	Projections		
	NOTES	\$'000	\$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000
<b>Income / Revenue</b>						
Rates and charges	4.1.1	35,522	37,158	38,184	39,139	40,117
Statutory fees and fines	4.1.2	922	915	929	943	957
User fees	4.1.3	6,745	7,970	8,289	8,620	8,965
Grants - Operating	4.1.4	12,792	10,747	10,908	11,072	11,238
Grants - Capital	4.1.4	21,535	1,703	1,703	1,703	1,703
Contributions - monetary	4.1.5	245	25	25	25	25
Contributions - non-monetary	4.1.5	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		-	-	-	-	-
Fair value adjustments for investment property		-	-	-	-	-
Share of net profits/(losses) of associates and joint ventures		(100)	(100)	(100)	(100)	(100)
Other income	4.1.6	1,300	864	694	416	333
<b>Total income / revenue</b>		<b>78,961</b>	<b>59,282</b>	<b>60,632</b>	<b>61,818</b>	<b>63,238</b>
<b>Expenses</b>						
Employee costs	4.1.7	24,271	25,333	26,346	27,400	28,496
Materials and services	4.1.8	22,623	23,253	23,881	24,526	25,188
Depreciation	4.1.9	14,493	14,503	14,603	14,703	14,803
Depreciation - right of use assets	4.1.10	101	101	101	101	101
Bad and doubtful debts		20	10	10	10	10
Finance Costs - leases		12	10	9	3	-
Other expenses	4.1.11	1,547	1,335	1,171	985	735
<b>Total expenses</b>		<b>63,067</b>	<b>64,545</b>	<b>66,122</b>	<b>67,729</b>	<b>69,334</b>
<b>Surplus/(deficit) for the year</b>		<b>15,894</b>	<b>(5,263)</b>	<b>(5,489)</b>	<b>(5,911)</b>	<b>(6,096)</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to surplus or deficit in future periods</b>						
Net asset revaluation gain/(loss)		-	-	-	-	-
Share of other comprehensive income of associates and joint		-	-	-	-	-
<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>15,894</b>	<b>(5,263)</b>	<b>(5,489)</b>	<b>(5,911)</b>	<b>(6,096)</b>



### 3.2 Balance Sheet

For the four years ending 30 June 2028

		Forecast Actual 2023-24	Budget 2024-25	Projections		
	NOTES	\$'000	\$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents		52,647	28,015	25,834	24,471	22,816
Trade and other receivables		1,607	1,687	1,733	1,779	1,826
Inventories		191	191	191	191	191
Non-current assets held for sale		-	-	-	-	-
Other assets		242	254	254	254	254
<b>Total current assets</b>	4.2.1	<b>54,687</b>	<b>30,147</b>	<b>28,012</b>	<b>26,695</b>	<b>25,088</b>
<b>Non-current assets</b>						
Property, infrastructure, plant & equipment		444,718	441,360	439,099	436,578	434,421
Investments in associates, joint arrangement and subsidiaries		147	147	147	147	147
Right-of-use assets	4.2.4	5,917	2,869	2,752	2,640	2,532
<b>Total non-current assets</b>	4.2.1	<b>450,782</b>	<b>444,376</b>	<b>441,998</b>	<b>439,364</b>	<b>437,100</b>
<b>Total assets</b>		<b>505,469</b>	<b>474,523</b>	<b>470,011</b>	<b>466,060</b>	<b>462,188</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables		5,055	5,308	5,573	5,852	6,144
Trust funds and deposits		2,170	1,600	1,600	1,600	1,600
Provisions		4,226	4,385	4,385	4,385	4,385
Lease liabilities	4.2.4	6	9	27	18	-
<b>Total current liabilities</b>	4.2.2	<b>11,457</b>	<b>11,302</b>	<b>11,585</b>	<b>11,855</b>	<b>12,130</b>
<b>Non-current liabilities</b>						
Provisions		4,881	4,836	4,836	4,836	4,836
Interest-bearing liabilities	4.2.3	-	500	-	-	-
Lease liabilities	4.2.4	9	-	-	-	-
<b>Total non-current liabilities</b>	4.2.2	<b>4,890</b>	<b>5,336</b>	<b>4,836</b>	<b>4,836</b>	<b>4,836</b>
<b>Total liabilities</b>		<b>16,347</b>	<b>16,638</b>	<b>16,423</b>	<b>16,691</b>	<b>16,966</b>
<b>Net assets</b>		<b>489,122</b>	<b>457,885</b>	<b>453,588</b>	<b>449,368</b>	<b>445,222</b>
<b>Equity</b>						
Accumulated surplus		178,623	146,401	142,104	137,885	133,738
Reserves		310,499	311,484	311,484	311,484	311,484
<b>Total equity</b>		<b>489,122</b>	<b>457,885</b>	<b>453,588</b>	<b>449,368</b>	<b>445,222</b>

### 3.3 Statement of Changes in Equity

For the four years ending 30 June 2028

	NOTES	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2024 Forecast Actual</b>					
Balance at beginning of the financial year		474,336	163,952	291,114	19,270
Surplus/(deficit) for the year		15,894	15,894	-	-
Net asset revaluation gain /(loss)		(1,106)	(1,106)	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	(115)	-	115
<b>Balance at end of the financial year</b>		<b>489,122</b>	<b>178,623</b>	<b>291,114</b>	<b>19,385</b>
<b>2025 Budget</b>					
Balance at beginning of the financial year		489,122	178,623	291,114	19,385
Surplus/(deficit) for the year		(5,263)	(5,263)	-	-
Net asset revaluation gain /(loss)		(25,974)	(25,974)	-	-
Transfers to other reserves	4.3	-	(983)	-	983
Transfers from other reserves	4.3	-	-	-	-
<b>Balance at end of the financial year</b>	<b>4.3</b>	<b>457,885</b>	<b>146,401</b>	<b>291,114</b>	<b>20,368</b>
<b>2026</b>					
Balance at beginning of the financial year		457,885	146,401	291,114	20,368
Surplus/(deficit) for the year		(5,489)	(5,489)	-	-
Net asset revaluation gain /(loss)		1,194	1,194	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>453,588</b>	<b>142,104</b>	<b>291,114</b>	<b>20,368</b>
<b>2027</b>					
Balance at beginning of the financial year		453,588	142,104	291,114	20,368
Surplus/(deficit) for the year		(5,911)	(5,911)	-	-
Net asset revaluation gain /(loss)		1,689	1,689	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>449,368</b>	<b>137,883</b>	<b>291,114</b>	<b>20,368</b>
<b>2028</b>					
Balance at beginning of the financial year		449,368	137,883	291,114	20,368
Surplus/(deficit) for the year		(6,096)	(6,096)	-	-
Net asset revaluation gain /(loss)		1,950	1,950	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>445,221</b>	<b>133,737</b>	<b>291,114</b>	<b>20,368</b>

