

**Colac Otway Shire Council
Draft Budget Report – 2016/2017**



Colac Otway

S H I R E

This Budget Report has been prepared with reference to Chartered Accountants ANZ “Victorian City Council Model Budget 2016/2017” a best practice guide for reporting local government budgets in Victoria.

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Mayor's introduction

the community for consideration and comment. The draft budget was developed following a rigorous process of consultation and review by Councillors supported by Council staff.

This is the final budget for the current Council. The draft budget has been prepared with an eye to the future to ensure a strong base is provided to incoming Councillors who will be elected at the October 2016 election.

Overall, I believe, this budget demonstrates Council's commitment to delivering high quality services for our community and to improving our accountability and long term financial sustainability.

Key highlights of the Draft Budget include:-

- An increase in the average rate of 2.5% (including waste collection charges) equating to 88 cents per week per property. This is one of the lowest rate rises in the history of the Shire.
- The delivery of a significant capital works program totalling \$17.57 million.
Of this \$12.48 million will be spent on renewing our community's existing assets, with a further \$4.79 million spent on upgrading our assets to improve community services.
- The completion of the Colac Central Reserve redevelopment project worth \$2.81 million
- A significant roads program totalling \$9.35 million, including \$2.30 million of recovery works in bushfire affected areas.
- Footpath and cycleway works of \$1.53 million, including \$975,000 on Colac CBD entrances project, \$290,000 on footpath extensions and \$225,000 on footpath renewal.
- The trial of additional Green waste collections to coincide with the start of the fire season.
- Trial of additional operating hours and days for the Apollo Bay Library from 1 August 2016 in order to ensure users will never have to wait more than one day for the library to open.
- Recreational facility improvements of \$512,000, including redevelopment works at the Birregurra tennis netball courts
- Approximately \$300,000 for sustainability outcomes and \$216,000 for energy efficiency programs including street lighting upgrades which will generate future cost savings
- No new borrowings in the 2016/17 budget or forward projections
- Repayment of one loan in full three (3) years earlier than scheduled which will generate future cost savings.

The preparation of this years budget has been directly impacted by a number of external factors including the need to ensure we are well placed to respond to the needs of our communities affected by the tragic 2015

Importantly our draft budget proposes an overall average rate increase of 2.5% in line with State requirements. Colac Otway Shire has not sought an exemption from the State Government to raise rates any higher than the cap unlike a number of other Councils across Victoria. We know that this decision reflects our communities' expectations.

To achieve this significant result, Council has worked hard to change our business practices and identify smarter and cheaper ways to do things. These permanent cuts to Council's operating costs have we have been able to deliver a balanced budget. I am aware that very few Councils have been able to achieve this result without cuts to services or reductions in work to maintain critical community infrastructure such as roads and bridges and parks.

This work will continue into the future, with business improvement initiatives estimated to result in ongoing savings in the vicinity of \$1.8 million over the four year estimates.

2016 is a revaluation year and this was conducted by independent Valuers in line with our legislative requirements. This showed land values have risen across the Shire by an average of 6% indicating a very strong economic future for our community.

When land is revalued the total amount of rates the Council collects does not change. Overall the total amount of income generated by Council through rating has only increased by the maximum 2.5% for the The values of rates is redistributed to all properties according to their new value. This means some people will pay more if their property value has risen by more than the 6% average and others will pay less. This process balances out the rate requirement across all rating categories so that the total amount of rates collected by Council does not change.

Ensuring the financial sustainability of the organisation in the long term is always a key focus and I am that the forward projections indicate that the future of the organisation is sound.

Although there will be challenges, including continued constraints on income and cost shifting from other government, Council is future focussed and determined to ensure we deliver services and programs that a healthy and long term legacy for our children and our communities of tomorrow.

Cr Frank Buchanan
Mayor

Executive Summary

Colac Otway Shires draft Budget for 2016/17 seeks to maintain our services and infrastructure as well as deliver

This Budget projects a surplus of \$6.96m for 2016/17 and an adjusted underlying surplus result of \$1.73m after

1. Key things we are funding

- a) Ongoing delivery of services to the Colac Otway Shire community funded by a budget of \$42.79m.
- b) Continued investment in infrastructure and assets (\$12.08m) primarily for renewal works.
- c) The 2016/17 budget also allocates funding to major projects and initiatives including:
 - \$298,000 for undertaking environmental sustainability projects
 - \$216,000 for energy efficiency programs
 - \$159,000 to implement the regional Grow Beyond the Bell program
 - \$100,000 to continue the Small Town Improvement Program

2. Rating

- a. The average rate will rise by 2.5% in line with the order by the Minister for Local Government on 14 December 2015 under the Fair Go Rates System
- b. Key Drivers
 - i. To fund ongoing service delivery and maintain service levels (balanced with greater service demands from residents)
 - ii. To fund renewal of infrastructure and community assets
 - iii. To cope with cost shifting from the State Government (refer Paragraph 7 below)
 - iv. To cope with a reduction in funding from the Commonwealth Government via the Victorian Grants Commission caused by their freezing of indexation of the grant
- c. This will be a revaluation year. Valuations will be as per the General Revaluation dated 1 January 2016
- d. The waste service charge incorporating kerbside collection and recycling will increase by 2.5% per property
- e. Note that for every \$100 in taxes paid by Victorian residents, rates make up approximately \$3.50.
- f. Refer Section 6 for further Rates and Charges details.

3. Key Statistics

- Total Revenue: \$54.41m (2015/16 = \$50.47m)
- Total Expenditure: \$47.43m (2015/16 = \$47.64m)
- Accounting Result: \$6.96m Surplus (2015/16 = \$2.82m)
(Refer Income Statement in Section 3)
- Adjusted Underlying operating result: Surplus of \$1.73m (2015/16 = Deficit of \$1.02m)
(Refer Analysis of operating Budget in Section 10.1)
(Note: Adjusted Underlying operating result is an important measure of financial sustainability) as it excludes non recurrent income which is to be used for capital, from being allocated to cover operating expenses)
- Total Capital Works Program of \$17.56m
 - o \$6.34m from Council operations (rates funded)
 - o \$0 from borrowings
 - o \$0.27m from asset sales
 - o \$8.45m from external grants and contributions
 - o \$2.51m from cash and reserves
- Net Interest expense movement across 15/16 to 16/17 shows an improving net finance cost position:

	15/16	16/17
• Interest Income	\$ 292,937.27	\$ 280,607.00
• Interest Expense	\$ 346,878.04	\$ 267,838.00
• Net Interest (Expense)/Income	(\$ 53,940.77)	\$ 12,769.00

4. Budget Influences

External Influences

- Consumer Price Index (CPI) increases on goods and services of 1.7% through the year to December quarter 2015 (ABS release 28 January 2016). State-wide CPI is forecast to be 2.5% for the 2016/17 year (Victorian Budget Papers 2015/16).
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2015 was 1.7% (ABS release 13 August 2015). The wages price index in Victoria is projected to be 3.25% per annum in 2016/17 and the subsequent two years (Victorian Budget Papers 2015/16). Council must renegotiate a new Collective Agreement during the 2016/17 year for commencement during 2016/17.
- Ongoing freeze in Victoria Grants Commission funding.
- Estimated operating expenditure of \$2.1 million and capital expenditure of \$2.3 million during 2016/17 relating to recovery works from the Christmas Day 2015 bushfire at Wye River and Separation Creek. Compensation of \$4.4 million is anticipated to be received by Council via the National Disaster Relief and Recovery Arrangements and other State funding streams.
- Increases of 3.3% (or \$2.02 per tonne) in the levy payable to the State Government upon disposal of waste into landfill, resulting in additional waste tipping costs. The levy has increased from \$9 per tonne in 2008/09 to \$30.33 per tonne in 2016/17.
- Cost Shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to Cost Shifting include school crossing supervisors, SES, fire services, library services and home and community care for aged residents. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition, Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*. The levy itself is not subject to the 2.5% cap and all proceeds collected will be passed onto the State Revenue Office.
- Regional Partnerships – Council will continue to actively participate in regional partnerships to advocate for regionally significant projects and create synergies and leverage economies of scale.

G21 Council's commit to working together to demonstrate innovation and enhance operations to improve

- *by creating economies of scale*
- *by embracing and sharing technology*
- *by developing and sharing human resources*

Internal Influences

As well as external influences, there are also a number of internal influences which are expected to have a

- Renegotiation of Council's current Enterprise Bargaining Agreement to occur 2016.
- The return to full scale operation of the Bluewater Leisure Centre during 2015/16 after a comprehensive redevelopment of the site. This will affect income (from fees and charges), Employee Benefits (from increased staffing requirements arising from returning the centre to full operations) and Materials and Services (increases in utilities and consumables arising from full operation of the centre).
- Transitioning to the National Disability Insurance Scheme (NDIS) impacting the resources

5. Christmas Day 2015 Bushfire

Council's Wye River and Separation Creek communities were ravaged by bushfire on Christmas Day 2015. The 2016/17 Budget includes allowance for recovery works in the bushfire affected area. Total estimated

6. Federal Election Priorities wish list

- a. Lake Colac Foreshore Master Plan.
- b. Apollo Bay Harbour Redevelopment.
- c. Forrest Mountain Bike Trails
- d. Memorial Square Shrine Restoration
- e. Upgrade to Forest Street Colac
- f. Strategic Local Road Upgrades
- g. Arterial Road Network
- h. Early Years Hub
- i. Great Ocean Road
- h. Colac Intermodal Freight Facility
- i. Support for Agricultural Industry Growth
- j. Energy Efficient Lighting.

