



# COLAC OTWAY SHIRE

## DRAFT 2025-26 BUDGET

### TO BE ADOPTED

This Budget Report has been prepared with reference to Local Government Victoria (LGV) Local Government Model Financial Report (LGMFR) 2025-26.

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

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

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

### ***Vision Statement***

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

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

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

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



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## Mayor's Message

On behalf of Council, I am pleased to present the Colac Otway Shire Budget for 2025-26, the first budget in this term of Council.

Newly-elected Councillors have developed this budget as we work with our community to review the 2050 Community Vision for Colac Otway Shire and develop our strategic priorities.

It is not a budget that will excite many and as we move forward in our term, we need to set a direction that drives down our biggest expenses to become more efficient as an organisation, while combating the State Government's cost shifting onto Councils.

This needs to be done to improve our service delivery whilst having more ratepayer money to spend on building essential infrastructure our communities need for a better future.

We know that delivering essential services and providing fit-for-purpose infrastructure will continue to be our focus, and Councillors and officers have worked to balance this with household affordability.

We have worked hard to identify funds available to deliver projects within the shire that our communities have been asking for, including allocating funds previously earmarked for carbon credits towards local initiatives.

This Budget continues to invest in maintaining Council's local road network, which supports our economies and communities every day. This includes reconstruction of three streets in Apollo Bay as well as the investment in the unsealed road network. Investment in roads will be able to grow in coming years as the Federal Government support through Roads to Recovery funding progressively increases.

Council will invest in improving functionality and safety at the Colac Regional Saleyards recognising the role that agriculture plays in our region. We will also undertake strategic work to explore the role that the Colac Airfield can play as a regional asset. We will explore an upgrade to the power supply to Lake Colac foreshore to help facilitate more events in that space. We will also see the addition of public drinking fountains at Gellibrand and Birregurra, which are community driven projects.

Council has work ahead of it to fulfil its responsibilities with respect to former landfills in the Shire and we are increasing the money we put aside for this work. Almost \$0.47 million will be directed to reserves in 2025-26 as we develop our strategies to meet these obligations and ensure that our beautiful environment remains protected.

This Budget supports the youngest people in our community through increased resources for our Maternal and Child Health Program, as well as our Youth Engagement Program, which we deliver in partnership with the State Government.

Community vibrancy remains part of our Colac Otway character and Council is pleased to continue to invest in community events and community grants. We know this commitment is amplified by our many great businesses and volunteers who drive events and projects across the Shire.



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. This rate cap of 3.0% for 2025-26 was set by the Victorian Government and is again set at an amount lower than recent and projected inflation rates in recognition of the financial challenges faced by the community. This Budget will also see the kerbside collection service fully funded through the Waste Charge for the first time in many years, removing the burden that this has placed on general rate revenue and other services.

To my fellow Councillors and staff, I express my appreciation for their contribution to the development of a budget that will deliver many important outcomes for our community.

Cr Jason Schram

**Mayor**

## CEO’s Introduction and Executive Summary

The Budget 2025-26 represents a well-considered and balanced budget for the community. The incorporation of corporate overheads across service areas for the first time is an important inclusion and provides an improved understanding of the cost of services.

This Budget continues to prioritise investment in our current services and in asset renewal, however Council is able to make important investments across a variety of strategies and projects to ensure we have a future focus.



Early input from the community was important for newly elected Councillors who appreciated the many great ideas put forward and a small number were able to be included in the budget. We will continue to look for further opportunities to advocate for support by others or source external funding for those community ideas that could not be accommodated in this Budget.

For the majority of Councillors this is their first involvement in the development of a Council Budget and I thank them all for their valuable questions and thoughtful consideration as they worked through this process. I also acknowledge with appreciation the work of the many staff who have contributed to the preparation of this important document.

Summary of Key Financial Outcomes for the Budget 2025-26	\$'000
Net Result (deficit)	(\$3,795)
Adjusted Underlying Result (deficit)	(\$3,795)
Closing Cash Balance	\$20,474
Reserves balance	\$13,388
Capital Works Program (new allocations)	\$10,893
Allocation to Annual Asset Renewal Program (61% of Council adopted target)	\$10,372

Anne Howard

**Chief Executive Officer**

### Rates and municipal charges

This budget increases rate revenue in line with the limit set by the Victorian Government through the **Fair Go Rates System**, which is 3.00% for the 2025-26 financial year. This rate 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 2025-26 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 2025		\$32,512,344
Forecast Number of Assessments at 30 June 2025		16,129
<b>Forecast Base Average Rate 2024-25 per assessment</b>		<b>\$2,016</b>
Budget Rate Revenue 2025-26		\$33,487,714
<b>Capped Average Rate 2025-26 per assessment</b>		<b>\$2,076</b>
<b>Average Rate Increase</b>		<b>3.00%</b>

As legislated, each property across the state is subject to an independent annual valuation, and these values will be used to calculate individual property rates. This annual revaluation does not result in a net gain or loss of revenue to Council, but it redistributes the rates burden according to updated property values. This means ratepayers may see rate increases that differ from the average 3.00% 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 2025-26 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 costs of providing Council's waste service are funded through Council's general rates income along with other services.

Council recognises that the waste management charge needs to increase sufficiently to cover cost increases in kerbside collection services to avoid impacting on the general rate revenue and consequently other services. With this in mind, the waste charges for the 2025-26 financial year are to increase by an average of 9.7% as follows:

- Properties receiving a weekly kerbside collection will be levied a charge of **\$441** per annum
- Properties receiving a fortnightly kerbside collection will be levied a charge of **\$337** per annum

When compared to the waste management charges levied on individual properties in the 2024-25 financial year, the increases to waste charges above equates to the following:

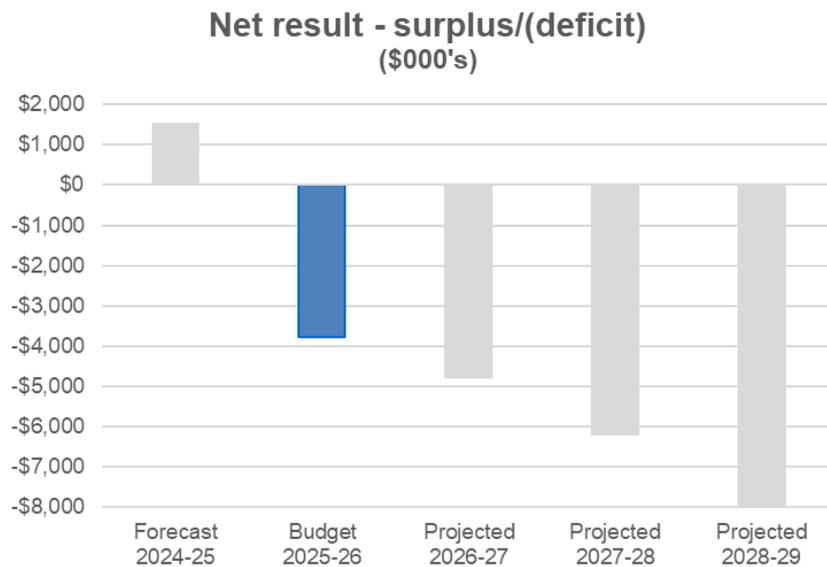
- \$39 per annum (or an average of 75 cents per week) for weekly kerbside collection
- \$30 per annum (or an average of 58 cents per week) for fortnightly kerbside collection.

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 ensure that the costs of the kerbside collection service are funded from those receiving the service and are not subsidised by general rate revenue in accordance with 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 2025-26 financial year is a deficit of (\$3.80 million).



With respect to the Forecast 2024-25 surplus of \$1.54 million (refer to the previous graph), this includes approximately \$10.30 million of capital income compared to the adopted Budget 2024-25 that is tied to specific projects and outcomes.

**Adjusted Underlying Result**

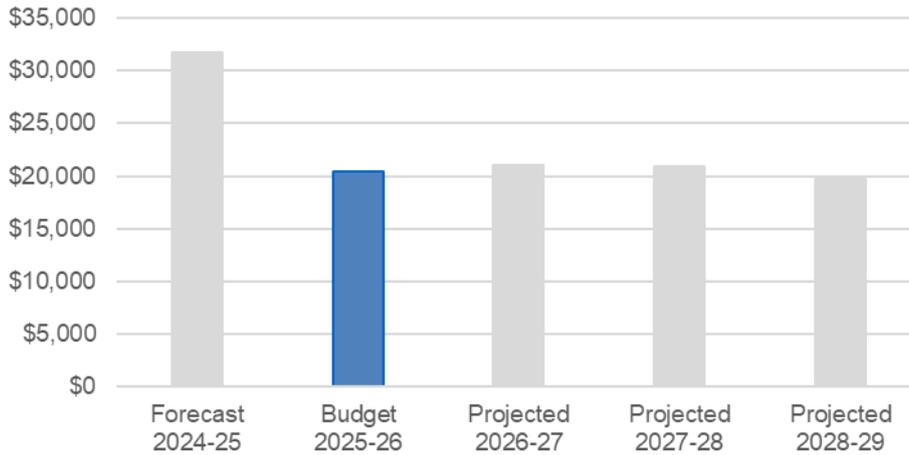
In addition to providing the calculation of the Net Result of Council’s Budget, the regulations prescribe the method for calculating the ‘Adjusted Underlying Result’. The purpose for calculating the Adjusted Underlying Result is to remove the effect on the budget of one-off (non-recurrent) revenue items that may otherwise overstate Council’s normal performance. Under regulations the 2025-26 surplus/deficit is calculated as follows:

Adjusted Underlying Result	\$'000
Total Comprehensive Result	(\$3,795)
Non-recurrent grants used to fund capital expenditure	-
Non-monetary asset contributions	-
Other contributions to fund capital expenditure	-
<b>Adjusted Underlying Result (surplus/deficit)</b>	<b>(\$3,795)</b>

**Cash and Investments**

Cash and investments are expected to decrease by \$11.21 million during the 2025-26 financial year to \$20.47 million. This reflects the budget assumption that there is no carry over projects at the end of 2025-26. Cash balances are expected to increase over the four year projection as Council allocates funds to cash reserves to enable it to fulfill its landfill rehabilitation obligations. This major expenditure will occur outside the projection period at which the time the cash balances will reduce.

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



While Council’s cash balance is expected to remain at moderate levels, the funds are already committed to achieving Council priorities and obligations. At this time Council has limited capacity to put aside unallocated cash for unforeseen events or discretionary allocations when opportunities arise.

**Capital Works Program**

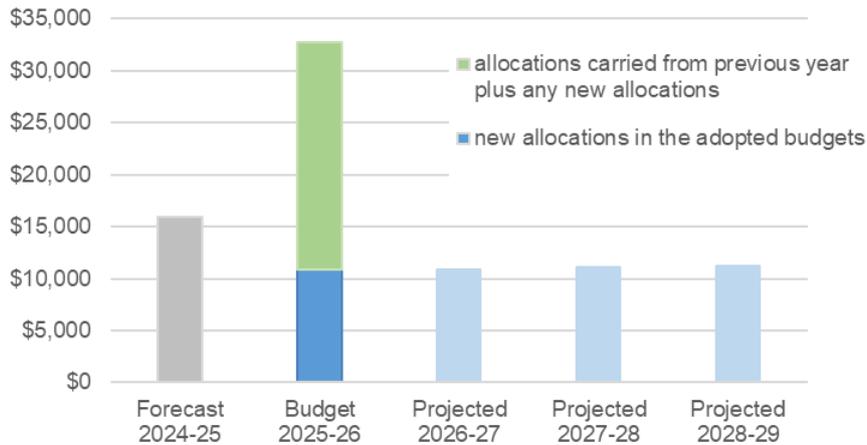
In any financial year the total program allocation for Council’s Capital Works Program comprises:

- 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.

An estimate of projects to be carried forward, of \$21.86 million, is included in Note 4.5.3 and the final amount will be calculated as part of the end of year process and incorporated into the Forecast 2025-26 as part of the first quarter of the next financial year.

With the inputs of a capital program allocation in 2025-26 of \$10.89 million, and projected carry forward of \$21.86 million, the forecast for the total allocation to Council’s Capital Works Program in 2025-26 is \$32.75 million.

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

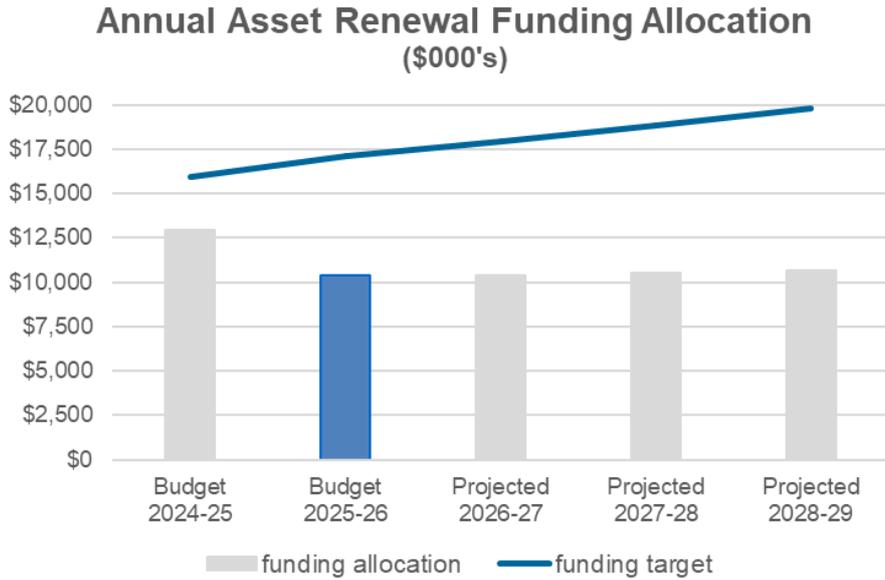


**Asset Renewal Funding**

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

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

The Budget 2025-26 allocates \$10.37 million to the asset renewal program in a total capital program of \$10.89 million.