### 3.4 Statement of Cash Flows

For the four years ending 30 June 2028

	Notes	Forecast Actual 2023-24 \$'000	Budget 2024-25 \$'000	Projections 2025-26 \$'000	2026-27 \$'000	2027-28 \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>						
Rates and charges		37,987	37,158	38,184	39,139	40,117
Statutory fees and fines		922	915	929	943	957
User fees		6,745	7,970	8,289	8,620	8,965
Grants - operating		4,873	10,747	10,908	11,072	11,238
Grants - capital		21,535	1,703	1,703	1,703	1,703
Contributions - monetary		245	25	25	25	25
Interest received		-	-	-	-	-
Trust funds and deposits		1,049	-	-	-	-
Other receipts		1,538	864	694	416	333
Employee costs		(24,271)	(25,333)	(26,346)	(27,400)	(28,496)
Materials and services		(20,133)	(23,253)	(23,881)	(24,526)	(25,188)
Trust funds and deposits		-	-	-	-	-
Other payments		(1,547)	(1,335)	(1,171)	(985)	(735)
<b>Net cash provided by/(used in) operating activities</b>	4.4.1	<b>28,942</b>	<b>9,461</b>	<b>9,334</b>	<b>9,008</b>	<b>8,919</b>
<b>Cash flows from investing activities</b>						
Payments for property, infrastructure, plant and equipment		(10,350)	(34,475)	(11,378)	(10,250)	(10,475)
Proceeds from sale of property, infrastructure, plant and equipment		-	-	-	-	-
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>(10,350)</b>	<b>(34,575)</b>	<b>(11,478)</b>	<b>(10,350)</b>	<b>(10,575)</b>
<b>Cash flows from financing activities</b>						
Finance costs		-	-	-	-	-
Proceeds from borrowings		-	500	-	-	-
Repayment of borrowings		-	-	-	-	-
Interest paid - lease liability		(12)	(10)	(9)	(3)	-
Repayment of lease liabilities		(2)	(9)	(27)	(18)	-
<b>Net cash provided by/(used in) financing activities</b>	4.4.3	<b>(14)</b>	<b>481</b>	<b>(36)</b>	<b>(21)</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		18,578	(24,632)	(2,181)	(1,363)	(1,656)
Cash and cash equivalents at the beginning of the financial year		34,069	52,647	28,015	25,834	24,471
<b>Cash and cash equivalents at the end of the financial year</b>		<b>52,647</b>	<b>28,015</b>	<b>25,834</b>	<b>24,471</b>	<b>22,816</b>

### 3.5 Statement of Capital Works

For the four years ending 30 June 2028

		Forecast Actual 2023-24 \$'000	Budget 2024-25 \$'000	Projections		
	Notes			2025-26 \$'000	2026-27 \$'000	2027-28 \$'000
<b><u>Property</u></b>						
Land		-	-	-	-	-
Buildings		3,081	861	2,203	861	861
<b>Total land and Buildings</b>		<b>3,081</b>	<b>861</b>	<b>2,203</b>	<b>861</b>	<b>861</b>
<b>Total property</b>	4.5.2	<b>3,081</b>	<b>861</b>	<b>2,203</b>	<b>861</b>	<b>861</b>
<b><u>Plant and equipment</u></b>						
Plant, machinery and equipment		2,606	1,500	800	800	800
Fixtures, fittings and furniture		-	87	87	87	87
Computers and telecommunications		406	458	481	505	530
<b>Total plant and equipment</b>	4.5.2	<b>3,012</b>	<b>2,045</b>	<b>1,368</b>	<b>1,392</b>	<b>1,417</b>
<b><u>Infrastructure</u></b>						
Roads		11,732	7,671	6,950	7,119	7,297
Bridges		221	60	54	56	57
Footpaths and cycleways		1,605	235	213	218	224
Drainage		1,504	320	290	297	304
Other infrastructure		12,102	331	300	307	315
<b>Total infrastructure</b>	4.5.2	<b>27,164</b>	<b>8,617</b>	<b>7,807</b>	<b>7,997</b>	<b>8,197</b>
<b>Total capital works expenditure</b>		<b>33,257</b>	<b>11,523</b>	<b>11,378</b>	<b>10,250</b>	<b>10,475</b>
<b>Represented by:</b>						
New asset expenditure		332	115	114	102	105
Asset renewal expenditure		32,741	11,344	11,202	10,091	10,313
Asset upgrade expenditure		184	64	63	57	58
<b>Total capital works expenditure</b>		<b>33,257</b>	<b>11,523</b>	<b>11,378</b>	<b>10,250</b>	<b>10,475</b>
<b>Funding Sources represented by:</b>						
Grants		21,535	1,703	1,703	1,703	1,703
Contributions		-	-	-	-	-
Council Cash		10,922	8,213	8,375	8,547	8,772
Council Reserves		800	1,607	800	-	-
Borrowings		-	-	500	-	-
<b>Total capital works expenditure*</b>		<b>33,257</b>	<b>11,523</b>	<b>11,378</b>	<b>10,250</b>	<b>10,475</b>

\*Total capital works includes carried forward projects in 2023-24 year amounting to \$22.95 million. For further details relating to carry forwards, refer to note 4.5.3.

### 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.

For the four years ending 30 June 2028

	Forecast Actual 2023-24 \$'000	Budget 2024-25 \$'000	Projections		
Notes			2025-26 \$'000	2026-27 \$'000	2027-28 \$'000
<b>Staff expenditure</b>					
Employee costs - operating	24,271	25,333	26,346	27,400	28,496
Employee costs - capital	930	964	906	951	999
<b>Total staff expenditure</b>	<b>25,201</b>	<b>26,297</b>	<b>27,252</b>	<b>28,351</b>	<b>29,495</b>
	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
<b>Staff numbers</b>					
Employees	246.3	245.5	245.5	245.5	245.5
<b>Total staff numbers</b>	<b>246.3</b>	<b>245.5</b>	<b>245.5</b>	<b>245.5</b>	<b>245.5</b>

The total staff numbers has a reduction in FTE, most of which is the result of the anticipated transfer of Port of Apollo Bay staff to the Great Ocean Road Coast and Parks Authority planned for 1 July 2024.

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

Department	Budget 2024-25 \$'000	Comprises			
		Permanent		Casual \$'000	Temp \$'000
		Full Time \$'000	Part time \$'000		
Chief Executive Office	850	700	150	-	-
Corporate Services	4,115	3,308	660	147	-
Community and Economy	9,171	4,251	4,348	572	-
Infrastructure and Operations	11,197	10,354	829	14	-
<b>Total staff expenditure</b>	<b>25,333</b>	<b>18,613</b>	<b>5,987</b>	<b>733</b>	-
Capitalised labour costs	964				
<b>Total expenditure</b>	<b>26,297</b>				

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

Department	Budget 2024-25	Comprises			
		Permanent		Casual	Temp
		Full Time	Part time		
Chief Executive Office	9	7	2	-	-
Corporate Services	40	33	7	-	-
Community and Economy	85	42	43	-	-
Infrastructure and Operations	112	104	8	-	-
<b>Total staff</b>	<b>246</b>	<b>186</b>	<b>60</b>	<b>-</b>	<b>-</b>

### 3.7 Summary of Planned Human Resources Expenditure

A summary of human resources expenditure categorised according to the organisational structure of Council for 2024-25 is included in the following table.

For the four years ending 30 June 2028

	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000
<b>Chief Executive Office</b>				
Permanent - Full time	701	752	782	813
Women	400	429	447	464
Men	0	0	0	0
Vacant positions	300	322	335	348
Permanent - Part time	150	161	167	174
Women	100	107	112	116
Men	0	0	0	0
Vacant positions	50	54	56	58
<b>Total Chief Executive Office</b>	<b>851</b>	<b>913</b>	<b>949</b>	<b>987</b>
<b>Corporate Services</b>				
Permanent - Full time	3,342	3,564	3,707	3,855
Women	1,590	1,686	1,753	1,823
Men	1,351	1,449	1,507	1,568
Vacant positions	400	429	447	464
Permanent - Part time	661	698	726	755
Women	250	258	268	279
Men	200	215	223	232
Vacant positions	210	225	234	244
<b>Total Corporate Services</b>	<b>4,002</b>	<b>4,262</b>	<b>4,432</b>	<b>4,610</b>
<b>Community and Economy</b>				
Permanent - Full time	4,203	4,520	4,700	4,888
Women	2,482	2,673	2,780	2,891
Men	801	859	893	929
Vacant positions	921	988	1,027	1,068
Permanent - Part time	4,364	4,649	4,834	5,028
Women	3,933	4,187	4,354	4,529
Men	180	193	201	209
Vacant positions	250	268	279	290
<b>Total Community and Economy</b>	<b>8,567</b>	<b>9,168</b>	<b>9,535</b>	<b>9,916</b>
<b>Infrastructure and Operations</b>				
Permanent - Full time	10,351	10,361	10,776	11,207
Women	1,791	1,922	1,999	2,078
Men	7,478	7,280	7,571	7,874
Vacant positions	1,081	1,159	1,206	1,254
Permanent - Part time	830	880	916	952
Women	509	537	558	581
Men	60	64	67	70
Vacant positions	260	279	290	302
<b>Total Infrastructure and Operations</b>	<b>11,180</b>	<b>11,241</b>	<b>11,691</b>	<b>12,159</b>
<b>Casuals, temporary and other expenditure</b>	<b>733</b>	<b>762</b>	<b>793</b>	<b>825</b>
<b>Capitalised labour costs</b>	<b>964</b>	<b>906</b>	<b>951</b>	<b>999</b>
<b>Total staff expenditure</b>	<b>26,297</b>	<b>27,253</b>	<b>28,351</b>	<b>29,495</b>

A summary of human resources full-time equivalent (FTE) employees, categorised according to the organisational structure of Council for 2024-25, is included in the following table.