7. Cost Shifting

Cost shifting occurs when Commonwealth and State programs transfer responsibilities to local government

Type 1: Cost Shifting for Specific Services

Examples:

1. Home and Community Care (HACC)
2. State Emergency Service
3. Fire Management Services
4. Maternal and Child Health
5. School Crossing Supervision
6. Administration of the state wide temporary Food registration system 'Streatrader'

Type 2: Loss of funding in General

Examples:

1. A freeze on indexation of the federal financial assistance grants. The Commonwealth announced in its

Type 3: Statutory fee that prohibits full cost recovery

Examples:

1. Planning fees (set by the State and have been frozen for most of the past 14 years).

Type 4: Levies

Examples:

1. *State Government landfill levy*

The levy has increased from \$9 per tonne in 2008/09 to \$30.33 per tonne in 2016/17. The increase from

Budget Reports

Council has prepared a Budget for 2016/17 which is aligned to the vision in the Council Plan 2013/17. It seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, and do this within the rate increase mandated by the State Government.

This section includes the following reports and statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

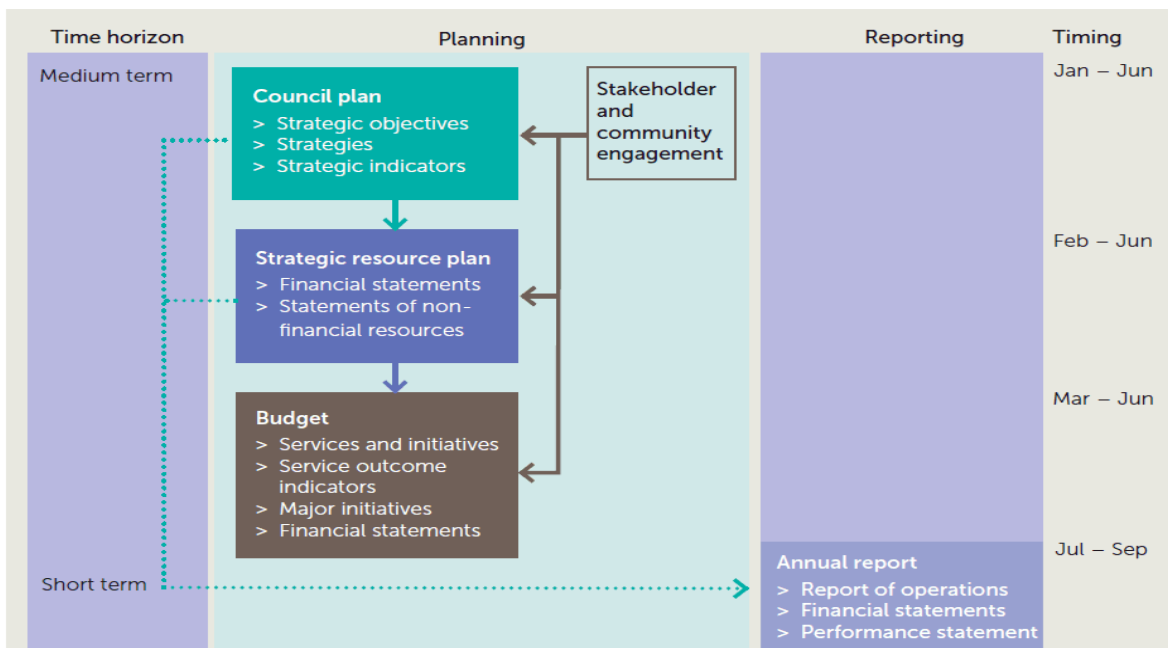
- 1 Links to Council Plan
- 2 Services and service indicators
- 3 Financial statements
- 4 Financial performance indicators
- 5 Grants and borrowings
- 6 Detailed list of capital works
- 7 Rates and charges

1. Link to the Council Plan

This section describes how the Annual 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 and then holding itself accountable through the Annual Report.

1.1 Planning and accountability framework

The Strategic Resource Plan, is part of and prepared in conjunction with the Council Plan, and is a rolling four year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The Annual Budget is framed within the Strategic Resource Plan, taking into account the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Environment, Land, Water and Planning (Formerly the Department of Transport, Planning and Local Infrastructure)

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June following a general election and is reviewed each year in advance of the commencement of the Annual Budget process.

1.2 Our purpose

Our vision “A sustainable community with a vibrant future”

We commit to being open and responsive to community needs; to being an effective Council, and to strive to make our Shire an inclusive, safe and desirable place to live.

Our mission

Council will work with our community and partners to provide:

- Innovative leadership, good governance and financial accountability
- Value for money, accessible and appropriately targeted services
- A strong advocacy and engagement approach to achieve a truly liveable community.

Our values

- **Respect** - Be open and consistent in our dealings with people and respect their views.
- **Integrity** - We will work in an open and transparent way, ensuring our processes, decisions and
- **Goodwill** - We will have an attitude of kindness or friendliness and build a good relationship with our customers and community.
- **Honesty** - We will be consistent, keep our promises, admit our mistakes and clearly communicate our decisions.
- **Trust** - We will act honestly, openly and fairly to build levels of trust.

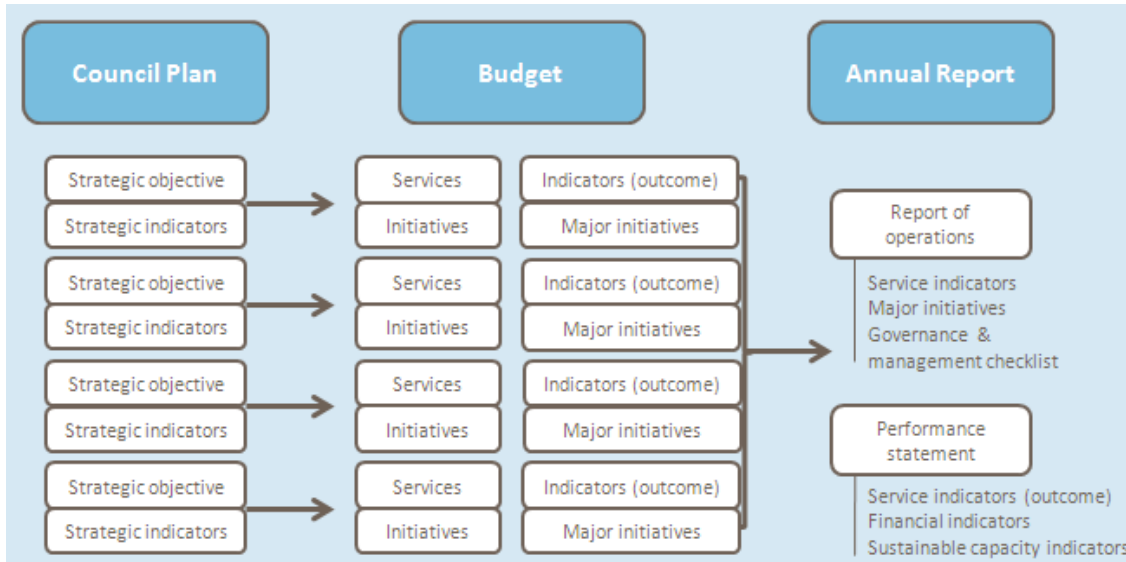
1.3 Strategic objectives

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 for the 2013-17 years. The following table lists the four Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
1. Good Governance	Good Governance means that we care about and are responsive to the community, encourage democratic participation and involve people in decisions that affect them. We strive for excellence in financial management and council services, and always look for better ways to do things.
2. A Planned Future	A Planned Future creates an attractive Shire with quality buildings and spaces accessible travel and transport, and a community that has the services and facilities it needs now and in the future; supports a prosperous economy where trade, manufacturing and business activity flourishes.
3. A Place to Live & Grow	A Place To Live and Grow provides for a community where people feel cared for and supported; where buildings and spaces facilitate creativity, social activity and enrichment of life, and where people have access to gain the skills and education needed to reach their potential.
4. A Healthy Community & Environment	A Healthy Community actively connects and includes people of all ages and backgrounds and promotes a healthy and vibrant community life in a clean, safe and sustainable environment.

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2016/17 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes a number of major initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify initiatives, major 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

2.1 Strategic Objective 1: Good Governance

Good Governance means that we care about and are responsive to the community, encourage democratic participation and involve people in decisions that affect them. We strive for excellence in financial management and council services, and always look for better ways to do things.