Council is not able to fund its desired asset renewal funding allocation in 2025-26, 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 \$1.18 million to operational projects in 2025-26 and these are listed in more detail in Appendix B.

**Debt Management**

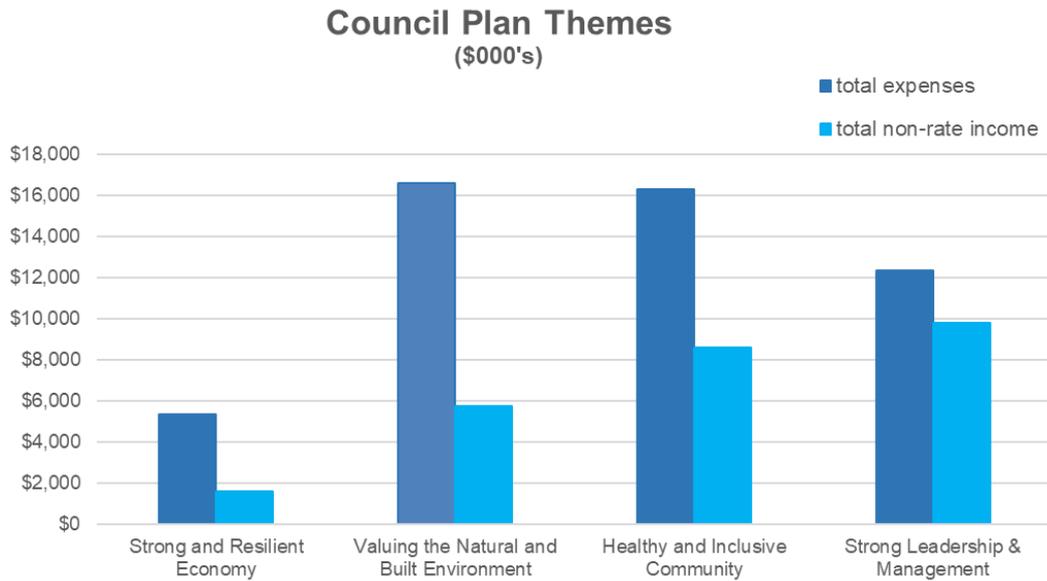
Council has included the procurement of a loan of \$500,000 in the year 2025-26 for the Bluewater Leisure Centre Electrification project. Council has been successful in securing a Federal Government Grant and this loan enables Council to meet its co-contribution.

The budget anticipates borrowing the funds mid 2025-26, 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 2026-27. This approach is consistent with Council’s resolution on 10 April 2024.

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.

## Major Initiatives

Council has identified major initiatives for each of the Council Plan themes to be delivered in the 2025-26 financial year which are summarised in the following table.

Council Plan 2021-25 Theme	Major Initiative	Expense Budget \$'000s
Strong and Resilient Economy	Purchase of a multi-level loading race for the Colac Regional Saleyards.	170
Valuing the Natural and Built Environment	Bluewater Leisure Centre Electrification Project.	500
Healthy and Inclusive Community	Strategic investment in footpath connections	200
Strong Leadership and Management	Content Management Upgrade.	33

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	2025-26 Target
Service Indicators		
<b>Governance</b>	Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	55
<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	54%
Financial Indicators		
<b>Liquidity</b>	Current assets/current liabilities	202.90%
<b>Obligations</b>	Asset renewal and upgrade expense/Asset depreciation	70.11%
<b>Stability</b>	Rate revenue/adjusted underlying revenue	64.87%
<b>Efficiency</b>	Total expenses/ no. of property assessments	4,108

## 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).

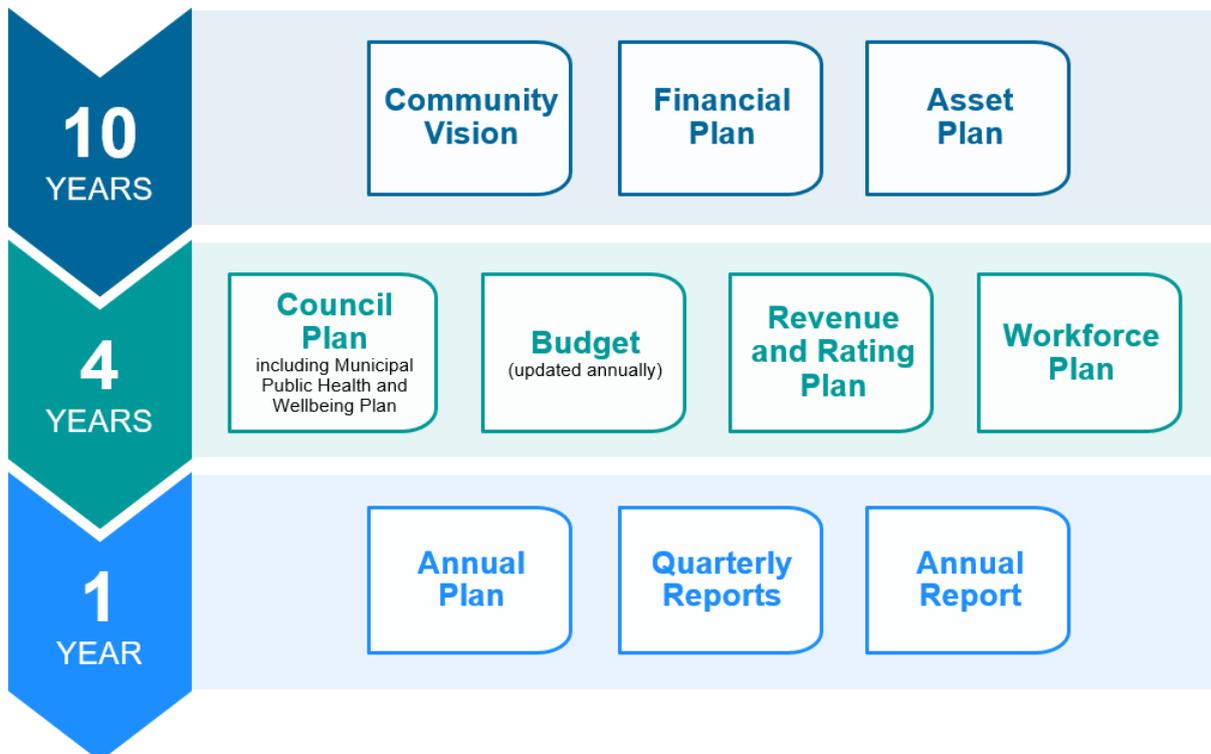
Council developed a vision statement with the community in 2021. This statement is found inside the cover of this budget document.

### 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.

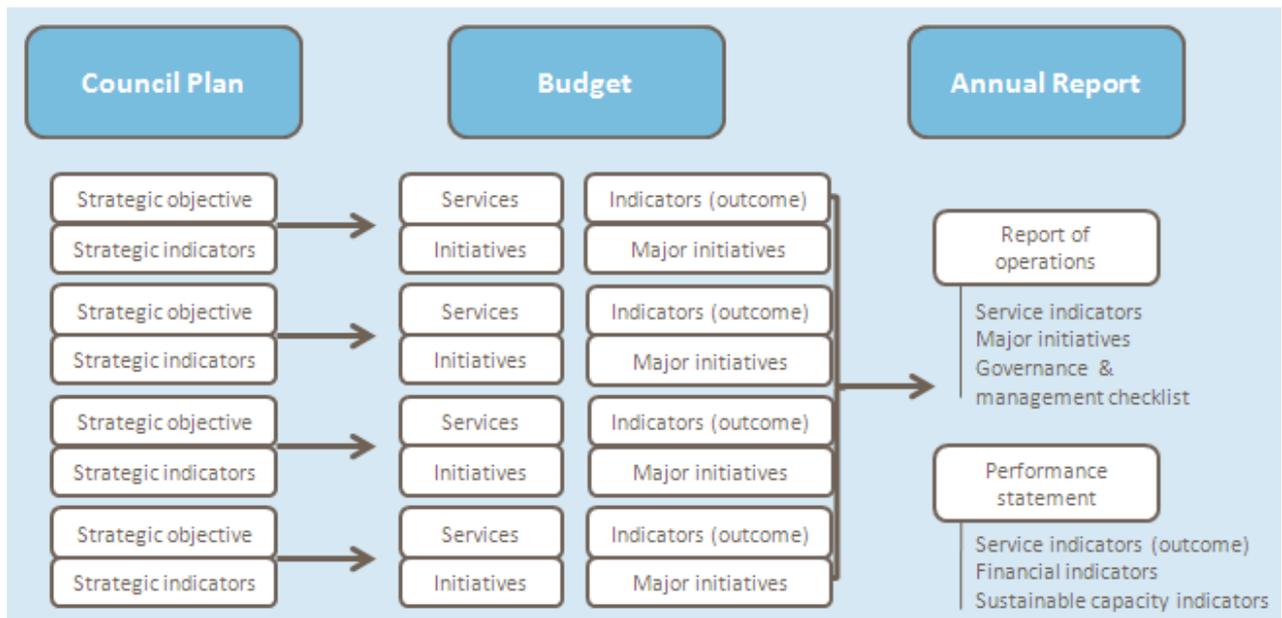
The following table lists the four Strategies Objectives as described in the Council Plan.

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

## 2 Services, Initiatives and Service Performance Indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2025-26 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 2025-26 represent general recurrent operations and operational projects, but do not include non-cash items such as depreciation/amortisation.

## 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.

Service area	Description of services provided		2023-24	2024-25	2025-26
			Actual	Forecast	Budget
			\$'000	\$'000	\$'000
Colac Regional Saleyards	This service provides a vital link in our rural infrastructure by providing a marketplace for buying and selling livestock.	<i>Expenditure</i>	394	387	451
		<i>Overheads</i>	84	88	99
		<i>Revenue</i>	(557)	(523)	(576)
		<b>NET</b>	<b>(79)</b>	<b>(48)</b>	<b>(26)</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>Expenditure</i>	1,146	1,369	1,075
		<i>Overheads</i>	182	202	206
		<i>Revenue</i>	(151)	(84)	-
		<b>NET</b>	<b>1,177</b>	<b>1,487</b>	<b>1,281</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>Expenditure</i>	765	837	840
		<i>Overheads</i>	143	158	161
		<i>Revenue</i>	(177)	(184)	(153)
		<b>NET</b>	<b>731</b>	<b>811</b>	<b>848</b>
Events	This service provides for active community involvement in the provisioning of management and support for community entertainment and events.	<i>Expenditure</i>	109	132	140
		<i>Overheads</i>	24	26	27
		<i>Revenue</i>	(6)	(5)	(5)
		<b>NET</b>	<b>127</b>	<b>153</b>	<b>162</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>Expenditure</i>	816	842	868
		<i>Overheads</i>	307	335	358
		<i>Revenue</i>	(70)	(440)	(442)
		<b>NET</b>	<b>1,053</b>	<b>737</b>	<b>784</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>Expenditure</i>	1,414	1,558	1,650
		<i>Overheads</i>	218	257	267
		<i>Revenue</i>	(456)	(471)	(403)
		<b>NET</b>	<b>1,176</b>	<b>1,344</b>	<b>1,514</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>Expenditure</i>	507	1,748	341
		<i>Overheads</i>	239	260	270
		<i>Revenue</i>	(437)	(318)	-
		<b>NET</b>	<b>309</b>	<b>1,690</b>	<b>611</b>

### Major initiatives in 2025-26 relating to this theme of a Strong and Resilient Economy

A focus on the theme of a Strong and Resilient Economy is Council's is supporting the farming industry through investment in improvements to the Colac Regional Saleyards. The purchase of a multi-level loading race as well as funding the renewal of facilities and other improvements to the yards themselves will further enhance safety at the saleyards. Council is ensuring that the Colac saleyards are able to continue to support critical agricultural trade in the district.