	2024-25 FTE	2025-26 FTE	2026-27 FTE	2027-28 FTE
<b>Chief Executive Office</b>				
Permanent - Full time	7.0	7.0	7.0	7.0
Women	4.0	4.0	4.0	4.0
Men	0.0	0.0	0.0	0.0
Vacant positions	3.0	3.0	3.0	3.0
Permanent - Part time	1.5	1.5	1.5	1.5
Women	1.0	1.0	1.0	1.0
Men	0.0	0.0	0.0	0.0
Vacant positions	0.5	0.5	0.5	0.5
<b>Total Chief Executive Office</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>
<b>Corporate Services</b>				
Permanent - Full time	33.2	33.2	33.2	33.2
Women	15.7	15.7	15.7	15.7
Men	13.5	13.5	13.5	13.5
Vacant positions	4.0	4.0	4.0	4.0
Permanent - Part time	6.5	6.5	6.5	6.5
Women	2.4	2.4	2.4	2.4
Men	2.0	2.0	2.0	2.0
Vacant positions	2.1	2.1	2.1	2.1
<b>Total Corporate Services</b>	<b>39.7</b>	<b>39.7</b>	<b>39.7</b>	<b>39.7</b>
<b>Community and Economy</b>				
Permanent - Full time	42.1	42.1	42.1	42.1
Women	24.9	24.9	24.9	24.9
Men	8.0	8.0	8.0	8.0
Vacant positions	9.2	9.2	9.2	9.2
Permanent - Part time	43.3	43.3	43.3	43.3
Women	39.0	39.0	39.0	39.0
Men	1.8	1.8	1.8	1.8
Vacant positions	2.5	2.5	2.5	2.5
<b>Total Community and Economy</b>	<b>85.4</b>	<b>85.4</b>	<b>85.4</b>	<b>85.4</b>
<b>Infrastructure and Operations</b>				
Permanent - Full time	98.7	98.7	98.7	98.7
Women	17.9	17.9	17.9	17.9
Men	70.0	70.0	70.0	70.0
Vacant positions	10.8	10.8	10.8	10.8
Permanent - Part time	8.2	8.2	8.2	8.2
Women	5.0	5.0	5.0	5.0
Men	0.6	0.6	0.6	0.6
Vacant positions	2.6	2.6	2.6	2.6
<b>Total Infrastructure and Operations</b>	<b>106.9</b>	<b>106.9</b>	<b>106.9</b>	<b>106.9</b>
<b>Casuals and temporary staff</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</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>245.5</b>	<b>245.5</b>	<b>245.5</b>	<b>245.5</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 Financial Planning process. Like its 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 2024-25 the rates cap has been set at 2.75%. 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 2.75% increase because of changes to their property value relative to that of other ratepayers' properties.

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

	2023-24 Forecast \$'000	2024-25 Budget \$'000	Change \$'000	%
General rates*	28,350	29,152	801	2.83%
Municipal charge*	3,126	3,190	64	2.05%
Waste management charge	3,713	4,315	603	16.2%
Special rates and charges	23	23	-	0.00%
Supplementary rates and rate adjustments	-	100	100	-
Revenue in lieu of rates	260	258	- 2	-0.83%
Interest on rates and charges	50	120	70	140.0%
<b>Total rates and charges</b>	<b>35,522</b>	<b>37,158</b>	<b>1,636</b>	<b>4.61%</b>

\* These items include supplementary rates, which are not subject to the rate cap, and 2023-2024 will be annualised in table 4.1.1 (I).

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	2023-24 cents/\$CIV	2024-25 cents/\$CIV	Change
Residential - Colac/Elminyot	0.002628	0.002585	(1.6%)
Residential - Balance Of Shire	0.002234	0.002197	(1.6%)
Holiday Rental	0.002628	0.002585	(1.6%)
Rural Farm	0.001971	0.001939	(1.6%)
Commercial/Industrial - Colac/Elminyot	0.004336	0.004265	(1.6%)
Commercial/Industrial - Balance Of Shire	0.003679	0.003619	(1.6%)

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	2023-24 \$	2024-25 \$	Change \$	%
Residential - Colac/Elminyot	7,753,217	7,706,244	(46,973)	(0.6%)
Residential - Balance Of Shire	9,359,437	9,572,759	213,322	2.3%
Holiday Rental	1,447,565	1,346,517	(101,047)	(7.0%)
Rural Farm	6,804,571	7,303,761	499,191	7.3%
Commercial/Industrial - Colac/Elminyot	2,004,731	2,137,502	132,771	6.6%
Commercial/Industrial - Balance Of Shire	973,495	1,085,002	111,508	11.5%
<b>Total amount to be raised by general rates</b>	<b>28,343,015</b>	<b>29,151,786</b>	<b>808,771</b>	<b>2.9%</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	2023-24	2024-25	Change	
	Number	Number	Number	%
Residential - Colac/Elminyot	5,965	5,996	31	0.5%
Residential - Balance Of Shire	5,563	5,551	(12)	(0.2%)
Holiday Rental	553	538	(15)	(2.7%)
Rural Farm	2,891	2,970	79	2.7%
Commercial/Industrial - Colac/Elminyot	673	674	1	0.1%
Commercial/Industrial - Balance Of Shire	333	329	(4)	(1.2%)
<b>Total number of assessments</b>	<b>15,978</b>	<b>16,058</b>	<b>80</b>	<b>0.5%</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	2023-24	2024-25	Change	
	\$	\$	\$	%
Residential - Colac/Elminyot	2,927,367,000	2,980,987,000	53,620,000	1.8%
Residential - Balance Of Shire	4,157,076,000	4,356,478,000	199,402,000	4.8%
Holiday Rental	546,555,000	520,870,000	(25,685,000)	(4.7%)
Rural Farm	3,425,591,000	3,767,061,000	341,470,000	10.0%
Commercial/Industrial - Colac/Elminyot	458,763,000	501,118,000	42,355,000	9.2%
Commercial/Industrial - Balance Of Shire	262,558,000	299,792,000	37,234,000	14.2%
<b>Total value of land</b>	<b>11,777,910,000</b>	<b>12,426,306,000</b>	<b>648,396,000</b>	<b>5.5%</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 2023-24	Per Rateable Property 2024-25	Change	
	\$	\$	\$	%
Municipal Charge	206	210	4	2.2%

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

Type of Charge	2023-24	2024-25	Change	
	\$	\$	\$	%
Municipal Charge	3,126,274	3,190,427	64,153	2.1%

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 2023-24	Per Rateable Property 2024-25	Change	
	\$	\$	\$	%
Weekly Kerbside collection	351	402	51	14.5%
Fortnightly Kerbside collection	268	307	39	14.6%

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	2023-24	2024-25	Change	
	\$	\$	\$	%
Weekly Kerbside collection	3,668,652	4,264,416	595,764	16.2%
Fortnightly Kerbside collection	44,220	50,962	6,742	15.2%
<b>Total</b>	<b>3,712,872</b>	<b>4,315,378</b>	<b>602,506</b>	<b>16.2%</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:

	2023-24	2024-25	Change	
	\$	\$	\$	%
General rates	28,343,015	29,151,786	808,771	2.9%
Municipal charge	3,126,274	3,190,427	64,153	2.1%
Kerbside collection and recycling	3,712,872	4,315,378	602,506	16.2%
Tirrengower Drainage Scheme	22,500	22,500	-	-
<b>Total Rates and charges</b>	<b>35,204,661</b>	<b>36,680,090</b>	<b>1,475,429</b>	<b>4.2%</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.