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'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.	1,331 <u>0</u> 1,331
Finance, Property and Rates	This service has the responsibility to generate revenue for Council via rate, levies and charges and to provide sustainable and accountable financial management of Council's resources.	12,181 <u>(4,084)</u> 8,097
Customer Service	This service has the responsibility to provide the first point of contact between Council and the public through Council's Customer Service Centres. The service provides overall corporate customer service to the wider community and assists all areas of Council with the provision of corporate responsibility.	655 <u>(1)</u> 654
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.	395 <u>(22)</u> 373
Library Service	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.	719 <u>(19)</u> 700
Contract Management Service	This service provides oversight and governance on contractual and procurement services undertaken by Council	121 <u>0</u> 121
Information Services	This services provides management and governance of information flows, storage and retrieval within the organisation in accordance with appropriate legislation and standards.	1,799 <u>0</u> 1,799
People, Performance & Culture	This service provides and develops a cultural of high performance, productivity and accountability across the organisation.	749 <u>0</u> 749
Risk Management Services	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.	645 <u>(12)</u> 633

Major Initiatives

- | | |
|--|--|
| 1. Implement Council's internal audit program. | Complete internal audits as per audit schedule 100%
Respond to all audit recommendations 100%
Budget met with a tolerance of +/- 5% |
| 2. Preparation for 2016 Council elections. | 100% of all governance requirements met in accordance with the <i>Local Government Act 1989</i> . |
| 3. Post-election induction of Councillors. | Program developed and induction completed. |
| 4. Council Plan 2017-2021 adopted. | Background research for Council Plan completed.
Community engagement strategy developed and implemented.
Adoption of the Council Plan. |
| 5. Review of the Long Term Financial Plan. | Review completed. |
| 6. New Council website. | Website development completed.
Public launch of the website. |
| 7. Ongoing review of Council services. | Outcomes of the Planning Services review implemented. |

Service Performance Outcome Indicators

The following indicator outlines how we intend to measure achievement of service objectives.

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)	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100

2.2 Strategic Objective 2: A Planned Future

A planned future creates an attractive shire with quality buildings and spaces accessible travel and transport, and a community that has the services and facilities it needs now and in the future; supports a prosperous economy where trade, manufacturing and business activity flourishes.

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
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.	980 <u>(182)</u> 798
Strategic Planning	This service ensures that land use planning is undertaken to meet the sustainable long term needs of current and future generations.	282 <u>(2)</u> 280
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.	480 <u>(5)</u> 475
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.	1,018 <u>(407)</u> 611
Sustainable Asset Management	This service provides for sustainable planning, development and use of Council's assets with the aim to maximise community utility in the present and for future generations.	882 <u>(20)</u> 862
Building Control	This service provides for planned building developments to meet present and future community requirements.	313 <u>(94)</u> 219

Major Initiatives

- | | |
|---|--|
| 1. Colac 2050 Plan | <p>Draft Commercial and Industry Land Use Strategy completed.</p> <p>Amendment to implement the Commercial and Industry Land Use Strategy completed.</p> <p>Draft 2050 report prepared.</p> |
| 2. Economic Development Strategy implementation | <p>Staged implementation of the Economic Development Strategy.</p> |
| 3. Community infrastructure and asset renewal plan. | <p>Develop Asset Management Plans for key community infrastructure types.</p> <p>Develop an Asset Renewal Plan with forward projections of funding requirements.</p> <p>Identified asset renewal priorities funded 100%.</p> |

4. Develop a Colac Otway Shire Footpath Strategy.	Strategy Developed
5. Staged implementation of the Colac CBD & Entrances Project.	Stage 3: Inner Eastern Entrance completed 100% Budget met with a tolerance of +/- 5%
6. Apollo Bay Harbour Master Plan.	Stage 1: Amendment to the Colac Otway Shire Planning Scheme to rezone the harbour to Special Use Zone completed. Stage 2: Expression of Interest process completed for preparation of a Development Plan.
7. Acquisition of 30% of the former Colac High School site for public open space.	Stage 1: Complete former Colac High School site land rezoning. Stage 2: Complete acquisition process for 30% of former school.
8. Great Ocean Road Tourism Destination Master Plan Implementation.	Stage 1: Master Plan priority projects identified. Stage 2: Implementation strategy developed.
8. Review mapping of heritage overlay to inform the red tape reduction planning scheme amendment.	Red tape reduction planning scheme amendment includes heritage overlay charges.

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives.

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)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
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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)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
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2.3 Strategic Objective 3: A Place To Live and Grow

A Place To Live and Grow provides for a community where people feel cared for and supported; where buildings and spaces facilitate creativity, social activity and enrichment of life, and where people have access to gain the skills and education needed to reach their potential.

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Arts & Culture	This service is responsible for the management and provision of arts and cultural services to the community. This service is responsible for the running of the Colac Otway Performing Arts & Cultural Centre.	1,195 <u>(528)</u> 667
Older Persons & Disability Services	This service provides support to older and disabled members of our community in order to sustain quality of life for all our residents.	2,882 <u>(2,355)</u> 527
Children and Family Services	This service provides support to our children, families and youth to encourage and nurture their growth and development.	841 <u>(551)</u> 290
Infrastructure Services	This service provides for the physical assets required by the community to maintain a happy, healthy and sustainable lifestyle.	4,242 <u>(124)</u> 4,118
Parks, Gardens and Reserves	This service provides for the maintenance of open space for the enjoyment of all community members.	1,344 <u>0</u> 1,344
Waste Management	This service provides for the efficient and effective control of waste products produced by our community. It includes the provision of waste collection services as well as for disposal to landfill.	3,244 <u>(2,983)</u> 261
Apollo Bay Harbour	This service manages and maintains the Apollo Bay Harbour for the enjoyment of the community.	1,335 <u>(939)</u> 396
Colac Livestock Selling Centre	This service provides a vital link in our rural infrastructure by providing a marketplace for buying and selling livestock.	509 <u>(696)</u> (187)

Major Initiatives

- | | |
|--|--|
| 1. Develop and implement the Public Health and Wellbeing Plan. | Plan developed.
Plan implemented.
Budget met with a tolerance of +/- 5%. |
| 2. Staged implementation of the Beechy Precinct development program. | Bluewater leisure centre redevelopment completed 100%.

Budget met with a tolerance of +/- 5%. |
| 3. Staged implementation of the Open Space Strategy. | Priority actions implemented.
Budget met with a tolerance of +/- 5%. |

4. Implement the asset renewal and maintenance programs.	<p>Asset renewal project completion. Budget met with a tolerance of +/- 3%. Inspect and maintain Council's road and footpath assets in accordance with the Road Management Plan.</p> <p>100% Inspections completed as per schedule. 85% Maintenance responsiveness. Road and footpath maintenance budget met with a tolerance of +/- 1.5%.</p>
5. Joint implementation of the Beyond the Bell/GROW projects to increase Year 12 attainment and local opportunities for work.	<p>Key objectives for first 12 months initiated.</p> <p>Budget met with a tolerance of +/- 5%.</p>
6. Develop a Property Management Plan	<p>Property Management Plan completed.</p>

Service Performance Outcome Indicators

The following indicators outline how we intend to measure achievement of service objectives

Service	Indicator	Performance Measure	Computation
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)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Home and Community Care	Participation	Participation in HACC service (Percentage of the municipal target population who receive a HACC service)	[Number of people that received a HACC service / Municipal target population for HACC services] x100
		Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100

Service	Indicator	Performance Measure	Computation
Maternal and Child Health	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100
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)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.

2.4 Strategic Objective 4: A Healthy Community

A Healthy Community actively connects and includes people of all ages and backgrounds and promotes a healthy and vibrant community life in a clean, safe and sustainable environment.

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Local Laws	This service provides for community safety and health by providing for a framework for behaviours which affect our community well-being.	882 <u>(482)</u> 400
Emergency Management	This service provides for the necessary support for the community in the case of an emergency event occurring.	261 <u>(20)</u> 241
Events	This service provides for active community involvement in the provisioning of management and support for community entertainment and events.	229 <u>(3)</u> 226
Environment	This service provides for management of our natural environment to the betterment and enjoyment of all members of our community.	647 <u>(55)</u> 592
Recreation	This service provides for active community involvement and the promotion of healthy lifestyles by providing for suitable sporting and recreational facilities.	377 <u>0</u> 377
Bluewater Leisure Centre	This service actively promotes a healthy lifestyle for our community by directly providing swimming and gymnasium facilities.	1,644 <u>(1,170)</u> 474
Public Health	This service promotes a healthy and safe lifestyle by actively promoting and policing public health issues.	450 <u>(143)</u> 307
Fire Prevention	This service promotes community safety by aiming to eliminate potential fire risks within our community.	49 <u>(30)</u> 19
Street Lighting	This service actively promotes community safety by providing a clear and safe environment in our towns after dark.	113 <u>0</u> 113

Major Initiatives

- | | |
|--|--|
| 1. Implement the relevant stages of the Environment Strategy 2010-18. | 100% Develop bi-annual action plans.

80% Completion of bi-annual plan actions.
Budget met with a tolerance of +/- 5%. |
| 2. Implement the Municipal Emergency Management Plan. | 100% Annual review and realignment completed.
80% Colac Otway Shire Municipal Fire Plan actions completed.
Budget met with a tolerance of +/- 10%. |
| 3. Implement the Bushfire Recovery Plan for the resettlement of Wye River and Separation Creek | 90% Actions implemented. |

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives

Service		Performance Measure	Computation
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
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)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100

2.7 Performance Statement

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 2016/17 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

2.8 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Good Governance	14,457	18,595	(4,138)
A Planned Future	3,245	3,955	(710)
A Place To Live and Grow	7,416	15,592	(8,176)
A Healthy Community and Environment	2,749	4,652	(1,903)
Total services and initiatives	27,867	42,794	(14,927)
Other non-attributable	2,111		
Deficit before funding sources	29,978		
Funding sources:			
Rates & charges	28,744		
Capital grants	8,194		
Total funding sources	36,938		
Surplus for the year	6,960		

3. Financial Statements

This section presents information in regard to the Financial Statements. The budget information for the years 2017/18 to 2019/20 has been extracted from the Strategic Resource Plan.