Other Initiatives – Capital Projects

- Colac Regional Saleyards - Renewal of the administrative building
- Colac Regional Saleyards – Installation of new forcing yards at existing loading ramps
- Colac Regional Saleyards– Extension of the truck turning area for the loading of animals
- Apollo Bay Visitor Information Centre renewal project

*Refer to Note 4.5.2 for further breakdown of Capital Projects*

Other Initiatives – Operational Projects

- Development of a Colac Airfield Strategy

*Refer to Appendix B for full Operational Project listing*

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

Service	Indicator	Performance Measure	2023-24 Actual	2024-25 Forecast	2025-26 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)	66%	100%	100%

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

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

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

Service area	Description of services provided		2023-24	2024-25	2025-26
			Actual	Forecast	Budget
			\$'000	\$'000	\$'000
Building services	These services support maintaining a safe built environment by overseeing compliance with building development controls.	<i>Expenditure</i>	305	316	341
		<i>Overheads</i>	20	27	28
		<i>Revenue</i>	(119)	(112)	(109)
		<b>NET</b>	<b>206</b>	<b>231</b>	<b>260</b>
Emergency Management	This service provides for the necessary support for the community in the case of an emergency event occurring.	<i>Expenditure</i>	325	337	326
		<i>Overheads</i>	104	113	122
		<i>Revenue</i>	(15)	(67)	(16)
		<b>NET</b>	<b>414</b>	<b>383</b>	<b>432</b>
Environment Sustainability	This service provides for management of our natural environment to the betterment and enjoyment of all members of our community.	<i>Expenditure</i>	633	646	866
		<i>Overheads</i>	77	74	101
		<i>Revenue</i>	(0)	-	(0)
		<b>NET</b>	<b>710</b>	<b>720</b>	<b>967</b>
Civil infrastructure and building maintenance	The civil works team is responsible for the construction, maintenance and day-to-day operation of Council's sealed and unsealed road, bridges, drainage and pathways. The Building maintenance team is responsible for a wide range of Council facilities and associated infrastructure (e.g. indoor sports facilities, recreation, early years, public toilets, community halls).	<i>Expenditure</i>	7,080	8,895	8,421
		<i>Overheads</i>	2,318	2,493	2,681
		<i>Revenue</i>	(4,578)	(19,533)	(392)
		<b>NET</b>	<b>4,820</b>	<b>(8,145)</b>	<b>10,710</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>Expenditure</i>	5,370	6,529	6,634
		<i>Overheads</i>	671	742	802
		<i>Revenue</i>	(4,107)	(4,796)	(5,219)
		<b>NET</b>	<b>1,934</b>	<b>2,475</b>	<b>2,217</b>

### Major initiatives in 2025-26 relating to this theme of Valuing the Natural and Built Environment

Council has been successful in securing a grant to facilitate the full electrification of the Shire's Bluewater Leisure Centre.

It is anticipated that the \$2.7 million project will 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 will 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.

The budget supports this exciting project through the inclusion of borrowings of up to \$500,000 that would supplement Council's cash contribution to the project.

Other Initiatives – Capital Projects

- Road Reconstruction Projects:
  - Costin Street, Apollo Bay – from Pengilley Avenue to Montrose Avenue
  - Pengilley Avenue, Apollo Bay – from Costin Street to Gallipoli Parade
  - Montrose Avenue, Apollo Bay – from McLachlan Street to Costin Street
  - Ramsden Avenue, Apollo Bay – from Pengilly Avenue to Montrose Avenue
  - Sarsfield Street, Separation Creek – from Great Ocean Road to Harrington Road
- Guardrail Replacement Program
- Kerb and Channel Renewal Program
- Heavy Plant Replacement Program
- Light Fleet Vehicle Replacement Program
- Sealed Road Resealing Program
- Sealed Road Major Patching Program
- Unsealed Road Re-sheeting Program
- Bridge Renewal Program
- Asphalt Overlay program
- Memorial Square Asphalt Footpath Renewal
- Storm Water Drainage Renewal Works
- Asset Renewal Funds for unplanned works

*Refer to Note 4.5.2 for further breakdown of Capital Projects*

Other Initiatives – Operational Projects

- Street Tree Planting Program
- Sealed Road Network Strategy
- Design for an upgrade of Duck Creek Bridge, Hordern Vale
- Waste and Resource Recovery 10-year Strategy

*Refer to Appendix B for full Operational Project listing*

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

Service	Indicator	Performance Measure	2023-24 Actual	2024-25 Forecast	2025-26 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)	52%	52%	53%
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)	40	40	42

## 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		2023-24	2024-25	2025-26
			Actual	Forecast	Budget
			\$'000	\$'000	\$'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>Expenditure</i>	2,788	2,857	2,631
		<i>Overheads</i>	536	613	635
		<i>Revenue</i>	-	(0)	-
		<b>NET</b>	<b>3,324</b>	<b>3,470</b>	<b>3,266</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>Expenditure</i>	1,036	1,059	1,262
		<i>Overheads</i>	438	455	456
		<i>Revenue</i>	(698)	(715)	(748)
		<b>NET</b>	<b>776</b>	<b>799</b>	<b>970</b>
Aged Care Services	This service provides support to older persons and people with disabilities to with services and support that helps people to live independently in their own home for as long as possible.	<i>Expenditure</i>	5,281	5,651	4,600
		<i>Overheads</i>	995	1,057	1,059
		<i>Revenue</i>	(5,922)	(5,649)	(5,374)
		<b>NET</b>	<b>354</b>	<b>1,059</b>	<b>285</b>
Recreation Services	This service provides for active community involvement and the promotion of healthy lifestyles by providing for suitable sporting and recreational facilities.	<i>Expenditure</i>	281	355	441
		<i>Overheads</i>	23	30	35
		<i>Revenue</i>	-	-	-
		<b>NET</b>	<b>304</b>	<b>385</b>	<b>476</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>Expenditure</i>	2,141	2,454	2,464
		<i>Overheads</i>	890	1,045	1,098
		<i>Revenue</i>	(1,463)	(1,636)	(1,840)
		<b>NET</b>	<b>1,568</b>	<b>1,863</b>	<b>1,722</b>
Community Places	This service provides the delivery of high quality, sustainable community health and wellbeing services that lead to a healthier and more active community.	<i>Expenditure</i>	1,645	1,838	2,466
		<i>Overheads</i>	513	578	674
		<i>Revenue</i>	(176)	(201)	(75)
		<b>NET</b>	<b>1,982</b>	<b>2,215</b>	<b>3,065</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>Expenditure</i>	826	1,008	935
		<i>Overheads</i>	-	-	-
		<i>Revenue</i>	-	-	100
		<b>NET</b>	<b>826</b>	<b>1,008</b>	<b>1,035</b>

Service area	Description of services provided		2023-24	2024-25	2025-26
			Actual	Forecast	Budget
			\$'000	\$'000	\$'000
Local Laws and Animal Management	This service provides for community safety and health by providing for a framework for behaviours which affect our community well-being. The work of the team is supported by Council's Local Laws that control general amenity matters. The team also undertakes animal management, helping lost pets be returned to their families and lost stock to be returned to farmers.	<i>Expenditure</i>	840	789	885
		<i>Overheads</i>	281	307	331
		<i>Revenue</i>	(445)	(397)	(411)
		<b><i>NET</i></b>	<b>676</b>	<b>699</b>	<b>805</b>
Environmental Health	This service promotes a healthy and safe lifestyle by actively promoting and policing public health issues.	<i>Expenditure</i>	619	698	630
		<i>Overheads</i>	200	219	236
		<i>Revenue</i>	(325)	(317)	(259)
		<b><i>NET</i></b>	<b>494</b>	<b>600</b>	<b>607</b>

### Major initiative in 2025-26 relating to this theme of a Healthy and Inclusive Community

In recognising Council's commitment to ensuring the shire continues to be a great place to live, strategic investments are being made in 2025-26 in improving footpath connections across the shire. Council is also investing in public halls, recreations facilities and events, all of which bring people together and contribute to strengthening the health and inclusivity of the community.

#### Other Initiatives – Capital Projects

- Strategic investment in footpath connections
- Colac Maternal and Child Health building structural strengthening works
- Apollo Bay Old Cable Station Museum Driveway Renewal
- Public Hall renewal program
- Public Toilets renewal program (including Meredith Park)
- Central Reserve Spectators Shed Renewal
- Colac Botanic Garden Tearooms Access Ramp and Minor Repair Works
- COPACC Roof Restoration
- Eastern Reserve Lighting Renewal
- Open Space Renewal Program
- Playground Rubber Softfall Renewal Program
- Public and Building CCTV renewal

*Refer to Note 4.5.2 for further breakdown of Capital Projects*

## Other Initiatives – Operational Projects

- Youth Engagement Program
- Lake Colac Foreshore, scoping of electrical supply
- Lake Colac Oval Clubrooms, design
- Forrest Playspace, design
- Community led event support funding
- Christmas Events (Year 2)
- Investment in Aged Care Transition (Year 2)

*Refer to Appendix B for full Operational Project listing*

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

Service	Indicator	Performance Measure	2023-24 Actual	2024-25 Forecast	2025-26 Target
Libraries	Participation	Active library members. (Percentage of the municipal population that are active library members)	24%	25%	26%
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities. (Number of visits to aquatic facilities per head of municipal population)	6.40	6.60	6.80
Maternal and Child Health	Participation	Participation in the MCH service. (Percentage of children enrolled who participate in the MCH service)	76%	77%	78%
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)	95%	100%	100%
Animal Management	Health and safety	Animal management prosecutions. (Number of successful animal management prosecutions)	0% (Note: there were no prosecutions in 2023-24)	100%	100%

## 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		2023-24 Actual \$'000	2024-25 Forecast \$'000	2025-26 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>Expenditure</i>	994	1,177	1,071
		<i>Overheads</i>	160	140	149
		<i>Revenue</i>	-	(148)	-
		<b>NET</b>	<b>1,154</b>	<b>1,169</b>	<b>1,220</b>
Procurement and Contract Management	This service provides oversight and governance on contractual and procurement services undertaken by Council.	<i>Expenditure</i>	324	341	378
		<i>Overheads</i>	(423)	(423)	(525)
		<i>Revenue</i>	-	-	-
		<b>NET</b>	<b>(99)</b>	<b>(82)</b>	<b>(147)</b>
Financial	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>Expenditure</i>	1,544	1,740	2,165
		<i>Overheads</i>	(1,470)	(1,156)	(1,202)
		<i>Rev - Rates</i>	(31,919)	(32,913)	-
		<i>Rev - Other</i>	(1,739)	(9,272)	(9,798)
		<b>NET</b>	<b>(33,584)</b>	<b>(41,601)</b>	<b>(8,835)</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>Expenditure</i>	2,349	3,569	3,416
		<i>Overheads</i>	(2,019)	(3,015)	(2,963)
		<i>Revenue</i>	-	-	-
		<b>NET</b>	<b>330</b>	<b>554</b>	<b>453</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>Expenditure</i>	729	710	895
		<i>Overheads</i>	(415)	(473)	(583)
		<i>Revenue</i>	(1)	(150)	-
		<b>NET</b>	<b>313</b>	<b>87</b>	<b>312</b>
Governance, Customer and Communications	This service has the responsibility to provide the first point of contact between Council and the public through Council's Customer Service Centres. The service provides overall corporate customer service to the wider community and assists all areas of Council with the provision of corporate responsibility.	<i>Expenditure</i>	2,047	2,648	2,050
		<i>Overheads</i>	(2,626)	(2,815)	(2,882)
		<i>Revenue</i>	(10)	(1)	(1)
		<b>NET</b>	<b>(589)</b>	<b>(168)</b>	<b>(833)</b>
People and Culture	This service provides and develops a culture of high performance, productivity and accountability across the organisation.	<i>Expenditure</i>	1,198	1,346	1,392
		<i>Overheads</i>	(1,166)	(1,022)	(1,318)
		<i>Revenue</i>	-	-	-
		<b>NET</b>	<b>32</b>	<b>324</b>	<b>74</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>Expenditure</i>	892	982	975
		<i>Overheads</i>	(305)	(315)	(322)
		<i>Revenue</i>	(250)	(13)	(13)
		<b>NET</b>	<b>337</b>	<b>654</b>	<b>640</b>

**Major initiative in 2025-26 relating to this theme of Strong Leadership and Management**

The major investment under this theme in 2025-26 will be in upgrading Council’s Content Management System (CMS). CMS facilitates the effective management of Council’s documents and records.

There are no other specific allocations under this theme in the 2025-26 year.

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

Service	Indicator	Performance Measure	2023-24 Actual	2024-25 Forecast	2025-26 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)	45	47	50

**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	3,786	5,364	(1,578)
Valuing The Natural and Built Environment	10,853	16,589	(5,736)
Healthy and Inclusive Community	7,708	16,313	(8,605)
Strong Leadership & Management	2,530	12,341	(9,811)
<b>Total</b>	<b>24,877</b>	<b>50,607</b>	<b>(25,730)</b>

**Expenses added in:**

Depreciation	15,538
Amortisation - right of use assets	101
Finance costs	14

**Deficit before funding sources**

**40,530**

**Funding sources added in:**

Rates and charges revenue (excluding Waste)	(34,010)
Capital grants	(2,725)

**Total funding sources**

**(36,735)**

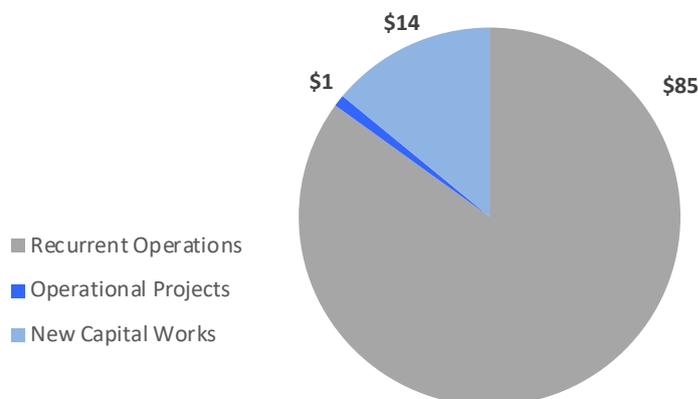
**Operating (surplus)/deficit for the year \*** **3,795**

\*The above result is a deficit of **(\$3.795 million)**, as presented in the Comprehensive Income Statement at 3.1.