	2023-24	2024-25
Forecast Annualised Rate Revenue From Prior Year	\$ 30,182,219	\$31,476,606
Number of rateable properties	15,978	16,058
Base Average Rate	\$ 1,889	\$ 1,960
Maximum Rate Increase (set by the State Government)	<b>3.50%</b>	<b>2.75%</b>
Capped Average Rate	\$ 1,955	\$ 2,014
Maximum General Rates and Municipal Charges Revenue	\$ 31,238,597	\$32,342,213
Budgeted General Rates and Municipal Charges Revenue	\$ 31,469,289	\$32,342,212
Budgeted Supplementary Rates	\$ 100,000	\$ 100,000
Budgeted Total Rates and Municipal Charges Revenue	\$ 31,569,289	\$32,442,212

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 (2024-25: estimated \$100,000 and 2023-24: \$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 labour 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 2024 to 30 June 2025.

#### 4.1.2 Statutory fees and charges

	Forecast 2023-24 \$'000	Budget 2024-25 \$'000	Change	
			\$'000	%
Statutory Planning Operations	378	375	(4)	(0.9%)
Public Health Operations	243	225	(18)	(7.4%)
Building Services Operations	106	107	1	0.9%
Local Law s Operations	64	80	16	25.0%
Property and Rates Operations	33	36	3	10.3%
Infrastructure Customer Services	80	81	1	1.3%
Emergency Management Operations	10	7	(3)	(30.0%)
Planning Compliance	8	4	(4)	(52.0%)
<b>Total statutory fees and fines</b>	<b>922</b>	<b>915</b>	<b>(7)</b>	<b>(0.8%)</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 and charges are budgeted to stay at the approximately same level as last year.

#### 4.1.3 User charges

	Forecast 2023-24 \$'000	Budget 2024-25 \$'000	Change	
			\$'000	%
Aged Care Management	3,325	4,407	1,083	32.6%
Bluewater Lesiure Centre	1,369	1,611	242	17.7%
Colac Livestock Selling Centre	505	523	18	3.6%
COPACC Management	290	342	53	18.1%
Great Ocean Road VIC	199	182	(17)	(8.6%)
Waste Management	378	425	47	12.4%
Local Law s	241	267	26	10.8%
Apollo Bay Harbour	179	-	(179)	(100.0%)
Infrastructure Development	40	32	(8)	(20.0%)
Family and Children's Services	53	58	4	7.8%
Airfield	39	32	(7)	(18.6%)
Building Services	32	5	(27)	(84.4%)
Public Health	4	4	0	-
Risk Management	1	1	0	-
Statutory Planning	1	1	0	-
Strategic Asset & Property Services	86	73	(13)	(14.9%)
Financial Services	2	2	0	4.0%
Events	4	4	1	17.9%
<b>Total user fees</b>	<b>6,745</b>	<b>7,970</b>	<b>1,222</b>	<b>18.1%</b>

Revenue from user fees is budgeted to increase by 18.1% or \$1.22m compared to 2023-24. The budgeted increase in the aged services area is due to increased numbers using the Home Care Services that Council provides to the community (\$1.08m). This increase is partially offset by the costs to deliver the additional packages, as shown in the '4.1.7 Employee Cost' analysis. The services at Bluewater Leisure Centre (BWLC) and COPACC are expected to grow in 2024-25, resulting in increased user fees for BWLC (\$242k) and COPACC (\$53k). It is expected that waste user fees will increase by \$47k due to a 12.4% average increase in user charges.

This increase is part of a broader effort to recover the cost to Council of providing the waste service, reflecting significant increases to costs incurred by Council over the past few years.

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

The reduction in 2024-25 budgeted recurrent operating grants as against the 2023-24 forecast is driven by a \$878K decrease in Port of Apollo Bay Operating grants, as Council will cease managing the operations of the Port of Apollo Bay by end of 2023-24.

The budgeted capital grants have decreased compared to 2023-24 by \$19.8 million. 2024-25 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 2023-24 \$'000	Budget 2024-25 \$'000	Change \$'000 %	
Grants were received in respect of the following:				
Summary of grants				
Commonw ealth funded grants	10,574	10,539	(35)	(0.3%)
State funded grants	23,753	1,910	(21,843)	(92.0%)
Total grants received	34,327	12,450	(21,878)	(63.7%)
(a) Operating Grants				
Recurrent - Commonwealth Government				
Family & Children's Services Operations	170	170	0	-
Other	66	66	0	-
Victorian Grants Commission	8,579	8,600	21	0.2%
Recurrent - State Government				
Aged Care Management Administration	1,099	1,241	142	12.9%
Port of Apollo Bay Operations	878	-	(878)	(100.0%)
Environment and Community Safety Operations	116	-	(116)	(100.0%)
Maternal & Child Health Operations	423	446	23	5.4%
Regional Assessment Service Operations	182	-	(182)	(100.0%)
COPACC Management Operations	95	95	0	-
School Crossing Supervision Operations	56	50	(6)	(9.9%)
Revenue Services	50	50	0	-
Public Health Operations	20	26	6	30.0%
Family & Children's Services Operations	14	1	(14)	(95.1%)
Health Active Communities	13	2	(12)	(88.8%)
Total recurrent grants	11,762	10,747	(1,016)	(8.6%)
Non-recurrent - Commonwealth Government				
Non-recurrent - State Government				
Public Health Operations	7	-	(7)	(100.0%)
Health Active Communities Operations	194	-	(194)	(100.0%)
Recreation Operations	190	-	(190)	(100.0%)
Family & Children's Services Operations	42	-	(42)	100.0%
Strategic Planning Operations	553	-	(553)	(100.0%)
Disaster Recovery	45	-	(45)	(100.0%)
Total non-recurrent grants	1,030	-	(1,030)	(100.0%)
Total operating grants	12,792	10,747	(2,045)	(16.0%)
(b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to recovery	1,702	1,703	-	-
Recurrent - State Government				
Total recurrent grants	1,702	1,703	1	0.0%
Non-recurrent - Commonwealth Government				
Community Facilities	56	-	(56)	(100.0%)
Non-recurrent - State Government				
Local Roads and Community Infrastructure Funding	8,367	-	(8,367)	(100.0%)
Family & Children's Services	310	-	(310)	(100.0%)
Landslip	6,500	-	(6,500)	(100.0%)
Community Facilities	1,114	-	(1,114)	(100.0%)
Flood Events	1,700	-	(1,700)	(100.0%)
Local Roads Infrastructure	1,743	-	(1,743)	(100.0%)
Road Safety	42	-	(42)	(100.0%)
Total non-recurrent grants	19,832	-	(19,832)	(100.0%)
Total capital grants	21,535	1,703	(19,832)	(92.1%)
Total Grants	34,327	12,451	(21,877)	(63.7%)

#### 4.1.5 Contributions

	Forecast 2023-24 \$'000	Budget 2024-25 \$'000	Change	
			\$'000	%
Monetary	245	25	(220)	(89.8%)
Non-monetary	-	-	-	-
<b>Total contributions</b>	<b>245</b>	<b>25</b>	<b>(220)</b>	<b>(89.8%)</b>

Monetary contributions are expected to decrease due to 2023-24 contributions relating to one-off projects and anticipated public open space contributions. 2023-24 project contributions related to public open space contributions (\$131k), Birregurra Recreation Reserve Oval lighting (\$32k), and various reserve projects (\$54k).