This section includes the following financial statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

- 3.1 Comprehensive Income Statement
- 3.2 Balance Sheet
- 3.3 Statement of Changes in Equity
- 3.4 Statement of Cash Flows
- 3.5 Statement of Capital Works
- 3.6 Statement of Human Resources

3.1 Comprehensive Income Statement

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2015/16	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000	\$'000
Income					
Rates and charges	27,974	28,744	29,451	30,176	30,918
Statutory fees and fines	548	570	587	605	623
User fees	4,414	4,588	4,728	4,868	5,014
Grants - Operating	9,304	11,061	9,655	9,897	10,144
Grants - Capital	6,834	8,194	4,636	4,728	4,823
Contributions - monetary	562	371	160	164	224
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	83	83	100	100	100
Other income	746	799	755	756	756
Total income	50,465	54,412	50,072	51,294	52,602
Expenses					
Employee costs	18,031	19,507	19,180	19,776	20,388
Materials and services	17,700	16,233	15,925	16,345	16,777
Bad and doubtful debts	2	2	0	0	0
Depreciation and amortisation	9,338	10,237	10,887	11,387	11,887
Borrowing costs	326	289	217	181	134
Other expenses	1,245	1,184	530	542	555
Asset Write Off/Impairment	1,000	0	0	0	0
Total expenses	47,642	47,452	46,739	48,231	49,741
Surplus/(deficit) for the year	2,823	6,960	3,333	3,063	2,861
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods:					
Net asset revaluation increment	0	0	0	8,755	0
Total comprehensive result	2,823	6,960	3,333	11,818	2,861

3.2 Balance Sheet

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual 2015/16 \$'000	2016/17 \$'000	Projections		
			2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Assets					
Current assets					
Cash and cash equivalents	11,406	10,026	10,779	11,648	10,445
Trade and other receivables	2,675	2,932	2,001	2,003	2,004
Inventories	147	147	147	147	147
Total current assets	14,228	13,105	12,927	13,798	12,596
Non-current assets					
Trade and other receivables	0	0	0	0	0
Investments in associates and joint ventures	274	274	274	274	274
Property, infrastructure, plant & equipment	294,909	302,423	305,958	316,631	320,259
Intangible assets	132	132	141	151	161
Total non-current assets	295,315	302,829	306,373	317,056	320,694
Total assets	309,543	315,934	319,300	330,854	333,290
Liabilities					
Current liabilities					
Trade and other payables	1,700	1,752	2,207	2,408	2,508
Trust funds and deposits	336	336	336	336	336
Provisions	4,640	4,733	4,828	4,924	5,023
Interest-bearing loans and borrowings	636	604	649	711	272
Total current liabilities	7,312	7,425	8,020	8,379	8,139
Non-current liabilities					
Provisions	4,243	4,328	4,415	4,503	4,593
Interest-bearing loans and borrowings	4,137	3,370	2,721	2,010	1,738
Total non-current liabilities	8,380	7,698	7,136	6,513	6,331
Total liabilities	15,692	15,123	15,156	14,892	14,470
Net assets	293,851	300,811	304,144	315,962	318,820
Equity					
Accumulated surplus	133,558	140,583	143,916	146,979	149,340
Reserves	160,293	160,228	160,228	168,983	169,480
Total equity	293,851	300,811	304,144	315,962	318,820

3.3 Statement of Changes in Equity

For the four years ending 30 June 2020

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2017				
Balance at beginning of the financial year	293,851	133,558	150,684	9,609
Surplus/(deficit) for the year	6,960	6,960	-	-
Net asset revaluation increment/(decrement)	0	-	-	-
Transfer to other reserves	0	(9,426)	-	9,426
Transfer from other reserves	0	9,491	-	(9,491)
Balance at end of the financial year	300,811	140,583	150,684	9,544
2018				
Balance at beginning of the financial year	300,811	140,583	150,684	9,544
Surplus/(deficit) for the year	3,333	3,333	-	-
Net asset revaluation	0	-	-	-
Transfer to other reserves	0	-	-	-
Transfer from other reserves	0	-	-	-
Balance at end of the financial year	304,144	143,916	150,684	9,544
2019				
Balance at beginning of the financial year	304,144	143,916	150,684	9,544
Surplus/(deficit) for the year	3,063	3,063	-	-
Net asset revaluation	8,755	-	8,755	-
Transfer to other reserves	0	-	-	-
Transfer from other reserves	0	-	-	-
Balance at end of the financial year	315,962	146,979	159,439	9,544
2020				
Balance at beginning of the financial year	315,962	146,979	159,439	9,544
Surplus/(deficit) for the year	2,861	2,861	-	-
Net asset revaluation	0	-	-	-
Transfer to other reserves	(3)	(500)	(3)	500
Transfer from other reserves	0	-	-	-
Balance at end of the financial year	318,820	149,340	159,436	10,044

3.4 Statement of Cash Flows

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual 2015/16 \$'000	2016/17 \$'000	Projections		
	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000		
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	27,987	28,744	29,451	30,176	30,918
Statutory fees and fines	603	627	646	666	685
User fees	5,345	5,014	5,976	5,353	5,514
Grants - operating	9,431	11,211	9,655	9,897	10,144
Grants - capital	6,834	8,194	4,636	4,728	4,823
Contributions - monetary	618	426	176	180	246
Interest received	369	420	650	480	350
Dividends received	0	0	0	0	0
Trust funds and deposits taken	44	0	0	0	0
Other receipts	275	233	116	287	417
Net GST refund / payment	0	0	0	0	0
Employee costs	(17,857)	(19,329)	(18,998)	(19,592)	(20,199)
Materials and services	(20,819)	(17,938)	(16,629)	(17,260)	(17,828)
Trust funds and deposits repaid	0	0	0	0	0
Other payments	19	0	0	0	0
Net cash provided by/(used in) operating activities	12,849	17,602	15,679	14,915	15,070
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(16,647)	(18,163)	(14,541)	(15,156)	(15,714)
Proceeds from sale of property, infrastructure, plant and equipment	427	269	286	286	286
Payments for investments	0	0	0	0	0
Proceeds from sale of investments	0	0	0	0	0
Loan and advances made	0	0	0	0	0
Payments of loans and advances	0	0	0	0	0
Net cash provided by/ (used in) investing activities	(16,220)	(17,894)	(14,255)	(14,870)	(15,428)
Cash flows from financing activities					
Finance costs	(326)	(289)	(217)	(181)	(134)
Proceeds from borrowings	0	0	0	0	0
Repayment of borrowings	(593)	(799)	(604)	(649)	(711)
Net cash provided by/(used in) financing activities	(919)	(1,088)	(821)	(830)	(845)
Net increase/(decrease) in cash & cash equivalents	(4,290)	(1,380)	754	869	(1,203)
Cash and cash equivalents at the beginning of the financial year	15,696	11,406	10,026	10,780	11,648
Cash and cash equivalents at the end of the financial year	11,406	10,026	10,780	11,648	10,445

3.5 Statement of Capital Works

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual 2015/16 \$'000	2016/17 \$'000	Projections		
			2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Property					
Land	0	0	0	0	0
Land improvements	25	0	0	0	0
Total land	25	0	0	0	0
Buildings	3,990	3,646	1,672	1,117	1,059
Total buildings	3,990	3,646	1,672	1,117	1,059
Total property	4,015	3,646	1,672	1,117	1,059
Plant and equipment					
Plant, machinery and equipment	1,458	1,142	1,200	1,276	1,308
Fixtures, fittings and furniture	504	428	445	473	485
Computers and telecommunications	381	265	0	0	0
Total plant and equipment	2,343	1,835	1,645	1,749	1,793
Infrastructure					
Roads	6,252	9,347	7,674	8,144	8,826
Bridges	910	250	1318	798	654
Footpaths and cycleways	607	1525	627	638	654
Drainage	150	450	532	532	586
Recreational, leisure and community	491	302	0	0	0
Parks, open space and streetscapes	1,100	210	1,577	590	605
Off street car parks	112	0	0	0	0
Other infrastructure	323	0	0	2,227	2,283
Total infrastructure	9,945	12,084	11,728	12,929	13,608
Total capital works expenditure	16,303	17,565	15,045	15,795	16,460
Represented by:					
New asset expenditure	2,047	290	200	213	218
Asset renewal expenditure	10,956	12,481	10,887	11,387	11,887
Asset upgrade expenditure	3,300	4,794	3,958	4,195	4,355
Total capital works expenditure	16,303	17,565	15,045	15,795	16,460

3.6 Statement of Human Resources

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2015/16	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	18,031	19,507	19,180	19,776	20,388
Employee costs - capital	531	607	637	669	669
Total staff expenditure	18,562	20,114	19,817	20,445	21,057
	EFT	EFT	EFT	EFT	EFT
Staff numbers					
Employees	221.1	230.6	218.1	218.1	218.1
Total staff numbers	221.1	230.6	218.1	218.1	218.1

There is no increase in permanent staff. The increase in EFT reflected in this table is due to the inclusion of an additional 12.5 EFT staff dedicated to bushfire recovery works resulting from the Christmas Day 2015 bushfires in Wye River and Separation Creek. All employee costs in relation to bushfire recovery works are fully refundable to council under Natural Disaster Relief and Recovery Arrangements (NDRRA). There is also a reduction in Home and Community Care hours equivalent to 3.04 EFT due to a reduction in grant funding as a result of transition to the National Disability Insurance Scheme.