Each \$100 of expenditure in Council's budget for the 2025-26 financial year is allocated as follows:

- \$85 will be spent delivering Council's regular **services** and activities (recurrent operations that occur each year)
- \$15 will be committed to new **initiatives** (capital and operational projects and one-off initiatives)

### How does \$100 get spent in 2025-26



## 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	25,000	Recreation reserves maintained	5
Total service centre visits	4,500	Recreation reserves supported	14
Number of transactions received	8,750	Playgrounds and skate parks maintained	29
<b>Governance functions</b>		<b>Aquatic facilities</b>	
Freedom of information requests p.a.	15	Bluewater annual members	1,500
Community Asset Committees supported	18	Bluewater learn to swim enrolments	460
<b>Positive aging and community care</b>		<b>Statutory Planning</b>	
In home care hours delivered	40,716	Applications determined	380
Number of individual clients receiving service	188	Planning compliance matters addressed	20
<b>Children's Services</b>		<b>Local Laws and Rangers Services</b>	
Family Day Care (hours provided)	25,000	Dog registrations	4,500
New babies supported by M&CH	231	Cat registrations	1,621
Consultations with 0-3.5 year olds	1,976	<b>Road services</b>	
<b>Regulatory Building Services</b>		Total length of roads maintained	1,628 kms
Property Information requests	715	<b>Waste services</b>	
Building permits received for lodgement	435	Urban bins collected kerbside	10,675
<b>Environmental Health Services</b>		Rural bins collected roadside	167
Food premises inspections	275	Waste to landfill (tonnes)	6,970
Registered food businesses	275	Recyclables collected (tonnes)	1,960
Immunisation vaccinations delivered	2,258	Glass collected (tonnes)	450
<b>Saleyards</b>		Food and Organics collected (tonnes)	4,110
Cattle throughput	31,000	<b>Library services</b>	
<b>COPACC activities</b>		Active library borrowers	5,400
Performances hosted annually	55	Physical library collection items loaned	120,125
Annual attendance at performances	13,000	<b>Parks and gardens</b>	
Business events hosted annually	250	Street trees planned to be planted	200
Annual participation in business events	8,000	<b>Community Grants</b>	
		Community/business initiatives supported	78

### 3 Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2025-26 has been supplemented with projections to 2028-29.

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 2029

	NOTES	Forecast	Budget	Projections		
		Actual 2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000
<b>Income / Revenue</b>						
Rates and charges	4.1.1	37,228	38,773	39,926	41,101	42,315
Statutory fees and fines	4.1.2	930	1,003	1,018	1,033	1,049
User fees	4.1.3	8,243	9,242	9,623	9,999	10,388
Grants - Operating	4.1.4	11,922	9,622	9,691	9,836	9,984
Grants - Capital	4.1.4	10,304	2,725	3,236	3,406	3,406
Contributions - monetary	4.1.5	132	25	25	25	25
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		(383)	-	-	-	-
Share of net profits/(losses) of associates and joint ventures		(100)	(100)	(100)	(100)	(100)
Other income	4.1.6	1,799	1,175	1,175	1,175	1,175
<b>Total income / revenue</b>		<b>70,075</b>	<b>62,465</b>	<b>64,594</b>	<b>66,475</b>	<b>68,242</b>
<b>Expenses</b>						
Employee costs	4.1.7	25,442	26,538	27,600	28,704	29,852
Materials and services	4.1.8	26,214	22,264	23,498	24,830	26,320
Depreciation	4.1.9	15,082	15,538	16,315	17,131	17,987
Depreciation - right of use assets	4.1.10	101	101	101	101	101
Bad and doubtful debts		10	5	10	10	10
Borrowing costs		-	14	23	21	19
Finance Costs - leases		10	-	-	-	-
Other expenses	4.1.11	1,678	1,800	1,836	1,873	1,910
<b>Total expenses</b>		<b>68,537</b>	<b>66,260</b>	<b>69,383</b>	<b>72,670</b>	<b>76,200</b>
<b>Surplus/(deficit) for the year</b>		<b>1,538</b>	<b>(3,795)</b>	<b>(4,789)</b>	<b>(6,195)</b>	<b>(7,958)</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>1,538</b>	<b>(3,795)</b>	<b>(4,789)</b>	<b>(6,195)</b>	<b>(7,958)</b>

### 3.2 Balance Sheet

For the four years ending 30 June 2029

	NOTES	Forecast	Budget	Projections		
		Actual 2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents		31,680	20,474	21,069	20,913	19,682
Trade and other receivables		3,934	4,013	4,120	4,230	4,343
Inventories		177	177	177	177	177
Non-current assets held for sale		-	-	-	-	-
Other assets		254	267	267	267	267
<b>Total current assets</b>	4.2.1	<b>36,045</b>	<b>24,931</b>	<b>25,634</b>	<b>25,588</b>	<b>24,470</b>
<b>Non-current assets</b>						
Property, infrastructure, plant & equipment		547,591	600,956	595,765	589,924	583,395
Investments in associates, joint arrangement and subsidiaries		147	147	147	147	147
Right-of-use assets	4.2.4	2,766	2,673	2,564	2,460	2,359
<b>Total non-current assets</b>	4.2.1	<b>550,504</b>	<b>603,776</b>	<b>598,476</b>	<b>592,530</b>	<b>585,901</b>
<b>Total assets</b>		<b>586,549</b>	<b>628,707</b>	<b>624,111</b>	<b>618,118</b>	<b>610,371</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables		4,565	4,656	4,889	5,134	5,390
Trust funds and deposits		1,600	1,600	1,600	1,600	1,600
Provisions		9,719	10,042	10,042	10,042	10,042
Lease liabilities	4.2.4	-	-	-	-	-
<b>Total current liabilities</b>	4.2.2	<b>15,884</b>	<b>16,298</b>	<b>16,531</b>	<b>16,775</b>	<b>17,032</b>
<b>Non-current liabilities</b>						
Provisions		4,694	5,077	5,077	5,077	5,077
Interest-bearing liabilities	4.2.3	-	477	436	394	348
Lease liabilities	4.2.4	-	-	-	-	-
<b>Total non-current liabilities</b>	4.2.2	<b>4,694</b>	<b>5,554</b>	<b>5,513</b>	<b>5,471</b>	<b>5,425</b>
<b>Total liabilities</b>		<b>20,578</b>	<b>21,852</b>	<b>22,045</b>	<b>22,246</b>	<b>22,457</b>
<b>Net assets</b>		<b>565,971</b>	<b>606,855</b>	<b>602,067</b>	<b>595,872</b>	<b>587,914</b>
<b>Equity</b>						
Accumulated surplus		148,899	144,787	139,685	133,156	124,842
Reserves		417,072	462,068	462,382	462,716	463,072
<b>Total equity</b>		<b>565,971</b>	<b>606,855</b>	<b>602,067</b>	<b>595,872</b>	<b>587,914</b>

### 3.3 Statement of Changes in Equity

For the four years ending 30 June 2029

	NOTES	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2025 Forecast Actual</b>					
Balance at beginning of the financial year		547,494	138,693	387,127	21,674
Surplus/(deficit) for the year		1,538	1,538	-	-
Net asset revaluation gain /(loss)		16,939	-	16,939	-
Transfers to other reserves		-	22,191	-	(22,191)
Transfers from other reserves		-	(13,523)	-	13,523
<b>Balance at end of the financial year</b>		<b>565,971</b>	<b>148,899</b>	<b>404,066</b>	<b>13,006</b>
<b>2026 Budget</b>					
Balance at beginning of the financial year		565,971	148,899	404,066	13,006
Surplus/(deficit) for the year		(3,795)	(3,795)	-	-
Net asset revaluation gain /(loss)		44,679	-	44,679	-
Transfers to other reserves	4.3	-	(317)	-	317
Transfers from other reserves	4.3	-	-	-	-
<b>Balance at end of the financial year</b>	4.3	<b>606,855</b>	<b>144,788</b>	<b>448,745</b>	<b>13,323</b>
<b>2027</b>					
Balance at beginning of the financial year		606,855	144,788	448,745	13,323
Surplus/(deficit) for the year		(4,789)	(4,789)	-	-
Net asset revaluation gain /(loss)		-	-	-	-
Transfers to other reserves		-	(313)	-	313
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>602,067</b>	<b>139,685</b>	<b>448,745</b>	<b>13,636</b>
<b>2028</b>					
Balance at beginning of the financial year		602,067	139,685	448,745	13,636
Surplus/(deficit) for the year		(6,195)	(6,195)	-	-
Net asset revaluation gain /(loss)		-	-	-	-
Transfers to other reserves		-	(334)	-	334
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>595,871</b>	<b>133,156</b>	<b>448,745</b>	<b>13,970</b>
<b>2029</b>					
Balance at beginning of the financial year		595,871	133,156	448,745	13,970
Surplus/(deficit) for the year		(7,958)	(7,958)	-	-
Net asset revaluation gain /(loss)		-	-	-	-
Transfers to other reserves		-	(356)	-	356
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>587,913</b>	<b>124,842</b>	<b>448,745</b>	<b>14,326</b>

### 3.4 Statement of Cash Flows

For the four years ending 30 June 2029

	Notes	Forecast	Budget	Projections		
		Actual 2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>						
Rates and charges		37,228	38,773	39,926	41,101	42,315
Statutory fees and fines		930	1,003	1,018	1,033	1,049
User fees		8,243	9,242	9,623	9,999	10,388
Grants - operating		11,922	9,622	9,691	9,836	9,984
Grants - capital		10,304	11,946	3,236	3,406	3,406
Contributions - monetary		132	25	25	25	25
Trust funds and deposits		602	-	-	-	-
Other receipts		1,799	1,175	1,069	1,065	1,061
Employee costs		(25,442)	(26,538)	(27,600)	(28,704)	(29,852)
Materials and services		(25,471)	(22,264)	(23,498)	(24,830)	(26,320)
Other payments		(1,678)	(1,800)	(1,836)	(1,873)	(1,910)
<b>Net cash provided by/(used in) operating activities</b>	4.4.1	<b>18,568</b>	<b>21,184</b>	<b>11,654</b>	<b>11,060</b>	<b>10,146</b>
<b>Cash flows from investing activities</b>						
Payments for property, infrastructure, plant and equipment		(15,917)	(32,753)	(10,895)	(11,053)	(11,214)
Proceeds from sale of property, infrastructure, plant and equipment		(383)	-	-	-	-
Payments for investments		-	(100)	(100)	(100)	(100)
<b>Net cash provided by/ (used in) investing activities</b>	4.4.2	<b>(16,300)</b>	<b>(32,853)</b>	<b>(10,995)</b>	<b>(11,153)</b>	<b>(11,314)</b>
<b>Cash flows from financing activities</b>						
Finance costs		-	(14)	(23)	(21)	(19)
Proceeds from borrowings		-	500	-	-	-
Repayment of borrowings		-	(23)	(41)	(42)	(46)
Interest paid - lease liability		(10)	-	-	-	-
<b>Net cash provided by/(used in) financing activities</b>	4.4.3	<b>(10)</b>	<b>463</b>	<b>(64)</b>	<b>(63)</b>	<b>(65)</b>
Net increase/(decrease) in cash and cash equivalents		2,258	(11,206)	595	(156)	(1,232)
Cash and cash equivalents at the beginning of the financial year		29,422	31,680	20,474	21,069	20,913
<b>Cash and cash equivalents at the end of the financial year</b>		<b>31,680</b>	<b>20,474</b>	<b>21,069</b>	<b>20,913</b>	<b>19,682</b>

### 3.5 Statement of Capital Works

For the four years ending 30 June 2029

	Notes	Forecast	Budget	Projections		
		Actual 2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000
<b>Property</b>						
Land		-	-	-	-	-
Buildings		2,259	1,081	1,081	1,081	1,081
<b>Total land and Buildings</b>		<b>2,259</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>
<b>Total property</b>	4.5.2	<b>2,259</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>
<b>Plant and equipment</b>						
Plant, machinery and equipment		2,350	2,152	2,000	2,000	2,000
Fixtures, fittings and furniture		113	-	-	-	-
Computers and telecommunications		528	40	42	44	46
<b>Total plant and equipment</b>	4.5.2	<b>2,991</b>	<b>2,192</b>	<b>2,042</b>	<b>2,044</b>	<b>2,046</b>
<b>Infrastructure</b>						
Roads		7,326	6,265	6,390	6,518	6,648
Bridges		61	610	622	635	647
Footpaths and cycleways		883	375	383	390	398
Drainage		1,124	40	41	42	42
Other infrastructure		1,273	330	337	343	350
<b>Total infrastructure</b>	4.5.2	<b>10,667</b>	<b>7,620</b>	<b>7,772</b>	<b>7,928</b>	<b>8,086</b>
<b>Total capital works expenditure</b>		<b>15,917</b>	<b>10,893</b>	<b>10,895</b>	<b>11,053</b>	<b>11,214</b>
<b>Represented by:</b>						
New asset expenditure		603	200	200	203	206
Asset renewal expenditure		12,972	10,372	10,374	10,524	10,677
Asset upgrade expenditure		2,342	321	321	326	330
<b>Total capital works expenditure</b>		<b>15,917</b>	<b>10,893</b>	<b>10,895</b>	<b>11,053</b>	<b>11,214</b>
<b>Funding Sources represented by:</b>						
Grants		10,304	2,725	3,236	3,406	3,406
Contributions		-	-	-	-	-
Council Cash		2,419	6,010	5,159	5,647	5,808
Council Reserves		3,195	2,158	2,000	2,000	2,000
Borrowings		-	-	500	-	-
<b>Total capital works expenditure*</b>		<b>15,917</b>	<b>10,893</b>	<b>10,895</b>	<b>11,053</b>	<b>11,214</b>

### 3.6 Statement of Human Resources

Council has continued to revise its functions and structures to ensure resources are used as efficiently as possible across the organisation.