#### 4.1.6 Other income

	Forecast 2023-24 \$'000	Budget 2024-25 \$'000	Change	
			\$'000	%
Reimbursements	41	40	(1)	(2.4%)
Port of Apollo Bay Administration Income	2	-	(2)	(100.0%)
Interest	700	750	50	7.1%
Other income	544	61	(483)	(88.9%)
Rates Legal Costs Recovered	13	13	-	-
<b>Total other income</b>	<b>1,300</b>	<b>864</b>	<b>(436)</b>	<b>(33.6%)</b>

The budget for other income is expected to decrease by 33.6% or \$0.436 million mainly due to decrease in other income.

#### 4.1.7 Employee costs

	Forecast 2023-24 \$'000	Budget 2024-25 \$'000	Change	
			\$'000	%
Wages and salaries	17,707	18,616	909	5.1%
Employee Leave	2,006	2,010	4	0.2%
Superannuation	2,414	2,453	38	1.6%
Casual Staff	729	733	4	0.5%
Sick Leave	678	691	12	1.8%
Other Employee Benefits	12	18	6	52.3%
Fringe Benefits Tax	175	175	0	-
WorkCover	550	637	87	15.8%
<b>Total employee costs</b>	<b>24,271</b>	<b>25,333</b>	<b>1,062</b>	<b>4.4%</b>

Primary drivers of the change between the 2023-24 and 2024-25 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 2023-24 \$'000	Budget 2024-25 \$'000	Change	
			\$'000	%
Contractors	9,623	10,707	1,084	11.3%
Materials	4,156	4,263	107	2.6%
Subscriptions and memberships	2,095	1,278	(817)	(39.0%)
Utilities	1,281	1,182	(99)	(7.7%)
Consultants	2,584	2,716	132	5.1%
Agency staff	677	1,227	551	81.4%
Insurances	1,187	1,025	(163)	(13.7%)
Training costs	523	426	(97)	(18.6%)
Plant and equipment (maintenance & internal charge)	314	192	(123)	(39.0%)
Legal costs	160	168	8	5.0%
Venue Hire	8	(39)	(47)	(570.3%)
Other expenditure	10	100	90	900.0%
Permits	2	2	(0)	(11.8%)
Merchant Fees	5	5	(0)	(6.0%)
<b>Total materials and services</b>	<b>22,623</b>	<b>23,253</b>	<b>630</b>	<b>2.8%</b>

The budget for materials and services is expected to increase slightly in 2024-25 due to increase in contractors which is partly offset by a reduction in subscriptions and memberships.

#### 4.1.9 Depreciation

	Forecast 2023-24 \$'000	Budget 2024-25 \$'000	Change	
			\$'000	%
Buildings	1,939	1,941	1	0.1%
Plant and equipment	1,770	1,772	1	0.1%
Infrastructure	10,783	10,790	7	0.1%
<b>Total depreciation</b>	<b>14,493</b>	<b>14,503</b>	<b>10</b>	<b>0.1%</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. There is no material increase in the depreciation expense for 2024-25.

#### 4.1.10 Depreciation- Right of use assets

	Forecast 2023-24 \$'000	Budget 2024-25 \$'000	Change	
			\$'000	%
Right of use assets	101	101	-	-
<b>Total depreciation - right of use assets</b>	<b>101</b>	<b>101</b>	<b>-</b>	<b>-</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	
	2023-24 \$'000	2024-25 \$'000	\$'000	%
Grants and donations paid	713	442	(271)	(38.0%)
Elected Members Allowances	312	325	13	4.3%
Other costs	222	343	121	54.6%
Fire service levy	87	70	(17)	(19.5%)
Auditors remuneration	60	103	43	72.3%
Rates Written Off	71	-	(71)	(100.0%)
Elected Members Superannuation Contribution	25	-	0	-
Elected Member Mileage Allowance per km	20	15	(5)	(25.0%)
Animal registration levy	24	24	0	-
Royalties and commissions	9	9	0	-
Remote Area Councillor Travel Allowance	3	3	-	-
Corporate Card Expenses	3	1	-	-
<b>Total other expenses</b>	<b>1,547</b>	<b>1,335</b>	<b>(212)</b>	<b>(13.7%)</b>

The budgeted movement mainly relates to carried forward operating projects in 2023-24.

## 4.2 Balance Sheet

### 4.2.1 Assets

Assets will decrease in 2024-25 with Cash and Property, infrastructure, plant and equipment expected to decrease. Property, infrastructure, plant and equipment comprise 93.5% of Council's total assets and the decrease is largely due to the capital works program being lower than depreciation.

### 4.2.2 Liabilities

Liabilities will increase in 2024-25, 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

Council is only allowing for one loan in the Budget 2024-25, which is specifically to support the Bluewater Leisure Centre Electrification project in the event it is successful in securing an external grant for this project.

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

	Forecast	Budget	Budget	Budget	Budget
	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000
Amount borrowed as at 30 June of the prior year	-	-	-	-	-
Amount proposed to be borrowed	-	500	-	-	-
Amount projected to be redeemed	-	-	-	-	-
<b>Amount of borrowings as at 30 June</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</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 2023-24 \$'000	Budget 2024-25 \$'000
<b>Right-of-use assets</b>		
Property	5,857	2,828
Plant and equipment	60	41
<b>Total right-of-use assets</b>	<b>5,917</b>	<b>2,869</b>
<b>Lease liabilities</b>		
<b>Current lease Liabilities</b>		
Plant and equipment	6	9
<b>Total current lease liabilities</b>	<b>6</b>	<b>9</b>
<b>Non-current lease liabilities</b>		
Plant and equipment	9	-
<b>Total non-current lease liabilities</b>	<b>9</b>	<b>-</b>
<b>Total lease liabilities</b>	<b>15</b>	<b>9</b>

Where the interest rate applicable to a lease is not expressed in the lease agreement, Council applies the average incremental borrowing rate in the calculation of lease liabilities.

#### 4.3 Statement of Changes in Equity

Reserve Name	Reserve Type	Forecast 2023-24 \$'000	Budget 2024-25 \$'000
Asset Revaluation Reserve	Discretionary	290,773	291,114
Colac Livestock Selling Centre Reserve	Discretionary	139	274
Financial Assistance Grants Received in Advance	Discretionary	6,860	7,775
Home Care Packages Reserve	Discretionary	-	-
Waste Management Reserve	Discretionary	2,084	2,610
Landfill Rehabilitation (Alvie) Reserve	Discretionary	1,208	1,265
Long Service Leave Reserve	Discretionary	3,113	2,983
Matching Grants Reserve	Discretionary	-	-
Plant Replacement Reserve	Discretionary	692	588
Recreational Lands Reserve	Statutory	1,628	870
Rehabilitation Reserve	Discretionary	1,307	1,332
Water Sensitive Urban Design	Discretionary	67	68
Disaster Recovery	Discretionary	-	-
Unallocated Surplus	Discretionary		
Strategic Projects Reserve	Discretionary	2,524	2,504
Tirrengow er Drainage Scheme Reserve	Contractual	104	100
<b>Total Equity Reserves</b>		<b>310,499</b>	<b>311,484</b>

## **Purpose for Reserves**

### **Asset Revaluation Reserve**

#### Purpose

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

### **Colac Livestock Selling Centre Reserve**

#### Purpose

This reserve is for the purpose of funding workings at the Colac Livestock Selling Centre and all funds are derived from any surplus made from the operations of the Colac Livestock Selling Centre.