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

Department	Budget 2016/17 \$'000	Comprises	
		Full Time	Part Time
		\$'000	\$'000
Chief Executive Office	661	617	44
Corporate Services	3,574	2,013	1,561
Development and Community Services	6,978	2,918	4,060
Infrastructure and Leisure Services	6,660	5,743	917
Bushfire Recovery	1,181	974	207
Total staff expenditure	19,054	12,265	6,789
Casuals and other expenditure	453		
Capitalised labour costs	607		
Total expenditure	20,114		

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

Department	Budget FTE	Comprises	
		Full Time	Part Time
Chief Executive Office	5.5	5	0.5
Corporate Services	37.4	29	8.4
Development and Community Services	82.6	40.5	42.1
Infrastructure and Leisure Services	92.6	82	10.6
Bushfire Recovery	12.5	10	2.5
Total	230.6	166.5	64.1
Total staff	230.6		

4. Financial performance indicators

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives.

Indicator	Measure	Notes	Forecast		Budget 2016/17	Strategic Resource Plan Projections			Trend +/-
			Actual 2014/15	Actual 2015/16		2017/18	2018/19	2019/20	
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	10.3%	-3.1%	3.5%	-0.2%	-0.9%	-1.4%	-
Liquidity									
Working Capital	Current assets / current liabilities	2	226.5%	194.6%	176.5%	161.2%	164.7%	154.8%	-
Unrestricted cash	Unrestricted cash / current liabilities		70.2%	122.9%	123.0%	123.3%	128.4%	117.4%	o
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	20.2%	17.1%	13.8%	11.4%	9.0%	6.5%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		3.4%	3.3%	3.8%	2.8%	2.8%	2.7%	o
Indebtedness	Non-current liabilities / own source revenue		28.3%	24.9%	22.2%	20.1%	17.9%	17.0%	+
Asset renewal	Asset renewal expenditure / depreciation	4	101.5%	117.3%	121.9%	100.0%	100.0%	100.0%	-
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue		55.7%	56.1%	53.2%	59.0%	59.0%	59.0%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	o
Efficiency									
Expenditure level	Total expenditure / no. of property assessments	5	\$2,860	\$3,170	\$3,157	\$3,079	\$3,146	\$3,212	o
Revenue level	Residential rate revenue / No. of residential property assessments		\$1,187	\$1,204	\$1,242	\$1,260	\$1,279	\$1,298	o
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		8.5%	12.7%	11.9%	12.3%	12.3%	12.3%	o

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

Notes to indicators

1 Adjusted underlying result

Definition

An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives.

Commentary

The movement between forecast actual and 16/17 budget:

- 1) The improved operating result between 15/16 and 16/17 is due mainly to the receipt of a full year's Victoria Grants Commission funding budgeted for 2016/17 (\$3.03 million);
- The downward trend over the forecast SRP period (17/18 to 19/20), is a function of (noting that the result is improved compared to previous year forecasts):
- 1) The estimates have used conservative income predictions
 - 2) The restricted ability to generate own source revenue (i.e. rate capping)
 - 3) Increases in Depreciation expense*¹ due to the undertaking of major capital works and expansion of community facilities. Please note when adding back depreciation expense from Apollo Bay*¹ we reach a balanced/surplus position for all of the forecast SRP periods.

^{1*} It is also important to note that Council recognises depreciation expense (in accordance with accounting standards) for the Port of Apollo Bay of \$ 0.8 million which Council is not required to fund. The asset is owned by the state and all asset renewals are funded by the state as and when required. If this expense was not recognised Council would generate a positive underlying result for the forecast period.

2 Working Capital

Definition

Our ability to meet our short-term obligations.

Commentary

The actual result for 2014/15 was inflated due to the pre-payment of \$2.99 million by Victoria Grants Commission. The forecast indicates that council will maintain above the minimum required working capital ratio even when using conservative income estimates.

3 Debt compared to rates

Definition

This is a debt servicing measure comparing the interest bearing borrowings we have against the revenue used to service this debt.

Commentary

Positive trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

4 Asset renewal

Definition

This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets

Commentary

The upward trend from 2015 to 2017 demonstrates councils continuing commitment to maintain our assets. The forecast periods represent our minimum commitment to maintaining our assets.

5 Expenditure level

Definition

The cost of providing services to each rate payer in the Shire.

Commentary

Council has been able to constrain expenditure levels to minimise the need for future rate increases above the cap.

5. Other budget information (required by the Regulations)

This section presents other budget related information required by the Regulations.

This section includes the following statements and reports

- 5.1.1 Grants operating
- 5.1.2 Grants capital
- 5.1.3 Statement of borrowings

5.1.1 Grants operating (\$1.76 million increase)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is projected to increase by 18.9% or \$1.76 million compared to 2015/16. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below

Grants - operating	Forecast	Budget	Variance
	Actual 2015/16 \$'000	2016/17 \$'000	\$'000
<i>Recurrent - Commonwealth Government</i>			
Victorian Grants Commission - untied base grant	1,744	3,467	1,723
Victorian Grants Commission - local roads	1,239	2,551	1,312
Family and community services	305	298	(7)
Environment and protection services	70	0	(70)
Aged and disability services	65	65	0
Diesel fuel rebate	42	40	(2)
<i>Recurrent - State Government</i>			
Aged and disability services	1,485	1,369	(116)
Port management	702	800	98
Economic development and events	374	0	(374)
Environment and protection services	268	145	(123)
Arts and leisure	122	108	(14)
Planning, building and health	7	7	0
Other infrastructure	6	0	(6)
Total recurrent grants	6,429	8,850	2,421
<i>Non-recurrent - Commonwealth Government</i>			
Bushfire recovery	2,805	2,081	(724)
<i>Non-recurrent - State Government</i>			
Planning, building and health	50	40	(10)
Environment and protection services	0	40	40
Economic development and events	0	50	50
Bushfire recovery	20	0	(20)
Total non-recurrent grants	2875	2,211	(664)
Total operating grants	9,304	11,061	1,757

Increases or decreases in specific operating grant funding reflect expected changes in demand for these services. The increase in Victoria Grants Commission (VGC) funding results from Council budgeting to receive a full year's funding allocation in 2016/17, for the 2015/16 financial year the Commission made a prepayment of 50% of the allocation on 30 June 2015 which was recognised in the 2014/15 accounts. A reduction in Economic development and events grants is a result of various projects under the Small Towns Improvement Program being completed during the 2015/16 year.

5.1.2 Grants capital (\$1.36 million increase)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has increased by 19.9% or \$1.36 million compared to 2015/16 due mainly to specific funding for disaster relief. Section 6. 'Analysis of Capital Budget' includes a more detailed analysis of the grants and contributions expected to be received during the 2016/17 year. A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

Grants - capital	Forecast	Budget	Variance
	Actual 2015/16 \$'000	2016/17 \$'000	\$'000
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery	2,491	3,212	721
<i>Recurrent - State Government</i>			
Planning, building and health	500	0	(500)
Arts and leisure	0	0	0
Environment and protection services	170	0	(170)
Total recurrent grants	3,161	3,212	51
<i>Non-recurrent - Commonwealth Government</i>			
Arts and leisure	2,580	2,282	(298)
Bushfire recovery	0	2,300	2,300
<i>Non-recurrent - State Government</i>			
Arts and leisure	1,093	400	(693)
Total non-recurrent grants	3,673	4,982	1,309
Total capital grants	6,834	8,194	1,360

Significant increases in capital grant funding for 2016/17 relate to the Roads to Recovery program and Bushfire Recovery.

Roads to Recovery funding reflects the Council's funding allocation under Federal Government's Roads to Recovery Programme (2014-2019).

Bushfire Recovery grants reflect the anticipated capital expenditure to be undertaken during 2016/17 to restore Council infrastructure damaged and destroyed in the bushfires of Christmas day 2015.

5.1.3 Statement of Borrowings

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

	2015/16 \$	2016/17 \$
Total amount borrowed as at 30 June of the prior year	5,364,000	4,773,000
Total amount proposed to be borrowed	0	0
Total amount projected to be redeemed	(591,000)	(799,000)
Total amount of borrowings as at 30 June	4,773,000	3,974,000

6. Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2016/17 year.

The capital works projects are grouped by class and include the following:

- New works for 2016/17
- Works carried forward from the 2015/16 year.