For the four years ending 30 June 2029

Notes	Forecast	Budget	Projections		
	Actual 2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000
<b>Staff expenditure</b>					
Employee costs - operating	25,442	26,538	27,600	28,704	29,852
Employee costs - capital	964	902	938	976	1,015
<b>Total staff expenditure</b>	<b>26,406</b>	<b>27,440</b>	<b>28,538</b>	<b>29,680</b>	<b>30,867</b>
	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
<b>Staff numbers</b>					
Employees	245.5	250.9	250.9	250.9	250.9
<b>Total staff numbers</b>	<b>245.5</b>	<b>250.9</b>	<b>250.9</b>	<b>250.9</b>	<b>250.9</b>

Including casual staff, the total staff FTE for 2025-26 is 250.9. However, the FTE of permanent full-time and part-time staff has reduced in 2025-26 to 244.6 from 245.5 in 2024-25.

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

Department	Budget 2025-26 \$'000	Comprises			
		Permanent		Casual	Temp
		Full Time \$'000	Part time \$'000	\$'000	\$'000
Chief Executive Office	1,920	1,506	384	30	-
Corporate Services	4,120	3,661	409	50	-
Community and Economy	10,478	5,950	4,138	390	-
Infrastructure and Environment	10,020	9,630	358	32	-
<b>Total staff expenditure</b>	<b>26,538</b>	<b>20,747</b>	<b>5,289</b>	<b>502</b>	-
Capitalised labour costs	902				
<b>Total expenditure</b>	<b>27,440</b>				

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

Department	Budget 2025-26	Comprises			
		Permanent		Casual	Temp
		Full Time	Part time		
Chief Executive Office	15	11	4	0	-
Corporate Services	35	30	4	1	-
Community and Economy	98	48	45	5	-
Infrastructure and Environment	103	97	5	1	-
<b>Total staff</b>	<b>251</b>	<b>186</b>	<b>58</b>	<b>7</b>	-

### 3.7 Summary of Planned Human Resources Expenditure

A summary of human resources expenditure categorised according to the organisational structure of Council for 2025-26 is included in the following table.

For the four years ending 30 June 2029

	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000
<b>Chief Executive Office</b>				
Permanent - Full time	1,506	1,566	1,629	1,694
Women	977	1,016	1,057	1,099
Men	346	360	374	389
Vacant positions	183	190	198	206
Permanent - Part time	384	399	415	431
Women	260	270	281	292
Men	63	66	68	71
Vacant positions	61	63	66	68
<b>Total Chief Executive Office</b>	<b>1,890</b>	<b>1,965</b>	<b>2,044</b>	<b>2,125</b>
<b>Corporate Services</b>				
Permanent - Full time	3,661	3,807	3,959	4,118
Women	1,381	1,436	1,494	1,553
Men	1,977	2,056	2,138	2,224
Vacant positions	303	315	327	341
Permanent - Part time	409	425	442	460
Women	202	210	218	227
Men	166	173	180	187
Vacant positions	41	42	44	46
<b>Total Corporate Services</b>	<b>4,070</b>	<b>4,232</b>	<b>4,401</b>	<b>4,578</b>
<b>Community and Economy</b>				
Permanent - Full time	5,950	6,188	6,436	6,694
Women	3,315	3,447	3,585	3,729
Men	2,042	2,124	2,209	2,297
Vacant positions	593	617	642	668
Permanent - Part time	4,138	4,303	4,475	4,654
Women	3,684	3,831	3,984	4,144
Men	171	178	185	192
Vacant positions	283	294	306	318
<b>Total Community and Economy</b>	<b>10,088</b>	<b>10,491</b>	<b>10,911</b>	<b>11,348</b>
<b>Infrastructure and Environment</b>				
Permanent - Full time	9,630	10,016	10,416	10,833
Women	1,632	1,698	1,766	1,836
Men	7,311	7,603	7,907	8,224
Vacant positions	687	715	743	773
Permanent - Part time	358	373	387	403
Women	294	306	318	331
Men	64	67	69	72
Vacant positions	0	0	0	0
<b>Total Infrastructure and Environment</b>	<b>9,988</b>	<b>10,389</b>	<b>10,803</b>	<b>11,236</b>
<b>Casuals, temporary and other expenditure</b>	<b>502</b>	<b>523</b>	<b>545</b>	<b>565</b>
<b>Capitalised labour costs</b>	<b>902</b>	<b>938</b>	<b>976</b>	<b>1,015</b>
<b>Total staff expenditure</b>	<b>27,440</b>	<b>28,538</b>	<b>29,680</b>	<b>30,867</b>

A summary of human resources full-time equivalent (FTE) employees, categorised according to the organisational structure of Council for 2025-26, is included in the following table.

	2025-26 FTE	2026-27 FTE	2027-28 FTE	2028-29 FTE
<b>Chief Executive Office</b>				
Permanent - Full time	11.0	11.0	11.0	11.0
Women	7.0	7.0	7.0	7.0
Men	3.0	3.0	3.0	3.0
Vacant positions	1.0	1.0	1.0	1.0
Permanent - Part time	4.1	4.1	4.1	4.1
Women	2.6	2.6	2.6	2.6
Men	0.8	0.8	0.8	0.8
Vacant positions	0.7	0.7	0.7	0.7
<b>Total Chief Executive Office</b>	<b>15.1</b>	<b>15.1</b>	<b>15.1</b>	<b>15.1</b>
<b>Corporate Services</b>				
Permanent - Full time	30.0	30.0	30.0	30.0
Women	13.0	13.0	13.0	13.0
Men	14.0	14.0	14.0	14.0
Vacant positions	3.0	3.0	3.0	3.0
Permanent - Part time	3.7	3.7	3.7	3.7
Women	1.9	1.9	1.9	1.9
Men	1.4	1.4	1.4	1.4
Vacant positions	0.4	0.4	0.4	0.4
<b>Total Corporate Services</b>	<b>33.7</b>	<b>33.7</b>	<b>33.7</b>	<b>33.7</b>
<b>Community and Economy</b>				
Permanent - Full time	48.0	48.0	48.0	48.0
Women	28.0	28.0	28.0	28.0
Men	15.0	15.0	15.0	15.0
Vacant positions	5.0	5.0	5.0	5.0
Permanent - Part time	45.2	45.2	45.2	45.2
Women	40.4	40.4	40.4	40.4
Men	2.0	2.0	2.0	2.0
Vacant positions	2.8	2.8	2.8	2.8
<b>Total Community and Economy</b>	<b>93.2</b>	<b>93.2</b>	<b>93.2</b>	<b>93.2</b>
<b>Infrastructure and Environment</b>				
Permanent - Full time	90.7	90.7	90.7	90.7
Women	15.0	15.0	15.0	15.0
Men	70.5	70.5	70.5	70.5
Vacant positions	5.2	5.2	5.2	5.2
Permanent - Part time	4.9	4.9	4.9	4.9
Women	4.3	4.3	4.3	4.3
Men	0.6	0.6	0.6	0.6
Vacant positions	0.0	0.0	0.0	0.0
<b>Total Infrastructure and Environment</b>	<b>95.6</b>	<b>95.6</b>	<b>95.6</b>	<b>95.6</b>
<b>Casuals and temporary staff</b>	<b>6.3</b>	<b>6.3</b>	<b>6.3</b>	<b>6.3</b>
<b>Capitalised labour</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>
<b>Total staff numbers</b>	<b>250.9</b>	<b>250.9</b>	<b>250.9</b>	<b>250.9</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 plan for how Council will generate income to deliver the Council Plan, programs 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 2025-26 the rates cap has been set at 3.00%. The cap applies to both general rates and the municipal charge and is calculated based on Council's average rates and charges (see table 4.1.1(I)). Council limits rate revenue increases to comply with the Fair Go Rates System.

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

Ratepayers may see rate increases that differ from the average 3.00% 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:

	2024-25 Forecast \$'000	2025-26 Budget \$'000	Change \$'000	%
General rates*	29,216	30,195	979	3.35%
Municipal charge*	3,196	3,292	96	3.00%
Waste management charge	4,315	4,763	448	10.4%
Special rates and charges	23	23	-	0.00%
Supplementary rates and rate adjustments	100	120	20	-
Revenue in lieu of rates	258	260	2	0.78%
Interest on rates and charges	120	120	-	-
<b>Total rates and charges</b>	<b>37,228</b>	<b>38,773</b>	<b>1,546</b>	<b>4.15%</b>

\* These items include supplementary rates, which are not subject to the rate cap, and 2024-2025 will be annualised in table 4.1.1 (l).

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	2024-25 cents/\$CIV	2025-26 cents/\$CIV	Change
Residential - Colac/Elimityt	0.002585	0.002827	9.4%
Residential - Balance Of Shire	0.002197	0.002403	9.4%
Holiday Rental	0.002585	0.002968	14.8%
Rural Farm	0.001939	0.001837	(5.2%)
Commercial/Industrial - Colac/Elimityt	0.004265	0.004664	9.4%
Commercial/Industrial - Balance Of Shire	0.003619	0.003958	9.4%

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	2024-25 \$	2025-26 \$	Change \$	%
Residential - Colac/Elimityt	7,771,819	8,265,869	494,050	6.4%
Residential - Balance Of Shire	9,707,547	10,327,913	620,366	6.4%
Holiday Rental	1,288,938	1,431,128	142,189	11.0%
Rural Farm	7,300,321	6,720,034	(580,287)	(7.9%)
Commercial/Industrial - Colac/Elimityt	2,165,157	2,301,120	135,964	6.3%
Commercial/Industrial - Balance Of Shire	1,082,233	1,149,432	67,199	6.2%
<b>Total amount to be raised by general rates</b>	<b>29,316,016</b>	<b>30,195,496</b>	<b>879,480</b>	<b>3.0%</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	2024-25	2025-26	Change	
	Number	Number	Number	%
Residential - Colac/Elimity	5,996	6,019	23	0.4%
Residential - Balance Of Shire	5,551	5,674	123	2.2%
Holiday Rental	538	498	(40)	(7.4%)
Rural Farm	2,970	2,927	(43)	(1.4%)
Commercial/Industrial - Colac/Elimity	674	679	5	0.7%
Commercial/Industrial - Balance Of Shire	329	332	3	0.9%
<b>Total number of assessments</b>	<b>16,058</b>	<b>16,129</b>	<b>71</b>	<b>0.4%</b>

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

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

Type or class of land	2024-25	2025-26	Change	
	\$	\$	\$	%
Residential - Colac/Elimity	2,980,987,000	2,937,545,000	(43,442,000)	(1.5%)
Residential - Balance Of Shire	4,356,478,000	4,220,516,000	(135,962,000)	(3.1%)
Holiday Rental	520,870,000	476,546,000	(44,324,000)	(8.5%)
Rural Farm	3,767,061,000	3,607,740,000	(159,321,000)	(4.2%)
Commercial/Industrial - Colac/Elimity	501,118,000	540,634,000	39,516,000	7.9%
Commercial/Industrial - Balance Of Shire	299,792,000	299,629,000	(163,000)	(0.1%)
<b>Total value of land</b>	<b>12,426,306,000</b>	<b>12,082,610,000</b>	<b>(343,696,000)</b>	<b>(2.8%)</b>

2025-26 Capital Improved Values (CIV's) in the above table represent Stage 3 valuations from the Valuer General. These CIV's will be updated to Stage 4 values, once received from Valuer General.