### **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.

### **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.

### **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.

### **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.

**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.

**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.

**4.4 Statement of Cash Flows****4.4.1 Net Cash Provided from Operating Activities**

There is a decrease in cash provided by operating activities in 2024-25 compared to the forecast 2023-24 financial year as the capital program is budgeted to reduce in 2024-25, as carried forward projects from 2022-23 are completed in 2023-24 financial year.

**4.4.2 Cash Flows from Investing Activities**

New capital works budgeted in 2024-25 is lower than the 2023-24 budgeted program of \$33.26 million by \$21.73 million. This decrease in 'Payments for property, infrastructure, plant and equipment' mainly reflects the carried forward projects from 2022-23 being completed in full in 2023-24 financial year.

**4.4.3 Cash Flows from Financing Activities**

Cash outflows from financing activities remains stable year on year, as Council continues to maintain a low level of debt and has no loans in the current financial year. Council will consider its cash position before entering into any future debt arrangements.

## 4.5 Statement of Capital Works

This section provides a summary of the planned capital expenditure and funding for the 2024-25 year classified by expenditure type and funding source.

### 4.5.1 Summary

	Forecast 2023-24 \$'000	Budget 2024-25 \$'000	Change \$'000	%
Property	3,081	861	(2,220)	-72.05%
Plant and equipment	3,012	2,045	(967)	-32.10%
Infrastructure	27,164	8,617	(18,548)	-68.28%
<b>Total</b>	<b>33,257</b>	<b>11,523</b>	<b>(21,734)</b>	<b>-65.35%</b>

	Project Cost \$'000	Asset expenditure types			Summary of Funding Sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Council Reserves \$'000	Borrowings \$'000
Property	861	-	803	58	-	-	819	42	-
Plant and equipment	2,045	20	2,025	-	-	-	545	1,500	-
Infrastructure	8,617	95	8,516	6	1,703	-	6,849	65	-
<b>Total</b>	<b>11,523</b>	<b>115</b>	<b>11,344</b>	<b>64</b>	<b>1,703</b>	<b>-</b>	<b>8,213</b>	<b>1,607</b>	<b>-</b>

The 2023-24 forecast figures include capital works carried forward from previous years and increased funding renewal and upgrade works. The 2023-24 Capital Works Program has increased from the Adopted Budget of \$9.71 million, by \$23.54 million. The above table for Budget 2024-25 does not include capital works carried forward from 2023-24. For further details relating to carry forwards, refer to note 4.5.3.

#### 4.5.2 Current Budget

Capital Works Area	Project Cost	Asset expenditure types			Summary of Funding Sources				
		New	Renewal	Upgrade	Grants	Contrib.	Council cash	Council Reserves	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PROPERTY									
Buildings									
Facilities painting program	240	-	240	-	-	-	240	-	-
Roof Replacement Program	200	-	200	-	-	-	200	-	
Wastewater management systems at public toilets and halls	150	-	135	15	-	-	150	-	-
Facilities amenities and bathroom works	110	-	88	22	-	-	110	-	-
Municipal Pound	52	-	31	21	-	-	52	-	-
BWLC - Electrification	42	-	42	-	-	-	-	42	-
Building defects rectification program	40	-	40	-	-	-	40	-	-
Colac MCH Building - minor renewal works	27	-	27	-	-	-	27	-	-
TOTAL PROPERTY	861	-	803	58	-	-	819	42	-
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment									
Annual Heavy Plant Replacement Program	1,100	-	1,100	-	-	-	-	1,100	-
Annual Light Fleet Replacement Program	400	-	400	-	-	-	-	400	-
Fixtures, Fittings and Furniture									
Fixtures, Fittings and Furniture	20	-	20	-	-	-	20	-	-
Fixtures, Fittings and Furniture	20	-	20	-	-	-	20	-	-
Installation of Street Art	20	20	-	-	-	-	20	-	-
Colac Visitor Information Centre	15	-	15	-	-	-	15	-	-
Lake Colac Oval pavilion fixtures renewal	12	-	12	-	-	-	12	-	-
Computers and Telecommunications									
IM - Content Manager Upgrade	-	-	-	-	-	-	-	-	-
ICT - Device Renewal	336	-	336	-	-	-	336	-	-
ICT - Critical Infrastructure Improvement	122	-	122	-	-	-	122	-	-
CRM Replacement	-	-	-	-	-	-	-	-	-
TOTAL PLANT AND EQUIPMENT	2,045	20	2,025	-	-	-	545	1,500	



## Current Budget (cont.)

Capital Works Area	Project Cost	Asset expenditure types			Summary of Funding Sources				
		New	Renewal	Upgrade	Grants	Contrib.	Council cash	Council Reserves	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INFRASTRUCTURE									
Roads									
Unsealed Road Resheeting Program 2024-25	1,201	-	1,201	-	-	-	1,201	-	-
Reseal Program - Renewal	1,100	-	1,100	-	-	-	1,100	-	-
Mooleric Road, Stage 2	850	-	850	-	723	-	127	-	-
Pengilley Avenue - from Gallipoli Parade to McLachlan Street	690	-	690	-	390	-	300	-	-
The Boulevard, Wye River	605	-	605	-	390	-	215	-	-
Koonya Avenue Reconstruction - Wallace Street to Dunoon Road	530	-	530	-	-	-	530	-	-
Pascoe Street - from Moore Street to Nelson Street	510	-	510	-	-	-	510	-	-
Asset Renewal Funds for unplanned works	500	-	500	-	-	-	500	-	-
Sealed Road Major Patching Program	350	-	350	-	-	-	350	-	-
Roadslip Retaining Structures Renewal Program	330	-	330	-	-	-	330	-	-
Connor and Scott Street Intersection	250	-	250	-	200	-	50	-	-
Road Shoulder Resheeting Program - Renewal	250	-	250	-	-	-	250	-	-
Kerb and Channel Renewal Program	150	-	150	-	-	-	150	-	-
Pound Road and Queen Street Intersection	120	-	120	-	-	-	120	-	-
Forward Design Program	100	-	100	-	-	-	100	-	-
Sealed road crack sealing program	80	-	80	-	-	-	80	-	-
Guardrail Replacement Program	55	-	55	-	-	-	55	-	-
Bridges							-	-	-
Bridges Renewal Program	60	-	60	-	-	-	60	-	-
Footpaths and Cycleways									
Footpath Renewal Annual Program	155	-	155	-	-	-	155	-	-
Strategic footpath network expansion	80	-	80	-	-	-	80	-	-
Drainage									
Pits, Pipes, Culverts and Headwall renewal program	195	-	195	-	-	-	195	-	-
Strategic drainage Improvement Program	80	-	80	-	-	-	80	-	-
Bromfield Street - Pipe Replacement	45	-	45	-	-	-	45	-	-

Current Budget (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	Council Reserves \$'000	Borrowings \$'000
<b>Other infrastructure</b>									
<i>Memorial Square Colac, Fountain Renewal</i>	110	-	110	-	-	-	110	-	-
<i>Eastern Reserve Oval - Playing Surface Re-levelling</i>	60	-	54	6	-	-	60	-	-
<i>Open Space Improvements - Wyuna Estate</i>	50	50	-	-	-	-	-	50	-
<i>Open Space Renewal Annual Program</i>	40	-	40	-	-	-	40	-	-
<i>Colac Central Bowling Club</i>	26	-	26	-	-	-	26	-	-
<i>Meredith Park Waste Area</i>	25	25	-	-	-	-	25	-	-
<i>Lake Colac Foreshore furniture</i>	15	15	-	-	-	-	-	15	-
<i>Carlisle River school Bollards</i>	5	5	-	-	-	-	5	-	-
<b>TOTAL INFRASTRUCTURE</b>	<b>8,617</b>	<b>95</b>	<b>8,516</b>	<b>6</b>	<b>1,703</b>	<b>-</b>	<b>6,849</b>	<b>65</b>	<b>-</b>
<b>TOTAL NEW CAPITAL WORKS</b>	<b>11,523</b>	<b>115</b>	<b>11,344</b>	<b>64</b>	<b>1,703</b>	<b>-</b>	<b>8,214</b>	<b>1,607</b>	<b>-</b>