Capital works program

For the year ending 30 June 2017

6.1 New works

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Buildings									
Central Reserve	2,532	0	0	2,532	0	2,282	100	0	0
Building Renewal Programme	450	0	450	0	0	0	0	450	0
Meredith Park Toilets	75	0	0	75	0	0	0	75	0
Air Conditioner Replacement Programme	50	0	50	0	0	0	0	50	0
Total Buildings	3,107	0	500	2,607	0	2,282	100	575	0
TOTAL PROPERTY	3,107	0	500	2,607	0	2,282	100	575	0
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment									
Motor vehicles and plant	1,142	0	1,142	0	0	0	0	1,142	0
Total Plant, Machinery and Equipment	1,142	0	1,142	0	0	0	0	1,142	0
Fixtures, Fittings and Furniture	227	0	227	0	0	0	0	227	0
Computers and Telecommunications									
ICT Equipment Renewal	165	0	165	0	0	0	0	165	0
IT Corporate Backup System	40	0	40	0	0	0	0	40	0
Records Management Upgrade	30	0	30	0	0	0	0	30	0
Customer Service Management System Upgrade	30	0	0	30	0	0	0	30	0
Total Computers and Telecommunications	265	0	235	30	0	0	0	265	0
TOTAL PLANT AND EQUIPMENT	1,634	0	1,604	30	0	0	0	1,634	0

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
INFRASTRUCTURE									
Roads									
Sealed Road Reconstruction Programme	3,222	0	3222	0	0	3212	0	10	0
Bushfire Infrastructure	2,300	0	2300	0	0	2300	0	0	0
Unsealed Road Resheet Programme	1,400	0	1400	0	0	0	0	1400	0
Local Roads Reseal Programme	900	0	900	0	0	0	0	900	0
Road Improvement Programme	500	0	0	500	0	0	0	500	0
Sealed Roads Major Patch Programme	300	0	300	0	0	0	0	300	0
Landslip Rehabilitation Programme	200	0	200	0	0	0	0	200	0
Asphalt Overlay Programme	100	0	100	0	0	0	0	100	0
Kerb and Channel Replacement Programme	75	0	75	0	0	0	0	75	0
Road Safety Devices	50	0	0	50	0	0	0	50	0
Total roads	9,047	0	8,497	550	0	5,512	0	3,535	0
Bridges									
Bridges and culverts	250	0	250	0	0	0	0	250	0
Total Bridges	250	0	250	0	0	0	0	250	0
Footpaths and Cycleways									
CBD Entrances Stage 1	575	0	75	500	0	300	0	275	0
Footpath Extension Programme (includes Costin Street extensions)	290	290	0	0	0	0	0	290	0
Footpath Replacement Programme	225	0	225	0	0	0	0	225	0
Marriners Lookout Pathway	35	0	0	35	0	0	0	35	0
Total Footpaths and Cycleways	1125	290	300	535	0	300	0	825	0
Drainage									
Stormwater Asset Upgrades	300	0	0	300	0	0	0	300	0
Urban Drainage Renewal Programme	150	0	150	0	0	0	0	150	0
Total Drainage	450	0	150	300	0	0	0	450	0
Recreational, Leisure and Community Facilities									
Birregurra Tennis and Netball Courts Redevelopment	302	0	302	0	0	100	152	50	0
Total Rec, Leisure and Comm'y Facilities	302	0	302	0	0	100	152	50	0
Parks, Open Space and Streetscapes									
Shire Wide Beautification	100	0	100	0	0	0	0	100	0
Playground Renewal Programme	60	0	60	0	0	0	0	60	0
Active Parks Renewal Programme	50	0	50	0	0	0	0	50	0
Total Parks, Open Space and Streetscapes	210	0	210	0	0	0	0	210	0
TOTAL INFRASTRUCTURE	11,384	290	9,709	1,385	0	5,912	152	5,320	0
TOTAL NEW CAPITAL WORKS 2016/17	16,125	290	11,813	4,022	0	8,194	252	7,529	0

6.2 Works carried forward from the 2015/16 year

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Buildings									
Central Reserve	279	0	279	0	0	0	0	429	0
DDA Compliance Rae Street	200	0	0	200	0	0	0	200	0
Memorial Square Shrine Restoration	60	0	60	0	0	0	0	60	0
Total Buildings	539	0	339	200	0	0	0	689	0
TOTAL PROPERTY	539	0	339	200	0	0	0	689	0
Fixtures, Fittings and Furniture	201	0	29	172	0	0	0	201	0
TOTAL PLANT AND EQUIPMENT	201	0	29	172	0	0	0	201	0
INFRASTRUCTURE									
Roads									
Sealed Road Reconstruction Programme	300	0	300	0	0	0	0	300	0
TOTAL ROADS	300	0	300	0	0	0	0	300	0
Footpaths and Cycleways									
CBD Entrances Stage 1	400	0	0	400	0	0	0	400	0
Total Footpaths and Cycleways	400	0	0	400	0	0	0	400	0
TOTAL INFRASTRUCTURE	700	0	300	400	0	0	0	700	0
TOTAL CARRIED FWD WORKS 2015/16	1,440	0	668	772	0	0	0	1,590	0
6.3 Summary									
PROPERTY	3,646	0	839	2,807	0	2,282	100	1,264	0
PLANT AND EQUIPMENT	1,835	0	1,633	202	0	0	0	1,835	0
INFRASTRUCTURE	12,084	290	10,009	1,785	0	5,912	152	6,020	0
TOTAL CAPITAL WORKS	17,565	290	12,481	4,794	0	8,194	252	9,119	0

7. Rates and charges

This section presents information about rates and charges which the Act and the Regulations require to be disclosed in the Council's annual budget

7. Rates and charges

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for 52.5% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The State Government have introduced the Fair Go Rates System (FGRS) which sets out the maximum amount councils may increase rates in a year. For 2016/17 the FGRS cap has been set at 2.5%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and municipal charge will increase by 2.5% in line with the rate cap. Kerbside collection charge will increase by 2.5% and the recycling charge by 2.5%. This will raise total rate and charges for 2016/17 of \$28.74 million, including \$0.10 million generated from supplementary rates. Whilst overall average rates and charges have increased by 2.5%, increases in the individual differentials vary due to changes in relative valuations across the municipality.

7.1 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	2015/16 cents/\$CIV	2016/17 cents/\$CIV	Change
Colac Residential	0.004513	0.004370	-3.2%
Balance of Shire Residential	0.003836	0.003714	-3.2%
Rural Farm	0.003565	0.003452	-3.2%
Holiday Rental	0.004513	0.004370	-3.2%
Colac Commercial/Industrial	0.007446	0.007210	-3.2%
Balance of Shire Commercial/Industrial	0.006318	0.006118	-3.2%

7.2 The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year.

Type or class of land	2015/16 \$	2016/17 \$	Change
Colac Residential	5,879,659	6,242,423	6.2%
Balance of Shire Residential	7,085,768	7,222,620	1.9%
Rural Farm	5,583,474	5,769,935	3.3%
Holiday Rental	1,027,077	1,015,042	-1.2%
Colac Commercial/Industrial	2,053,730	1,987,314	-3.2%
Balance of Shire Commercial/Industrial	1,071,581	1,030,730	-3.8%
Total amount to be raised by general rates	22,701,289	23,268,063	2.5%

7.3 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	2015/16 (Original) #	2016/17 #	Change
Colac Residential	5,520	5,579	1.1%
Balance of Shire Residential	5,245	5,263	0.3%
Rural Farm	2,782	2,785	0.1%
Holiday Rental	415	439	5.8%
Colac Commercial/Industrial	623	627	0.6%
Balance of Shire Commercial/Industrial	338	336	-0.6%
Total number of assessments	14,923	15,029	0.7%

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

7.5 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	2015/16 \$	2016/17 \$	Change
Colac Residential	1,302,856,000	1,428,472,000	9.6%
Balance of Shire Residential	1,847,193,000	1,944,701,000	5.3%
Rural Farm	1,566,108,000	1,671,476,000	6.7%
Holiday Rental	227,587,000	232,275,000	2.1%
Colac Commercial/Industrial	275,806,000	275,633,000	-0.1%
Balance of Shire Commercial/Industrial	169,606,000	168,475,000	-0.7%
Total value of land	5,389,156,000	5,721,032,000	6.2%

7.6 The municipal charge under section 159 of the Act compared with the previous financial year.

Type of Charge	Per Rateable Property 2015/16 \$	Per Rateable Property 2016/17 \$	Change
Municipal	178	182.45	2.5%

7.7 The estimated total amount to be raised by municipal charges compared with the previous financial year.

Type of Charge	2015/16 \$	2016/17 \$	Change
Municipal	2,526,176	2,589,330	2.5%

7.8 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 2015/16 \$	Per Rateable Property 2016/17 \$	Change
Weekly Kerbside collection	285	292	2.5%
Fortnightly Kerbside collection	189	194	2.5%
Total	474	486	2.5%

7.9 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	2015/16 \$	2016/17 \$	Change
Weekly Kerbside collection	2,717,475	2,784,220	2.5%
Fortnightly Kerbside collection	28,728	29,488	2.5%
Total	2,746,203	2,813,708	2.5%

7.10 The estimated total amount to be raised by all rates and charges compared with the previous financial year.

Type of Charge	2015/16 \$	2016/17 \$	Change
General rates	22,701,289	23,268,063	2.5%
Tirrengower Drainage Scheme	21,063	21,063	0.0%
Municipal charge	2,526,176	2,589,330	2.5%
Kerbside collection and recycling	2,746,203	2,813,708	2.5%
Rates and charges ^{*1}	27,994,731	28,692,164	2.5%

^{*1} Note the above does not include annualised supplementary rates

7.11 Other Charges.

Type of Charge	2015/16 \$ Per Hectare	2016/17 \$ Per Hectare	Change
Tirrengower Drainage Scheme	2.50	2.50	0.0%

7.12 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 and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations (2016/17: estimated \$0.10 million)
- 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; and
- Changes of use of land such that residential land becomes business land and vice versa.