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	Per Rateable Property	Change	
	2024-25	2025-26	\$	%
	\$	\$	\$	%
Municipal Charge	210	216	6	2.8%

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

Type of Charge	2024-25	2025-26	Change	
	\$	\$	\$	%
Municipal Charge	3,190,427	3,292,218	101,791	3.2%

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

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2024-25	2025-26	\$	%
Weekly Kerbside collection	402	441	39	9.7%
Fortnightly Kerbside collection	307	337	30	9.7%

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	2024-25	2025-26	Change	
	\$	\$	\$	%
Weekly Kerbside collection	4,264,416	4,706,995	442,579	10.4%
Fortnightly Kerbside collection	50,962	56,235	5,273	10.3%
<b>Total</b>	<b>4,315,378</b>	<b>4,763,230</b>	<b>447,852</b>	<b>10.4%</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:

	2024-25	2025-26	Change	
	\$	\$	\$	%
General rates	29,316,016	30,195,496	879,480	3.0%
Municipal charge	3,190,427	3,292,218	101,791	3.2%
Kerbside collection and recycling	4,315,378	4,763,230	447,852	10.4%
Tirrengow er Drainage Scheme	22,500	22,500	-	-
<b>Total Rates and charges</b>	<b>36,844,321</b>	<b>38,273,444</b>	<b>1,429,123</b>	<b>3.9%</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.

	2024-25	2025-26
Forecast Annualised Rate Revenue From Prior Year	\$ 30,182,219	\$32,512,344
Number of rateable properties	15,978	16,129
Base Average Rate	\$ 1,889	\$ 2,016
Maximum Rate Increase (set by the State Government)	<b>2.75%</b>	<b>3.00%</b>
Capped Average Rate	\$ 1,941	\$ 2,076
Maximum General Rates and Municipal Charges Revenue	\$ 31,012,230	\$33,487,714
Budgeted General Rates and Municipal Charges Revenue	\$ 32,506,443	\$33,487,714
Budgeted Supplementary Rates	\$ 100,000	\$ 120,000
Budgeted Total Rates and Municipal Charges Revenue	\$ 32,606,443	\$33,607,714

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 (2025-26: estimated \$120,000 and 2024-25: \$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.

See Appendix C for further details regarding differential rating framework.

#### **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 2025 to 30 June 2026.

### 4.1.2 Statutory fees and charges

	Forecast		Budget		Change	
	2024-25	2025-26	2025-26	Change		
	\$'000	\$'000	\$'000	%		
Statutory Planning Operations	390	392	2	0.5%		
Public Health Operations	225	226	2	0.7%		
Infrastructure Customer Services	83	141	58	69.4%		
Building Services Operations	107	103	(4)	(3.7%)		
Local Law s Operations	80	83	3	3.8%		
Property & Rates Operations	37	41	3	8.4%		
Planning Compliance	4	10	6	150.0%		
Emergency Management Operations	5	7	2	40.0%		
<b>Total statutory fees and fines</b>	<b>930</b>	<b>1,003</b>	<b>72</b>	<b>7.8%</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 increase for Infrastructure Customer Service as a result of additional subdivision engineering fees budgeted in 2025-26.

### 4.1.3 User charges

	Forecast		Budget		Change	
	2024-25	2025-26	2025-26	Change		
	\$'000	\$'000	\$'000	%		
Aged Care Management Administration	4,677	5,371	693	14.8%		
Bluewater Fitness Centre Operations	1,611	1,803	191	11.9%		
Colac Regional Saleyards Operations	523	576	53	10.1%		
Waste Management Administration	425	455	30	7.0%		
COPACC Management Operations	342	336	(6)	(1.7%)		
Local Law s Operations	267	289	22	8.3%		
Great Ocean Road VIC Operations	182	151	(31)	(17.0%)		
Strategic Asset & Property Services Operations	77	118	41	53.7%		
Family & Children`s Services Operations	58	61	4	6.3%		
Airfield Operations	32	32	0	0.8%		
Infrastructure Development	32	32	0	-		
Building Services Operations	5	6	1	13.8%		
Public Health Operations	4	4	0	-		
Events Operations	4	4	0	-		
Financial Services Operations	2	2	0	3.9%		
Risk Management Operations	1	1	0	-		
Statutory Planning Operations	1	1	0	-		
<b>Total user charges</b>	<b>8,243</b>	<b>9,242</b>	<b>999</b>	<b>12.1%</b>		

Revenue from user fees is budgeted to increase by 12.1% or approximately \$1.00 million compared to 2024-25. The budgeted increase in Aged Care Services is due to an anticipated increase in number of clients using the Home Care Services (and transitioning to the new Support at Home program in 2025-26) creating an increase in revenue of \$693,000. This increase is partially offset by the costs to deliver the additional packages, as shown in the analysis in section '4.1.7 Employee Cost'. It is also anticipated that members at Bluewater Leisure Centre (BWLC) will continue to grow in 2025-26, resulting in increased user fees of \$191,000. It is expected that Colac Regional Saleyards will increase by \$53,000 due to additional throughput numbers.

## 4.1.4 Grants: operating and capital

	Forecast	Budget	Change	
	2024-25	2025-26	\$'000	%
	\$'000	\$'000	\$'000	%
<b>Grants were received in respect of the following:</b>				
Summary of grants				
Commonwealth funded grants	10,579	11,601	1,022	9.7%
State funded grants	11,647	746	(10,902)	(93.6%)
<b>Total grants received</b>	<b>22,226</b>	<b>12,347</b>	<b>(9,880)</b>	<b>(44.5%)</b>
<b>(a) Operating Grants</b>				
<b>Recurrent - Commonwealth Government</b>				
Family & Children's Services Operations	210	240	30	14.3%
Other	66	36	(30)	(45.5%)
Victorian Grants Commission	8,600	8,600	0	-
<b>Recurrent - State Government</b>				
Aged Care Management Administration	103	3	(100)	(97.1%)
Maternal & Child Health Operations	576	446	(130)	(22.6%)
COPACC Management Operations	95	95	0	-
School Crossing Supervision Operations	50	33	(17)	(34.0%)
Revenue Services	50	53	3	6.0%
Public Health Operations	27	29	2	7.4%
Bluewater Leisure Centre Operations	-	12	12	-
Family & Children's Services Operations	-	1	1	-
<b>Total recurrent grants</b>	<b>9,777</b>	<b>9,548</b>	<b>(260)</b>	<b>(2.7%)</b>
<b>Non-recurrent - Commonwealth Government</b>				
<b>Non-recurrent - State Government</b>				
Aged Care Management Administration	1,140	-	(1,140)	(100.0%)
Health Active Communities Operations	211	74	(137)	(64.9%)
Recreation Operations	198	-	(198)	(100.0%)
Maternal & Child Health Operations	130	-	(130)	(100.0%)
Strategic Planning Operations	349	-	(349)	(100.0%)
Environment and Community Safety Operations	62	-	(62)	(100.0%)
Waste Management Operations	55	-	(55)	(100.0%)
<b>Total non-recurrent grants</b>	<b>2,145</b>	<b>74</b>	<b>(2,071)</b>	<b>(96.6%)</b>
<b>Total operating grants</b>	<b>11,923</b>	<b>9,622</b>	<b>(2,301)</b>	<b>(19.3%)</b>
<b>(b) Capital Grants</b>				
<b>Recurrent - Commonwealth Government</b>				
Roads to recovery	1,703	2,725	1,022	100.0%
<b>Recurrent - State Government</b>				
<b>Total recurrent grants</b>	<b>1,703</b>	<b>2,725</b>	<b>1,022</b>	<b>60.0%</b>
<b>Non-recurrent - Commonwealth Government</b>				
<b>Non-recurrent - State Government</b>				
Local Roads and Community Infrastructure Funding	4,081	-	(4,081)	(100.0%)
Community Facilities	922	-	(922)	(100.0%)
Local Roads Infrastructure	3,576	-	(3,576)	(100.0%)
Road Safety	22	-	(22)	(100.0%)
<b>Total non-recurrent grants</b>	<b>8,601</b>	<b>-</b>	<b>(8,601)</b>	<b>(100.0%)</b>
<b>Total capital grants</b>	<b>10,304</b>	<b>2,725</b>	<b>(7,579)</b>	<b>(73.6%)</b>
<b>Total Grants</b>	<b>22,226</b>	<b>12,347</b>	<b>(9,880)</b>	<b>(44.5%)</b>

The reduction in 2025-26 budgeted recurrent operating grants as against the 2024-25 forecast is driven by Council's decision to discontinue the Commonwealth Home Support Program (CHSP), which is offset by a reduction in material and services.

The budgeted capital grants have decreased compared to 2024-25 by (\$7.58 million). The reduction in expected capital grants is reflected in the reduced capital works program (refer to section 4.5 Capital works program).

The 2025-26 capital grants include funding for Roads to Recovery of \$2.73 million.

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

#### 4.1.5 Contributions

	Forecast	Budget	Change	
	2024-25	2025-26	\$'000	%
	\$'000	\$'000	\$'000	%
Monetary	132	25	(107)	(81.1%)
Non-monetary	-	-	-	-
<b>Total contributions</b>	<b>132</b>	<b>25</b>	<b>(107)</b>	<b>(81.1%)</b>

Monetary contributions are expected to decrease in 2025-26 in comparison to the 2024-25 Forecast as 2024-25 contributions relate to one-off projects and anticipated public open space contributions being received. 2024-25 project contributions relate to the Colac Civic Precinct Plan (\$90,000), Bluewater Leisure Centre Venue Hire (\$25,000), and various projects (\$17,000).

#### 4.1.6 Other income

	Forecast	Budget	Change	
	2024-25	2025-26	\$'000	%
	\$'000	\$'000	\$'000	%
Interest	1,565	1,060	(505)	(32.3%)
Other income	181	60	(122)	(67.1%)
Reimbursements	40	38	(2)	(6.2%)
Rates Legal Costs Recovered	13	17	4	26.9%
<b>Total other income</b>	<b>1,799</b>	<b>1,175</b>	<b>(624)</b>	<b>(34.7%)</b>

The budget for other income is expected to decrease by 34.7% or (\$624,000) mainly due to a decrease in interest income, driven by expected decrease in term deposit interest rates.

#### 4.1.7 Employee costs

	Forecast	Budget	Change	
	2024-25 \$'000	2025-26 \$'000	\$'000	%
Salaries and Wages	18,726	17,830	(897)	(4.8%)
Employee Leave	2,010	3,057	1,047	52.1%
Superannuation	2,453	2,798	346	14.1%
Casual Staff	733	502	(231)	(31.6%)
Sick Leave	691	1,056	366	53.0%
Other Employee Benefits	18	22	4	23.2%
Fringe Benefits Tax	175	200	25	14.3%
WorkCover	637	1,072	435	68.3%
<b>Total employee costs</b>	<b>25,442</b>	<b>26,538</b>	<b>1,096</b>	<b>4.3%</b>

Primary drivers of the change between the 2024-25 and 2025-26 financial years include:

- The total combined budget for i. Salaries and Wages, ii. Employee Leave and iii. Sick leave has increased by \$516,000 compared to prior year. Which represents an increase of 2.4% this reflects the net of reduction in permanent staff and the incorporation of EBA increments and allowances
- Increase in superannuation from 11.5% to 12.0%, and
- Increase in WorkCover premiums.

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

#### 4.1.8 Materials and services

	Forecast	Budget	Change	
	2024-25 \$'000	2025-26 \$'000	\$'000	%
Contractors	10,684	10,430	(254)	(2.4%)
Materials	5,111	4,018	(1,093)	(21.4%)
Subscriptions and memberships	3,027	2,884	(143)	(4.7%)
Utilities	1,182	1,087	(96)	(8.1%)
Consultants	3,213	1,143	(2,069)	(64.4%)
Agency staff	1,183	761	(422)	(35.7%)
Insurances	1,025	878	(147)	(14.3%)
Training costs	426	432	7	1.5%
Plant and equipment (maintenance & internal charge)	192	405	213	111.3%
Legal costs	168	221	53	31.5%
Other expenditure	(2)	2	4	(214.3%)
Permits	2	2	0	-
Merchant Fees	5	1	(4)	(78.7%)
<b>Total materials and services</b>	<b>26,214</b>	<b>22,264</b>	<b>(3,951)</b>	<b>(15.1%)</b>

Materials and services is budgeted to decrease by (15.1%) or (\$3.95 million) compared to 2024-25. Consultants are budgeted to decrease by (34.5%) or (\$1.11 million) due to one-off expenses relating to Apollo Bay Structure Plan Review, Deans Creek Precinct Structure Plan and Key Worker Housing Feasibility in Apollo Bay, that are not budgeted to reoccur in 2025-26. Materials are budgeted to decrease by (21.4%) or (\$1.09 million) due to one-off expenses in 2024-25 relating to the Climate Change Resilient Community Assets Project and Promoting Colac Otway Shire Recycling System, that will not reoccur in 2025-26.

#### 4.1.9 Depreciation

	Forecast	Budget	Change	
	2024-25	2025-26	\$'000	%
	\$'000	\$'000		
Buildings	2,275	2,263	(12)	(0.5%)
Plant & equipment	2,076	2,191	115	5.5%
Infrastructure	10,730	11,084	353	3.3%
<b>Total depreciation</b>	<b>15,082</b>	<b>15,538</b>	<b>456</b>	<b>3.0%</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. Increases in depreciation for the 2025-26 budget are expected due to a number of projects being finalised in 2024-25, and the impact of Council's asset revaluation process.

#### 4.1.10 Depreciation - Right of use assets

	Forecast	Budget	Change	
	2024-25	2025-26	\$'000	%
	\$'000	\$'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, and Colac Library.