#### 4.5.3 Works carried forward from the 2023-24 year

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>PROPERTY</b>								
Buildings	3,630	38	3,082	511	886	-	2,744	-
<b>TOTAL PROPERTY</b>	<b>3,630</b>	<b>38</b>	<b>3,082</b>	<b>511</b>	<b>886</b>	<b>-</b>	<b>2,744</b>	<b>-</b>
<b>PLANT AND EQUIPMENT</b>								
Annual Heavy Plant Replacement Program	1,146	-	1,146	-	-	-	1,146	-
Annual Light Fleet Replacement Program	410	-	410	-	-	-	410	-
Fixtures, Fittings and Furniture	1,301	344	320	636	600	-	701	-
Computers and Telecommunications	390	-	315	75	-	-	390	-
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>3,247</b>	<b>344</b>	<b>2,192</b>	<b>711</b>	<b>600</b>	<b>-</b>	<b>2,647</b>	<b>-</b>
<b>INFRASTRUCTURE</b>								
Roads	10,790	-	10,600	190	7,386	-	3,404	-
Footpaths and Cycleways	94	59	35	-	81	-	13	-
Drainage	4,690	3,851	839	-	2,406	-	2,284	-
Other infrastructure	501	-	382	119	413	-	88	-
<b>TOTAL INFRASTRUCTURE</b>	<b>16,074</b>	<b>3,910</b>	<b>11,856</b>	<b>309</b>	<b>10,285</b>	<b>-</b>	<b>5,789</b>	<b>-</b>
<b>TOTAL CARRIED FORWARD CAPITAL WORKS 2023-24</b>	<b>22,952</b>	<b>4,292</b>	<b>17,129</b>	<b>1,531</b>	<b>11,771</b>	<b>-</b>	<b>11,181</b>	<b>-</b>

The standard financial statements in Section 3 of Council's budget for the year 2024-25 are premised on all projects funded in 2023-24 being completed before 30 June 2024.

In reality, all Councils have a portion of their capital and operational projects incomplete at the end of financial year and carry them forward to complete in a later year.

Table 4.5.3 provides a summary of the anticipated value of projects to be carried from the 2023-24 financial year into the budget year of 2024-25. The figures in Table 4.5.3 are not integrated into the other tables in the budget document are for information only.

The amount of \$22.952m capital projects to be carried forward, in addition to the new 2024-25 Capital Works Program of \$11.523m creates an anticipated total program allocation of \$34.475m.

Council anticipates that its underlying capital works program expenditure, largely self-funded by Council, will remain in the order of \$10m to \$12m annually for future years. Additionally 2024-25 and 2025-26 years will see the delivery of other major programs that are largely funded through grants such as the LRCI-funded projects and Landslip rectification works.

Once the end of financial year processes are complete, the actual unexpended expense and income budgets are confirmed and incorporated into Council's financial statements at the end of the first quarter of the budget year.

## 4.6 Summary of Planned Capital Works Expenditure

For the year ending 30 June 2026

2025-26	Asset Expenditure Types					Funding Sources					
	Total	New	Renewal	Expansion	Upgrade	Total	Grants	Council Contributions	Council Cash	Council Reserves	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>											
Land	-	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-	-
<b>Total Land</b>	-	-	-	-	-	-	-	-	-	-	-
Buildings	2,203	-	2,203	-	-	2,203	-	-	903	800	500
<b>Total Buildings</b>	2,203	-	2,203	-	-	2,203	-	-	903	800	500
<b>Total Property</b>	<b>2,203</b>	-	<b>2,203</b>	-	-	<b>2,203</b>	-	-	<b>903</b>	<b>800</b>	<b>500</b>
<b>Plant and Equipment</b>											
Plant, machinery and equipment	800	-	800	-	-	800	-	-	800	-	-
Fixtures, fittings and furniture	87	-	87	-	-	87	-	-	87	-	-
Computers and telecommunications	481	-	481	-	-	481	-	-	481	-	-
<b>Total Plant and Equipment</b>	<b>1,368</b>	-	<b>1,368</b>	-	-	<b>1,368</b>	-	-	<b>1,368</b>	-	-
<b>Infrastructure</b>											
Roads	6,950	-	6,950	-	-	6,950	1,703	-	5,247	-	-
Bridges	54	-	54	-	-	54	-	-	54	-	-
Footpaths and cycleways	213	-	213	-	-	213	-	-	213	-	-
Drainage	290	-	290	-	-	290	-	-	290	-	-
Other infrastructure	300	100	100	-	100	300	-	-	300	-	-
<b>Total Infrastructure</b>	<b>7,807</b>	<b>100</b>	<b>7,607</b>	-	<b>100</b>	<b>7,807</b>	<b>1,703</b>	-	<b>6,104</b>	-	-
<b>Total Capital Works Expenditure</b>	<b>11,378</b>	<b>100</b>	<b>11,178</b>	-	<b>100</b>	<b>11,378</b>	<b>1,703</b>	-	<b>8,375</b>	<b>800</b>	<b>500</b>

For the year ending 30 June 2027

2026-27	Asset Expenditure Types				Funding Sources				Council Reserves \$'000	Borrowings \$'000
	Total \$'000	New \$'000	Renewal \$'000	Expansion \$'000	Upgrade \$'000	Total \$'000	Grants \$'000	Contributions \$'000		
<b>Property</b>										
Land	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-
<b>Total Land</b>	-	-	-	-	-	-	-	-	-	-
Buildings	861	-	861	-	-	861	-	-	861	-
<b>Total Buildings</b>	861	-	861	-	-	861	-	-	861	-
<b>Total Property</b>	861	-	861	-	-	861	-	-	861	-
<b>Plant and Equipment</b>										
Plant, machinery and equipment	800	-	800	-	-	800	-	-	800	-
Fixtures, fittings and furniture	87	-	87	-	-	87	-	-	87	-
Computers and telecommunications	505	-	505	-	-	505	-	-	505	-
<b>Total Plant and Equipment</b>	1,392	-	1,392	-	-	1,392	-	-	1,392	-
<b>Infrastructure</b>										
Roads	7,119	-	7,119	-	-	7,119	1,703	-	5,416	-
Bridges	56	-	56	-	-	56	-	-	56	-
Footpaths and cycleways	218	-	218	-	-	218	-	-	218	-
Drainage	297	-	297	-	-	297	-	-	297	-
Other infrastructure	307	100	107	-	100	307	-	-	307	-
<b>Total Infrastructure</b>	7,997	100	7,797	-	100	7,997	1,703	-	6,294	-
<b>Total Capital Works Expenditure</b>	10,250	100	10,050	-	100	10,250	1,703	-	8,547	-

For the year ending 30 June 2028

2027-28	Asset Expenditure Types					Funding Sources				
	Total	New	Renewal	Expansion	Upgrade	Total	Grants	Contributions	Council Cash	Council Reserves
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>										
Land	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-
<b>Total Land</b>										
Buildings	861	-	861	-	-	861	-	-	861	-
<b>Total Buildings</b>	861	-	861	-	-	861	-	-	861	-
<b>Total Property</b>	861	-	861	-	-	861	-	-	861	-
<b>Plant and Equipment</b>										
Plant, machinery and equipment	800	-	800	-	-	800	-	-	800	-
Fixtures, fittings and furniture	87	-	87	-	-	87	-	-	87	-
Computers and telecommunications	530	-	530	-	-	530	-	-	530	-
<b>Total Plant and Equipment</b>	1,417	-	1,417	-	-	1,417	-	-	1,417	-
<b>Infrastructure</b>										
Roads	7,297	-	7,297	-	-	7,297	1,703	-	5,594	-
Bridges	57	-	57	-	-	57	-	-	57	-
Footpaths and cycleways	224	-	224	-	-	224	-	-	224	-
Drainage	304	-	304	-	-	304	-	-	304	-
Other infrastructure	315	100	115	-	100	315	-	-	315	-
<b>Total Infrastructure</b>	8,197	100	7,997	-	100	8,197	1,703	-	6,494	-
<b>Total Capital Works Expenditure</b>	10,475	100	10,275	-	100	10,475	1,703	-	8,772	-