7.13 Differential rates

Rates to be levied

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 0.004370 cents in the dollar of CIV for all rateable residential properties in Colac and all rateable residential properties in Colac East, Colac West and Elliminyt;
- A general rate of 0.003714 cents in the dollar of CIV for any residential land which is not located in Colac, Colac East, Colac West or Elliminyt (balance of Shire);
- A general rate of 0.003452 cents in the dollar of CIV for all rateable farm land;
- A general rate of 0.004370 cents in the dollar of CIV for all rateable holiday rental properties;
- A general rate of 0.007210 cents in the dollar of CIV for all rateable commercial and industrial properties in Colac, Colac East, Colac West and Elliminyt; and
- A general rate of 0.006118 cents in the dollar of CIV for all other rateable commercial and industrial properties not located in Colac, Colac East, Colac West and Elliminyt (balance of Shire).

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

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

Residential Land – Colac

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.

Residential Land – Balance of Shire

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

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

Rural Farm Land

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.

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.

A Rural – Farm property may also be any land located within the shire which:

- Is not greater than 5 hectares in area;
- Is zoned to allow the land to be used for rural and/or farming purposes;
- Has been deemed unviable for the purpose of carrying on a business of primary production by Council; and
- Has been deemed unsuitable to allow the construction of a dwelling.

Holiday Rental Land

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

is used for the provision of holiday accommodation for the purpose of generating income; or

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, owner occupied “Bed and Breakfast” establishments, farm properties with accommodation cabins, holiday farms and the like.

The category will not include 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 include motels, resorts, hotels with accommodation, caravan parks, centrally managed and promoted multi unit developments and the like.

Commercial/Industrial Land – Colac, Colac East, Colac West, Elliminyt

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 which is vacant but zoned for commercial or industrial use.

Commercial/Industrial Land - Balance of Shire

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

- a) Rural Farm Land;
- b) Residential Land – Balance of Shire; 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 which is vacant but zoned for commercial or industrial use.

Other Charges

Municipal Charge

A Municipal Charge be declared for the period commencing 1 July 2016 to 30 June 2017 to cover some of the administrative costs of the Council.

The municipal charge be the sum of \$182.45 per annum for each rateable property in respect of which a municipal charge can be levied.

Annual Service (Waste Management) Charges

An annual service (waste management) charge of \$285 per annum (weekly service provided) be declared for:

All land used primarily for residential or commercial purposes; or
other land in respect of which a weekly waste collection and disposal service is provided, for the period 1 July 2016 to 30 June 2017.

An annual service (waste management) charge of \$194 per annum (fortnightly service provided) be declared for:

All land used primarily for residential or commercial purposes; or
other land in respect of which a fortnightly waste collection and disposal service is provided, for the period 1 July 2016 to 30 June 2017.

Commercial properties can have a maximum of one (1) 240 litre or two (2) 120 litre bins.

Tirrengower Special (Drainage) Scheme

The special charge for the Tirrengower drainage works previously declared by Council be fixed at \$2.50 per hectare for the period 1 July 2016 to 30 June 2017.

Budget Analysis

The following reports provide detailed analysis to support and explain the budget reports in the previous section.

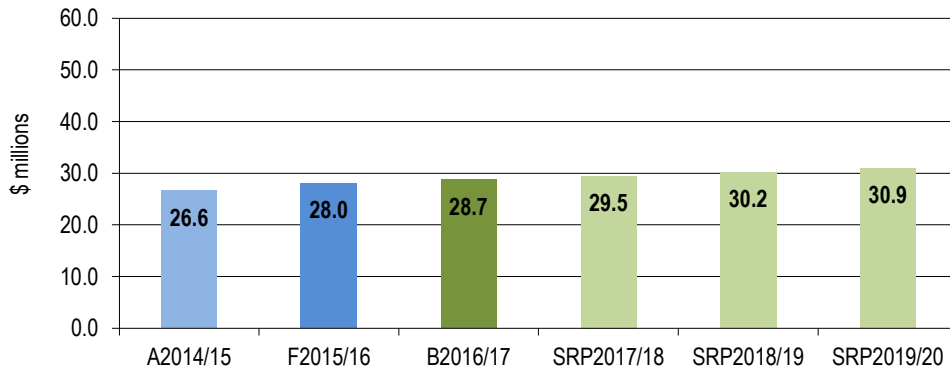
This section includes the following analysis and information.

- 8 Summary of financial position
- 9 Budget influences
- 10 Analysis of operating budget
- 11 Analysis of budgeted cash position
- 12 Analysis of capital budget
- 13 Analysis of budgeted financial position
- 14 Strategic resource plan
- 15 Summary of other strategies
- 16 Rating strategy

8. Summary of financial position

Council has prepared a Budget for the 2016/17 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

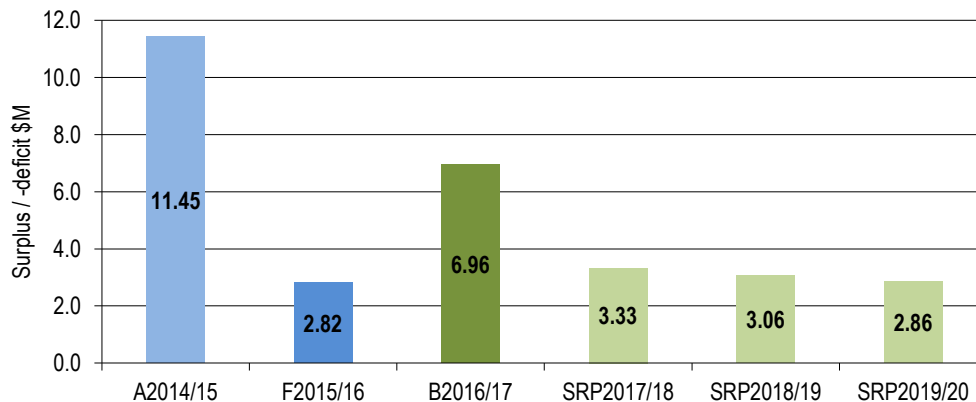
8.1 Rates and charges



A = Actual F = Forecast B = Budget SRP = Strategic Resource Plan estimates

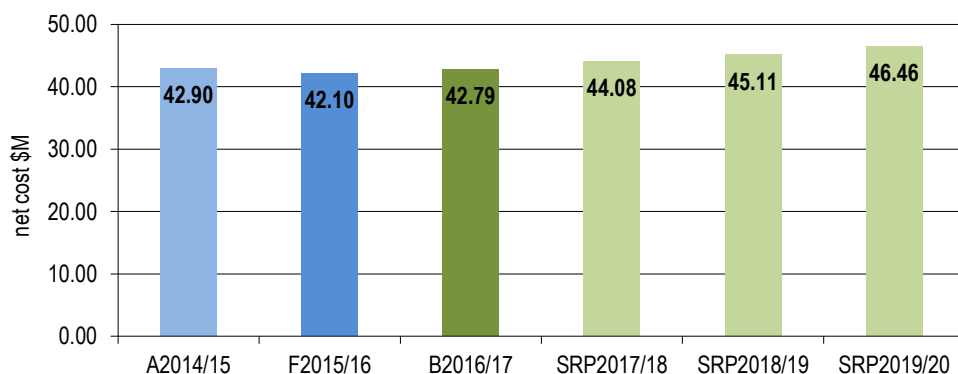
It is proposed that the average rates increase by 2.5% for the 2016/17 year, raising total rates of \$28.7 million, including \$0.10 million generated from supplementary rates. This will result in an increase in total revenue from rates and service charges of 2.5%. This rate increase is in line with the rate cap set by the Minister for Local Government. (The rate increase for the 2015/16 year was 4.95%). Refer Sections 7 and 10 for more information.

8.2 Operating result



The expected operating result for the 2016/17 year is a surplus of \$6.96 million, which is an increase of \$4.14 million over 2015/16. The improved operating result is due mainly to the receipt of a full year's Victoria Grants Commission funding budgeted for 2016/17 (\$3.03 million). The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions is a surplus of \$1.73 million, which is an improvement of \$2.75 million over 2015/16 - refer to section 10 of this summary for further information. (The forecast operating result for the 2015/16 year was a surplus of \$2.82 million).

8.3 Services

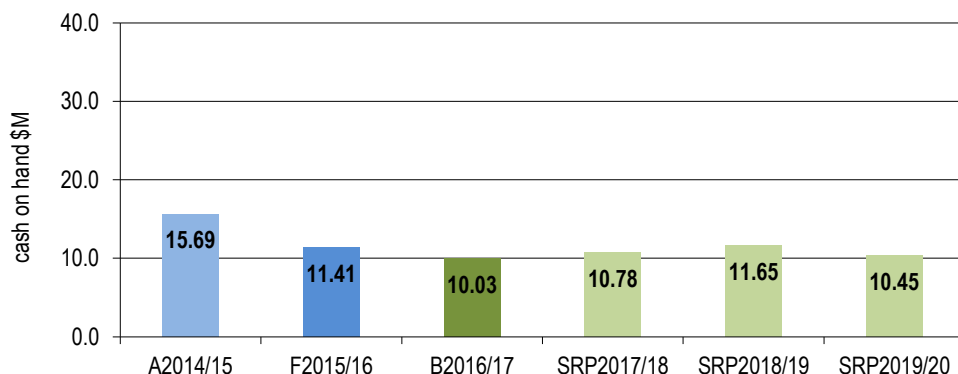


The net cost of services delivered to the community for the 2016/17 year is expected to be \$42.79 million which is an increase of \$0.69 million over 2015/16. A key influencing factor in the development of the 2016/17 budget has been a focus on reducing costs whilst maintaining service levels.

Future cost increases have been minimised, while maintaining existing service levels, due to the identification of business improvement initiatives in a number of areas including reduction in fuel consumption, streamlining of postal services and savings in utility costs (totalling approximately \$1.8m over the forward estimates).