#### 4.1.11 Other expenses

	Forecast	Budget	Change	
	2024-25	2025-26	\$'000	%
	\$'000	\$'000		
Grants and donations paid	804	729	(74)	(9.3%)
Elected Members Allowances	325	342	17	5.2%
Other costs	354	442	88	24.9%
Fire service levy	70	140	70	100.0%
Auditors remuneration	73	95	22	29.4%
Animal registration levy	24	24	0	-
Elected Member Mileage Allowance per km	15	15	0	-
Royalties and commissions	9	9	0	-
Remote Area Councillor Travel Allowance	3	3	0	-
Corporate Card Expenses	1	1	0	-
<b>Total other expenses</b>	<b>1,678</b>	<b>1,800</b>	<b>122</b>	<b>7.3%</b>

Other expenses are budgeted to increase by 7.3% or \$122,000. Grants and donations paid are budgeted to decrease by (9.3%) or (\$74,000), as in 2025-26 a contribution will not be paid to Great Ocean Road Health (\$40,000) and Community Grants not used in prior years of (\$51,000) have now been allocated to community groups. Councillor's Allowances are budgeted to increase by 5.2% or \$17,000 in line with Victorian Independent Remuneration Tribunal determination for Councillor allowances. The Fire Service Property Levy (to be replaced by the Emergency Services Volunteer Fund levy), paid by Council to State government, on properties council is responsible for, has been increased in keeping with growth rates indicated by the State Revenue Office.

## 4.2 Balance Sheet

### 4.2.1 Assets

Assets will increase in 2025-26 with cash and cash equivalents expected to decrease. Property, infrastructure, plant and equipment comprise 96.2% of Council's total assets and the increase is largely due to the asset revaluation process.

### 4.2.2 Liabilities

Liabilities will increase in 2025-26, across the board. The lease liabilities are now zero reflecting no remaining liability as lease for equipment was paid out in 2024-25.

### 4.2.3 Borrowings

Council is only allowing for one loan in the Budget 2025-26, which is specifically to support the Bluewater Leisure Centre Electrification project.

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

	Forecast 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000
Amount borrow ed as at 30 June of the prior year	-	-	477	436	394
Amount proposed to be borrow ed	-	500	-	-	-
Amount projected to be redeemed	-	(23)	(41)	(42)	(46)
<b>Amount of borrowings as at 30 June</b>	-	<b>477</b>	<b>436</b>	<b>394</b>	<b>348</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 2024-25 \$'000	Budget 2025-26 \$'000
<b>Right-of-use assets</b>		
Property	2,754	2,671
Plant and equipment	12	2
<b>Total right-of-use assets</b>	<b>2,766</b>	<b>2,673</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	Budget
		2024-25 \$'000	2025-26 \$'000
Asset Revaluation Reserve	Discretionary	404,066	448,745
Colac Livestock Selling Centre Reserve	Discretionary	147	3
Financial Assistance Grants Received in Advance	Discretionary	-	-
Waste Management Reserve	Discretionary	1,704	1,704
Landfill Rehabilitation (Alvie) Reserve	Discretionary	827	1,319
Long Service Leave Reserve	Discretionary	3,001	3,070
Plant Replacement Reserve	Discretionary	3,435	3,229
Recreational Lands Reserve	Statutory	2,155	2,180
Rehabilitation Reserve	Discretionary	1,115	1,174
Water Sensitive Urban Design	Discretionary	89	89
Strategic Projects Reserve	Discretionary	436	436
Tirrengow er Drainage Scheme Reserve	Contractual	98	121
<b>Total Equity Reserves</b>		<b>417,072</b>	<b>462,068</b>

See Appendix D for purpose of reserves

### 4.4 Statement of Cash Flows

#### 4.4.1 Net Cash Provided from Operating Activities

There is a increase in cash provided by operating activities in 2025-26 compared to the forecast 2024-25 financial year as the capital program is budgeted to reduce in 2025-26, and carried forward projects from 2023-24 are completed in 2024-25 financial year.

#### 4.4.2 Cash Flows from Investing Activities

New capital works budgeted in 2025-26 is higher than the 2024-25 forecast program of \$15.91 million by \$16.84 million. This increase in 'Payments for property, infrastructure, plant and equipment' mainly reflects the carried forward projects from 2024-25 being completed in full in 2025-26 financial year.

#### 4.4.3 Cash Flows from Financing Activities

Cash outflows from financing activities is a net inflow for 2025-26, due to the inclusion of the borrowings for the Bluewater Leisure Centre Electrification Project. Future flows reflect payment of this loan over 10 years.

### 4.5 Statement of Capital Works

This section provides a summary of the planned capital expenditure and funding for the 2025-26 year classified by expenditure type and funding source.

#### 4.5.1 Summary

	Forecast 2024-25 \$'000	Budget 2025-26 \$'000	Change \$'000	%
Property	2,259	1,081	(1,178)	-52.15%
Plant and equipment	2,991	2,192	(799)	-26.71%
Infrastructure	10,667	7,620	(3,047)	-28.56%
<b>Total</b>	<b>15,917</b>	<b>10,893</b>	<b>(5,024)</b>	<b>-31.56%</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	1,081	-	911	170	-	-	911	170	-
Plant and equipment	2,192	-	2,041	151	-	-	204	1,988	-
Infrastructure	7,620	200	7,420	-	2,725	-	4,895	-	-
<b>Total</b>	<b>10,893</b>	<b>200</b>	<b>10,372</b>	<b>321</b>	<b>2,725</b>	<b>-</b>	<b>6,010</b>	<b>2,158</b>	<b>-</b>

The 2024-25 forecast figures include capital works expected to be completed in the 2024-25 year only. The 2024-25 capital works program has increased from the Adopted Budget of \$11.52 million to a budget of \$37.78 million. The above table for the 2025-26 budget does not include capital works carried forward from 2024-25 of \$21.86 million. 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				
	\$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Council Reserves \$'000	Borrowings \$'000
<b>PROPERTY</b>									
<b>Buildings</b>									
<i>Apollo Bay VIC Renewal Project</i>	95	-	95		-	-	95	-	-
<i>Apollo Bay Old Cable Station Museum Driveway Renewal</i>	100	-	100		-	-	100	-	-
<i>Elliminyt Depot Main Workshop and Office Component Renewal</i>	50	-	50		-	-	50	-	-
<i>Colac Livestock Selling Centre Office Components and Toilet Renewal</i>	50	-	50		-	-	50	-	-
<i>Public Hall Renewal Program</i>	100	-	100		-	-	100	-	-
<i>Public Toilets Renewal Program</i>	50	-	50		-	-	50	-	-
<i>HWS&amp;AC Reactive renewal</i>	25	-	25		-	-	25	-	-
<i>Reactive Renewal for Unplanned Building Works</i>	50	-	50		-	-	50	-	-
<i>Central Reserve Spectators Shed Component Renewal</i>	15	-	15		-	-	15	-	-
<i>Meredith Park Public Toilets Component Renewal</i>	25	-	25		-	-	25	-	-
<i>Cororooke Maternal &amp; Child Health Centre Component Renewal</i>	30	-	30		-	-	30	-	-
<i>Colac Botanic Gardens Tearooms Access Ramp and Minor Repair works</i>	15	-	15		-	-	15	-	-
<i>COPACC West area Roof Restoration with Rust Proofing and Heat Reflective Coating</i>	100	-	100		-	-	100	-	-
<i>Colac MCH Structural Strengthening works</i>	100	-	100		-	-	100	-	-
<i>Colac Regional Saleyards - Multi-Deck Loading Race</i>	170	-	-	170	-	-	-	170	-
<i>Colac Regional Saleyards - Forcing Yards Renewal</i>	106	-	106		-	-	106	-	-
<b>TOTAL PROPERTY</b>	<b>1,081</b>	<b>-</b>	<b>911</b>	<b>170</b>	<b>-</b>	<b>-</b>	<b>911</b>	<b>170</b>	<b>-</b>
<b>PLANT AND EQUIPMENT</b>									
<b>Plant, Machinery and Equipment</b>									
<i>Heavy Fleet Replacement Program 2024-2025</i>	1,575	-	1,575	-	-	-	-	1,575	-
<i>Light Fleet Vehicle Replacement Program 2024-2025</i>	413	-	413	-	-	-	-	413	-
<i>Workshop Fleet Diagnostic Tool</i>	13		13				13	-	
<i>Replacement Bluewater Gym Equipment</i>	151		-	151			151	-	
<b>Computers and Telecommunications</b>									
<i>Public and Building CCTV Maintenance</i>	40	-	40	-	-	-	40	-	-
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>2,192</b>	<b>-</b>	<b>2,041</b>	<b>151</b>	<b>-</b>	<b>-</b>	<b>204</b>	<b>1,988</b>	<b>-</b>

**Current Budget (cont.)**

Capital Works Area	Project Cost	Asset expenditure types			Summary of Funding Sources				
	\$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Council Reserves \$'000	Borrowings \$'000
<b>INFRASTRUCTURE</b>									
<b>Roads</b>									
<i>Colac Regional Saleyards Turning Extention</i>	25	-	25	-	-	-	25	-	-
<i>2025-26 Unsealed Road Resheeting Program</i>	1,000	-	1,000	-	800	-	200	-	-
<i>2025-26 Asphalt Overlay Program</i>	520	-	520	-	-	-	520	-	-
<i>2025-26 Guard Rail Replacement Program</i>	75	-	75	-	-	-	75	-	-
<i>2025-26 Kerb and Channel Renewal Program</i>	150	-	150	-	-	-	150	-	-
<i>2025-26 Sealed Road Major Patching Program</i>	650	-	650	-	525	-	125	-	-
<i>Ramsden Avenue Reconstruction (From Pengilley to McLachlan)</i>	520	-	520	-	-	-	520	-	-
<i>Montrose Avenue Reconstruction (From McLachlan to Costin)</i>	800	-	800	-	600	-	200	-	-
<i>Costin Street Reconstruction - 1 (From Pengilley to Montrose)</i>	475	-	475	-	-	-	475	-	-
<i>Pengilley Avenue Reconstruction- 2 (From Costin to Gallipoli)</i>	774	-	774	-	-	-	774	-	-
<i>Sarsfield Street Upgrade (From Great Ocean Road to Harrington Road)</i>	276	-	276	-	-	-	276	-	-
<i>2025-26 Sealed Road Resealing Program</i>	1,000	-	1,000	-	800	-	200	-	-
<b>Bridges</b>									
<i>Apollo Bay Recreation Reserve (J Coles Access) - Bridge Decommission</i>	60	-	60	-	-	-	60	-	-
<i>Joiner Reserve Footbridge Renew als</i>	50	-	50	-	-	-	50	-	-
<i>Boundary Road Bridge Renew al - Construction stage</i>	400	-	400	-	-	-	400	-	-
<i>Lanes Access Bridge Shared Asset Contribution</i>	100	-	100	-	-	-	100	-	-
<b>Footpaths and Cycleways</b>									
<i>Expansion of Current Footpath Network</i>	200	200	-	-	-	-	200	-	-
<i>Memorial Square Asphalt Footpath Renewal</i>	150	-	150	-	-	-	150	-	-
<i>2025-26 Tactile Renewal</i>	25	-	25	-	-	-	25	-	-
<b>Drainage</b>									
<i>2025-26 Storm Water Drainage Reactive Renewals</i>	40	-	40	-	-	-	40	-	-

## 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>Eastern Reserve Lighting Renewal</i>	100	-	100	-	-	-	100	-	-
<i>Red Rock Reserve Stairs Renewal</i>	150	-	150	-	-	-	150	-	-
<i>Open Space Renewal Program</i>	50	-	50	-	-	-	50	-	-
<i>Softfall Renewal Program</i>	30	-	30	-	-	-	30	-	-
<b>TOTAL INFRASTRUCTURE</b>	<b>7,620</b>	<b>200</b>	<b>7,420</b>	<b>-</b>	<b>2,725</b>	<b>-</b>	<b>4,895</b>	<b>-</b>	<b>-</b>
<b>TOTAL NEW CAPITAL WORKS</b>	<b>10,893</b>	<b>200</b>	<b>10,372</b>	<b>321</b>	<b>2,725</b>	<b>-</b>	<b>6,010</b>	<b>2,158</b>	<b>-</b>

## 4.5.3 Works carried forward from the 2024-25 year

Capital Works Area	Project Cost \$'000	Asset expenditure types		
		New \$'000	Renewal \$'000	Upgrade \$'000
<b>PROPERTY</b>				
Buildings	3,541	-	855	2,686
<b>TOTAL PROPERTY</b>	<b>3,541</b>	<b>-</b>	<b>855</b>	<b>2,686</b>
<b>PLANT AND EQUIPMENT</b>				
Annual Heavy Plant Replacement Program	680	-	680	-
Annual Light Fleet Replacement Program	165	-	165	-
Fixtures, Fittings and Furniture	60	-	60	-
Computers and Telecommunications	130	-	130	-
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>1,035</b>	<b>-</b>	<b>1,035</b>	<b>-</b>
<b>INFRASTRUCTURE</b>				
Roads	11,384	1,449	9,903	32
Bridges	60	-	60	-
Footpaths and Cycleways	80	80	-	-
Drainage	5,581	5,396	185	-
Other infrastructure	180	-	180	-
<b>TOTAL INFRASTRUCTURE</b>	<b>17,285</b>	<b>6,925</b>	<b>10,328</b>	<b>32</b>
<b>TOTAL CARRIED FORWARD CAPITAL WORKS 2024-25</b>	<b>21,861</b>	<b>6,925</b>	<b>12,218</b>	<b>2,718</b>

Table 4.5.3 provides a summary of the anticipated value of projects to be carried from the 2024-25 financial year into the budget year of 2025-26. 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 \$21.86 million capital projects to be carried forward, in addition to the new 2025-26 Capital Works Program of \$10.89 million creates an anticipated total program allocation of \$32.75 million.