## 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 - Service

Indicator	Measure	Notes	Actual 2022-23	Forecast 2023-24	Target 2024-25	Target Projections			Trend
						2025-26	2026-27	2027-28	+/-
<b>Governance</b>									
Satisfaction with community consultation and engagement	Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	1	45	52	53.53	54.33	54.88	55.43	+
<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	98%	99%	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	76.94%	63.22%	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	57.15%	61.10%	63%	67%	70%	73%	+

Indicator	Measure	Notes	Actual 2022-23	Forecast 2023-24	Target 2024-25	Target Projections			Trend
						2025-26	2026-27	2027-28	+/-
<b>Liquidity</b>									
Working Capital	Current assets / current liabilities	5	244.89%	477.32%	266.75%	241.78%	225.18%	206.83%	+
<b>Obligations</b>									
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	6	74.03%	229.47%	79.45%	77.92%	69.71%	70.77%	+
<b>Stability</b>									
Rates concentration	Rate revenue / adjusted underlying revenue	7	51.05%	45.95%	64.50%	64.76%	65.07%	65.16%	+
<b>Efficiency</b>									
Expenditure level	Total expenses / no. of property assessments	8	\$3,892	\$3,947	\$4,019	\$4,061	\$4,102	\$4,141	+

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

Council plans to hold a number of 'Community Conversation' sessions in 2024 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 73% total diversion from landfill by 2027-28.

#### 5. Working Capital

Council aims to maintain a consistent level of liquidity.

#### 6. Asset renewal

Council depreciation has increased significantly over recent years and 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 consistent level of liquidity.

#### 8. Expenditure level

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

### 5.2 Financial Performance Indicators

Indicator	Measure	Notes	Actual 2022-23	Forecast 2023-24	Budget 2024-25	Projections 2025-26	2026-27	2027-28	Trend +/-
<b>Operating position</b>									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	9	4.54%	-6.66%	-11.75%	-9.05%	-9.56%	-9.64%	-
<b>Liquidity</b>									
Unrestricted cash	Unrestricted cash / current liabilities	10	15.65%	22.43%	22.74%	22.18%	21.68%	21.19%	o
<b>Obligations</b>									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	11	0.00%	0.00%	1.35%	0.00%	0.00%	0.00%	o
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		1.86%	0.00%	0.00%	0.17%	0.16%	0.16%	o
Indebtedness	Non-current liabilities / own source revenue		10.98%	11.02%	11.40%	10.08%	9.87%	9.62%	o
<b>Stability</b>									
Rates effort	Rate revenue / CIV of rateable properties in the municipality	12	0.33%	0.30%	0.30%	0.29%	0.29%	0.28%	o
<b>Efficiency</b>									
Revenue level	General rates and municipal charges / no. of property assessments	13	\$1,904	\$1,970	\$2,014	\$2,056	\$2,098	\$2,142	+

#### 9. Adjusted underlying result

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 2023-24, 2024-25 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. Unrestricted Cash**

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. Debt compared to rates**

Council has included the procurement of a loan of \$500k in the year 2024-25 for the Electrification of the Bluewater Leisure Centre. There is no further plan to borrow any money in 2025-26 and future years.

#### **12. Rates effort**

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

#### **13. Revenue level**

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	2024-25
<b>Partnership and Memberships commitments</b>	<b>\$127,275</b>
G21 Region Alliance	\$47,000
SouthWest Victoria Alliance	\$25,000
Rural Councils Victoria	\$5,000
Timber Towns Victoria	\$2,750
Municipal Association of Victoria	\$32,000
Barwon South West Climate Alliance	\$15,525
<b>Community and Business Programs</b>	<b>\$367,500</b>
Community Grants / Garden Awards	\$316,500
Student Achievement Awards	\$1,000
Christmas Events	\$30,000
Installation of Street Art	\$20,000
<b>Contributions to others providing services to community</b>	<b>\$1,355,776</b>
Apollo Bay P12 College - Aquatic Centre	\$237,380
Great Ocean Road Regional Tourism	\$101,500
Lavers Hill K-12 College - Leisure Centre	\$22,296
Life Saving Victoria	\$61,000
Geelong Regional Library Corporation	\$861,000
Old Beechy Rail Trail landowner insurance	\$27,000
Great Ocean Road Health	\$39,000
Mt Gellibrand Fire Tower Lookout Committee	\$1,500
Apollo Bay P12 College for support of back-up emergency power supply	\$4,000
Play audits - GORCAPA managed assets	\$1,100
<b>Contributions to others managing Council and non-Council recreation reserves</b>	<b>\$56,740</b>
Apollo Bay Recreation Reserve	\$7,500
Alvie Recreation Reserve	\$5,900
Beeac Recreation Reserve	\$2,200
Birregurra Recreation Reserve	\$8,050
Beech Forest Recreation Reserve	\$1,600
Carlisle River Recreation Reserve	\$3,270
Cressy River Recreation Reserve	\$1,480
Forrest Recreation Reserve	\$3,470
Gellibrand Recreation Reserve	\$3,880
Irrewillipe Recreation Reserve	\$5,900
Pirron Yallock Recreation Reserve	\$2,220
Warrion Recreation Reserve	\$2,220
Warrowie Recreation Reserve	\$4,770
Colac Secondary College	\$4,280

Organisations Contribution	2024-25
<b>Neighbourhood Houses</b>	<b>\$17,500</b>
Apollo Bay Neighbourhood House	\$3,500
Colac Neighbourhood House	\$3,500
Forrest Neighbourhood House	\$3,500
Gellibrand Neighbourhood House	\$3,500
Barwon Network of Neighbourhood Houses	\$3,500
<b>Total contributions to partners and community</b>	<b>\$1,924,791</b>

## Appendix B – Operational Projects 2024-25

In 2024-25 Council plans to fund \$1.86 million of operational projects with a particular focus on strategic planning activities that help progress residential land and dwellings.

Operational Projects 2024-25	New \$'000s	Cash Reserve \$'000s	Total \$'000s
Election Costs, Councillor Induction, Council Plan & First Year requirements for Term 2024-28	\$610	\$0	\$610
Asset Condition Assessments	\$330	\$0	\$330
Apollo Bay Structure Plan Review	\$0	\$200	\$200
Aged Care Review Implementation Activities	\$194	\$0	\$194
Gaming and Licensed Premises Policy	\$0	\$85	\$85
Council ongoing contribution to Youth Engagement Program	\$70	\$0	\$70
Street Tree Planting Program - 2024-25	\$60	\$0	\$60
Revenue and Rating Plan	\$50	\$0	\$50
Bike Parks planning	\$50	\$0	\$50
Storage compliance implementation	\$44	\$0	\$44
Apollo Bay Cricket Net upgrade - Council Contribution	\$0	\$35	\$35
Christmas Events	\$30	\$0	\$30
Security Application Control Implementation	\$66	\$0	\$66
Soccer Facilities Feasibility Study	\$20	\$0	\$20
Road Management Plan	\$15	\$0	\$15
<b>Total</b>	<b>\$1,539</b>	<b>\$320</b>	<b>\$1,859</b>

All operational projects are to be fully funded by Council.