Council anticipates that its underlying capital works program expenditure, largely self-funded by Council, will remain in the order of \$10.00 million to \$12.00 million annually for future years.

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 2027

2026-27	Asset Expenditure Types					Funding Sources					
	Total \$'000	New \$'000	Renewal \$'000	Expansion \$'000	Upgrade \$'000	Total \$'000	Grants \$'000	Contributions \$'000	Cash \$'000	Reserves \$'000	Borrowings \$'000
<b>Property</b>											
Land	-	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-	-
<b>Total Land</b>											
Buildings	1,081	-	760	-	321	1,081	-	-	581	-	500
<b>Total Buildings</b>	1,081	-	760	-	321	1,081	-	-	581	-	500
<b>Total Property</b>	<b>1,081</b>	<b>-</b>	<b>760</b>	<b>-</b>	<b>321</b>	<b>1,081</b>	<b>-</b>	<b>-</b>	<b>581</b>	<b>-</b>	<b>500</b>
<b>Plant and Equipment</b>											
Plant, machinery and equipment	2,000	-	2,000	-	-	2,000	-	-	-	2,000	-
Fixtures, fittings and furniture	-	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	42	-	42	-	-	42	-	-	42	-	-
<b>Total Plant and Equipment</b>	<b>2,042</b>	<b>-</b>	<b>2,042</b>	<b>-</b>	<b>-</b>	<b>2,042</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>2,000</b>	<b>-</b>
<b>Infrastructure</b>											
Roads	6,390	-	6,390	-	-	6,390	3,236	-	3,154	-	-
Bridges	622	-	622	-	-	622	-	-	622	-	-
Footpaths and cycleways	383	-	383	-	-	383	-	-	383	-	-
Drainage	41	-	41	-	-	41	-	-	41	-	-
Other infrastructure	337	200	137	-	-	337	-	-	337	-	-
<b>Total Infrastructure</b>	<b>7,772</b>	<b>200</b>	<b>7,572</b>	<b>-</b>	<b>-</b>	<b>7,772</b>	<b>3,236</b>	<b>-</b>	<b>4,536</b>	<b>-</b>	<b>-</b>
<b>Total Capital Works Expenditure</b>	<b>10,895</b>	<b>200</b>	<b>10,374</b>	<b>-</b>	<b>321</b>	<b>10,895</b>	<b>3,236</b>	<b>-</b>	<b>5,159</b>	<b>2,000</b>	<b>500</b>

For the year ending 30 June 2028

2027-28	Asset Expenditure Types					Funding Sources				
	Total \$'000	New \$'000	Renewal \$'000	Expansion \$'000	Upgrade \$'000	Total \$'000	Grants Contributions \$'000	Council Cash \$'000	Reserves \$'000	Borrowings \$'000
<b>Property</b>										
Land	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-
<b>Total Land</b>	-	-	-	-	-	-	-	-	-	-
Buildings	1,081	-	755	-	326	1,081	-	1,081	-	-
<b>Total Buildings</b>	1,081	-	755	-	326	1,081	-	1,081	-	-
<b>Total Property</b>	1,081	-	755	-	326	1,081	-	1,081	-	-
<b>Plant and Equipment</b>										
Plant, machinery and equipment	2,000	-	2,000	-	-	2,000	-	-	2,000	-
Fixtures, fittings and furniture	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	44	-	44	-	-	44	-	44	-	-
<b>Total Plant and Equipment</b>	2,044	-	2,044	-	-	2,044	-	44	2,000	-
<b>Infrastructure</b>										
Roads	6,518	-	6,518	-	-	6,518	3,406	3,112	-	-
Bridges	635	-	635	-	-	635	-	635	-	-
Footpaths and cycleways	390	-	390	-	-	390	-	390	-	-
Drainage	42	-	42	-	-	42	-	42	-	-
Other infrastructure	343	203	140	-	-	343	-	343	-	-
<b>Total Infrastructure</b>	7,928	203	7,725	-	-	7,928	3,406	4,522	-	-
<b>Total Capital Works Expenditure</b>	11,053	203	10,524	-	326	11,053	3,406	5,647	2,000	-

For the year ending 30 June 2029

2028-29	Asset Expenditure Types					Funding Sources					
	Total \$'000	New \$'000	Renewal \$'000	Expansion \$'000	Upgrade \$'000	Total \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Reserves \$'000	Borrowings \$'000
<b>Property</b>											
Land	-	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-	-
<b>Total Land</b>	-	-	-	-	-	-	-	-	-	-	-
Buildings	1,081	-	751	-	330	1,081	-	-	1,081	-	-
<b>Total Buildings</b>	1,081	-	751	-	330	1,081	-	-	1,081	-	-
<b>Total Property</b>	1,081	-	751	-	330	1,081	-	-	1,081	-	-
<b>Plant and Equipment</b>											
Plant, machinery and equipment	2,000	-	2,000	-	-	2,000	-	-	-	2,000	-
Fixtures, fittings and furniture	-	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	46	-	46	-	-	46	-	-	46	-	-
<b>Total Plant and Equipment</b>	2,046	-	2,046	-	-	2,046	-	-	46	2,000	-
<b>Infrastructure</b>											
Roads	6,648	-	6,648	-	-	6,648	3,406	-	3,242	-	-
Bridges	647	-	647	-	-	647	-	-	647	-	-
Footpaths and cycleways	398	-	398	-	-	398	-	-	398	-	-
Drainage	42	-	42	-	-	42	-	-	42	-	-
Other infrastructure	350	206	144	-	-	350	-	-	350	-	-
<b>Total Infrastructure</b>	8,086	206	7,881	-	-	8,086	3,406	-	4,680	-	-
<b>Total Capital Works Expenditure</b>	11,214	206	10,677	-	330	11,214	3,406	-	5,808	2,000	-

## 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	Forecast	Target	Target Projections			Trend
			2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	+/-
<b>Governance</b>									
Satisfaction with community consultation and engagement	Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	1	48	50	55	60	63	65	+
<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%	98%	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	62%	62%	85%	85%	85%	85%	+
<b>Waste management</b>									
Kerbside collection waste diverted from landfill	Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins	4	52%	52%	54%	55%	57%	58%	+

Indicator	Measure	Notes	Actual	Forecast	Target	Target Projections			Trend
			2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	+/-
<b>Liquidity</b>									
Working Capital	Current assets / current liabilities	5	229.32%	226.92%	152.97%	155.07%	152.53%	143.67%	+
<b>Obligations</b>									
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	6	75.08%	105.54%	70.11%	66.78%	64.52%	62.34%	+
<b>Stability</b>									
Rates concentration	Rate revenue / adjusted underlying revenue	7	60.89%	54.42%	64.87%	64.50%	64.44%	64.55%	+
<b>Efficiency</b>									
Expenditure level	Total expenses / no. of property assessments	8	\$4,091	\$4,268	\$4,108	\$4,242	\$4,382	\$4,531	-

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

Council plans to hold a number of 'Community Conversation' sessions in 2025 and 2026 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 72% total diversion from landfill by 2028-29.

#### 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 2023-24	Forecast 2024-25	Budget 2025-26	Projections 2026-27	2027-28	2028-29	Trend +/-
<b>Operating position</b>									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	9	-13.30%	-11.49%	-10.44%	-7.41%	-9.32%	-11.66%	+
<b>Liquidity</b>									
Unrestricted cash	Unrestricted cash / current liabilities	10	16.54%	16.18%	15.77%	15.55%	15.32%	15.09%	o
<b>Obligations</b>									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	11	0.00%	0.00%	1.29%	0.00%	0.00%	0.00%	o
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		0.00%	0.00%	0.00%	0.16%	0.15%	0.15%	o
Indebtedness	Non-current liabilities / own source revenue		10.02%	9.76%	11.09%	10.68%	10.28%	9.90%	o
<b>Stability</b>									
Rates effort	Rate revenue / CIV of rateable properties in the municipality	12	0.29%	0.30%	0.32%	0.31%	0.31%	0.30%	o
<b>Efficiency</b>									
Revenue level	General rates and municipal charges / no. of property assessments	13	\$1,972	\$2,018	\$2,076	\$2,119	\$2,163	\$2,208	+

#### 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 2025-26 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 \$500,000 in the year 2025-26 for the Electrification of the Bluewater Leisure Centre. There is no further plan to borrow any money in 2026-27 and future years. The loan is expected to be settled in 10 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	2025-26
G21 Region Alliance	\$30,000
SouthWest Victoria Alliance	\$25,750
Rural Councils Victoria	\$5,500
Timber Towns Victoria	\$2,750
Municipal Association of Victoria	\$34,000
ALGWA	\$400
Barwon South West Climate Alliance	\$15,525
VICSES Colac Unit	\$10,000
Keep Australia Beautiful Victoria	\$1,500
<b>Partnership and Memberships commitments</b>	<b>\$125,425</b>
Community Grants (Includes Garden Awards funding)	\$316,500
Student Achievement Awards	\$1,000
Christmas Events	\$30,000
Installation of Street Art	\$20,000
<b>Community and Business Programs</b>	<b>\$367,500</b>
Apollo Bay P12 College - Aquatic Centre	\$244,500
Great Ocean Road Regional Tourism	\$80,000
Lavers Hill K-12 College - Leisure Centre	\$22,965
Life Saving Victoria	\$62,830
Geelong Regional Library Corporation	\$885,000
Old Beechy Rail Trail landowner insurance	\$27,810
Mt Gellibrand Fire Tower Lookout Committee	\$1,500
Apollo Bay P12 College for support of back-up emergency power supply	\$4,120
Play audits - GORCAPA managed assets	\$1,135
<b>Contributions to others providing services to community</b>	<b>\$1,329,860</b>
Apollo Bay Recreation Reserve	\$7,730
Alvie Recreation Reserve	\$6,080
Beeac Recreation Reserve	\$2,270
Birregurra Recreation Reserve	\$8,290
Beech Forest Recreation Reserve	\$1,650
Carlisle River Recreation Reserve	\$3,370
Cressy River Recreation Reserve	\$1,520
Forrest Recreation Reserve	\$3,570
Gellibrand Recreation Reserve	\$4,000
Irrewillipe Recreation Reserve	\$6,080
Pirron Yallock Recreation Reserve	\$2,290
Warrion Recreation Reserve	\$2,290
Warrowie Recreation Reserve	\$4,910
Colac Secondary College	\$4,410
<b>Contributions to others managing Council and non-Council recreation reserves</b>	<b>\$58,460</b>

Organisations Contribution	2025-26
Apollo Bay Neighbourhood House	\$3,610
Colac Neighbourhood House	\$3,610
Forrest Neighbourhood House	\$3,610
Gellibrand Neighbourhood House	\$3,610
Barwon Network of Neighbourhood Houses	\$3,610
<b>Neighbourhood Houses</b>	<b>\$18,050</b>
<b>Total contributions to partners and community</b>	<b>\$1,889,295</b>

## Appendix B – Operational Projects 2025-26

In 2025-26 Council plans to fund \$1.15 million of operational projects with a particular focus on waste and recovery strategy as well as final aged care review implementation activities.

Operational Projects 2025-26	Council Cash \$'000s	Income \$'000s	Total \$'000s
Aged Care Transition	\$97	\$0	\$97
Youth Engagement Program	\$70	\$74	\$144
Street Tree Planting Program - 2024-25	\$60	\$0	\$60
Christmas Events	\$30	\$0	\$30
Waste and Resource Recovery - 10 year strategy	\$200	\$0	\$200
Content Manager Upgrade	\$33	\$0	\$33
Old Beechy Rail Trail Audit/Risk Assessment for Insurance	\$20	\$0	\$20
Community led event support funding	\$20	\$0	\$20
Colac Airfield Strategy	\$50	\$0	\$50
Sealed Road Network Strategy	\$50	\$0	\$50
Lake Colac Foreshore Electricity Upgrade - Scope	\$10	\$0	\$10
Bridge Upgrade – Duck Creek Bridge (Design only)	\$40	\$0	\$40
New clubrooms - Lake Colac Oval (Design only)	\$40	\$0	\$40
Forrest Playspace Stage 1 – Detailed Design to be funding ready	\$15	\$0	\$15
Project Scoping (for Funding Applications)	\$30	\$0	\$30
Annual Community Grants Program	\$311	\$0	\$311
<b>Total</b>	<b>\$1,076</b>	<b>\$74</b>	<b>\$1,150</b>

## Appendix C – Differential Rating Framework

### 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:

105% 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:**

65% 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

## Appendix D – Purpose of 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.