Refer Section 2 for a list of services.

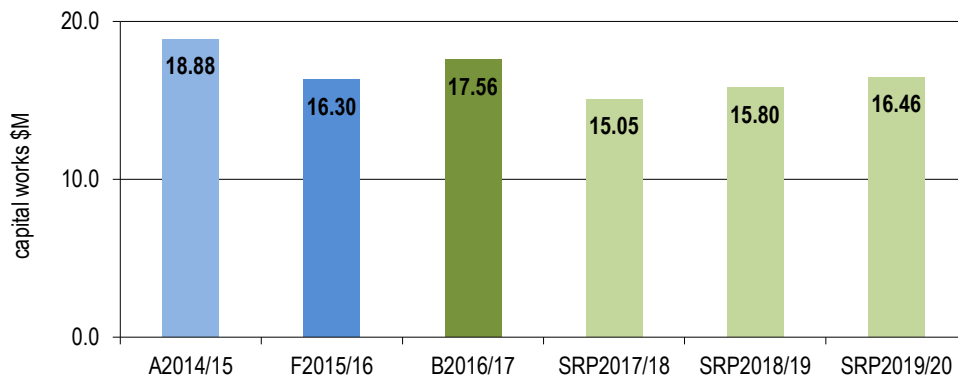
8.4 Cash and investments



Cash and investments are expected to reduce by \$1.2 million during the year to \$10.03 million as at 30 June 2017. This is due mainly to the carried forward component of the 2015/16 capital works program and the use of cash reserves by Council to maintain a robust capital expenditure program. (Cash and investments are forecast to be \$11.4 million as at 30 June 2016).

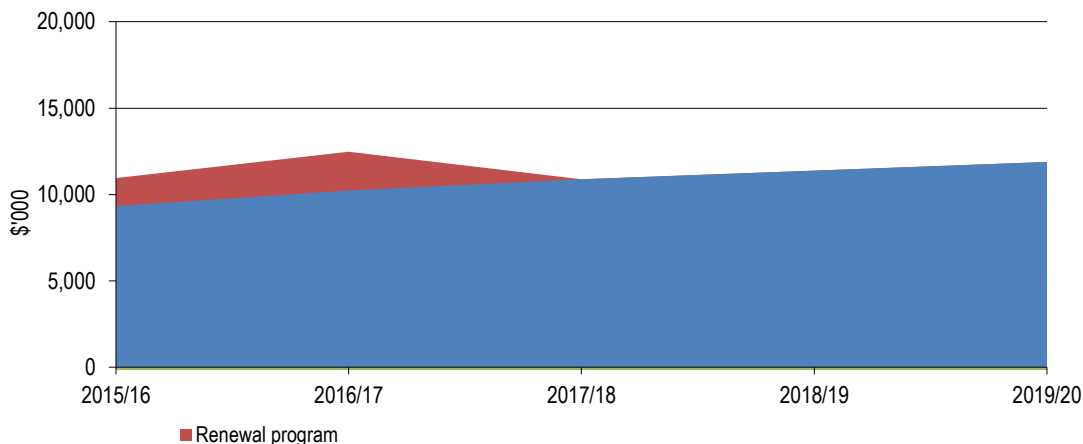
Refer also Section 3 for the Statement of Cash Flows and Section 11 for an analysis of the cash position.

8.5 Capital works



The capital works program for the 2016/17 year is expected to be \$17.56 million of which \$1.44 million relates to projects which will be carried forward from the 2015/16 year. The carried forward component is fully funded from the 2015/16 budget. Of the \$17.56 million of capital funding required, \$8.44 million will come from external grants with the balance of \$9.12 million from Council cash. The Council cash amount comprises asset sales (\$0.27 million), cash held at the start of the year (\$2.55 million) and cash generated through operations in the 2016/17 financial year (\$6.30 million). The capital expenditure program has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project. For more information refer to sections 6 and 12.

The graph below sets out the required and actual asset renewal over the life of the current Strategic Resource Plan and the renewal backlog.

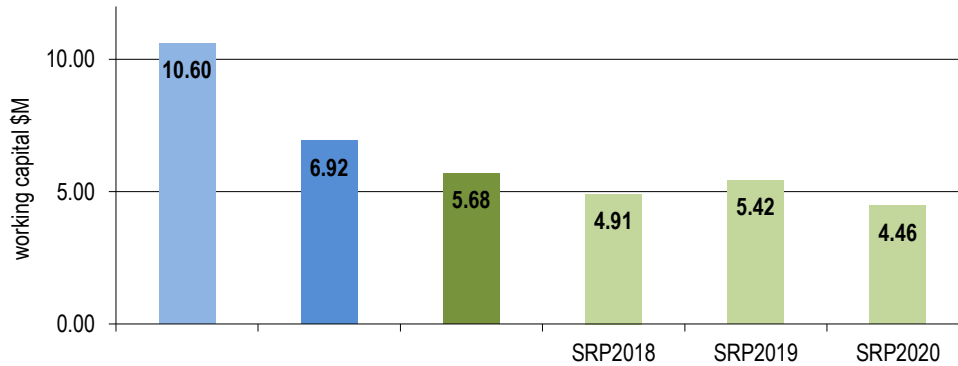


The asset renewal program has been increased to \$12.48 million in the 2016/17 year which maintains Council's enviable position of maintaining renewal expenditure at least in line with current depreciation levels.

It is important to note that Council recognises depreciation expense (in accordance with accounting standards) for the Port of Apollo Bay of \$ 0.8 million which Council is not required to fund. The asset is owned by the state and all asset renewals are funded by the state as and when required.

Refer also Section 3 for the Statement of Capital Works and Section 12 for an analysis of the capital budget.

8.6 Financial position

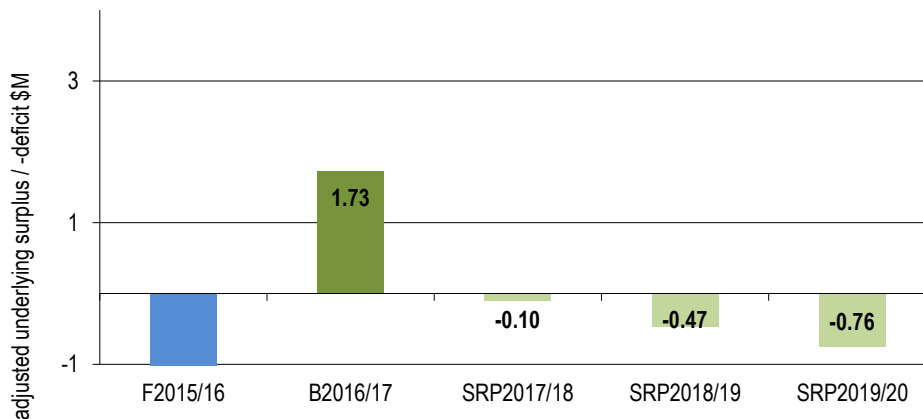


The above graph demonstrates that council will maintain above the minimum required working capital ratio even when using conservative income estimates

Refer also Section 3 for the Balance Sheet and Section 13 for an analysis of the budgeted financial position.

Refer also Section 3 for the Balance Sheet and Section 13 for an analysis of the budgeted financial position.

8.7 Financial sustainability

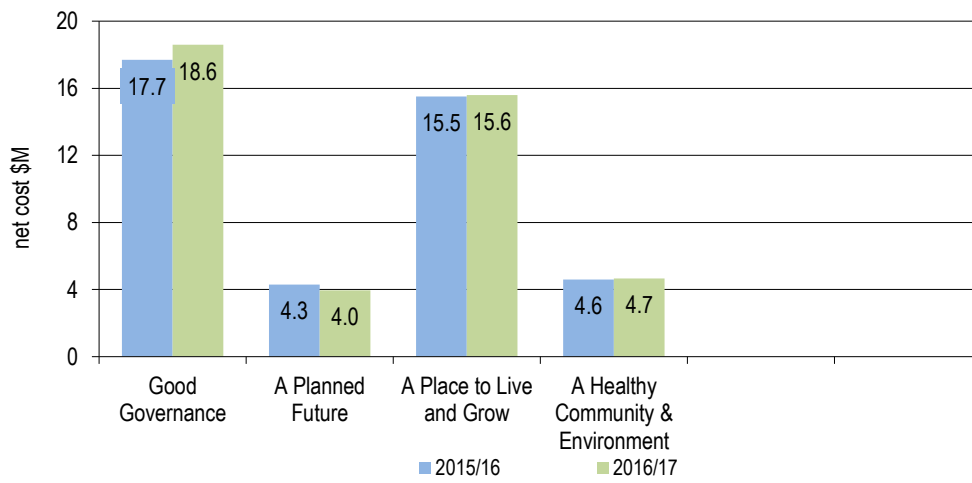


A high level Strategic Resource Plan for the years 2017/18 to 2019/20 has been developed to assist Council in adopting a budget for the purposes of a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, shows a decrease over the four year period although the reduced result is improved compared to previous year forecasts and Council remains financially sustainable with a strong surplus forecast for 16/17.

It is important to note that the forecast includes \$0.8 million of depreciation for the Port of Apollo Bay and when adding this amount back (noting Council is not responsible for the replacement of these assets as they are owned by the state), the forecast SRP periods show a balanced/surplus position.

Refer Section 14 for more information on the Strategic Resource Plan.

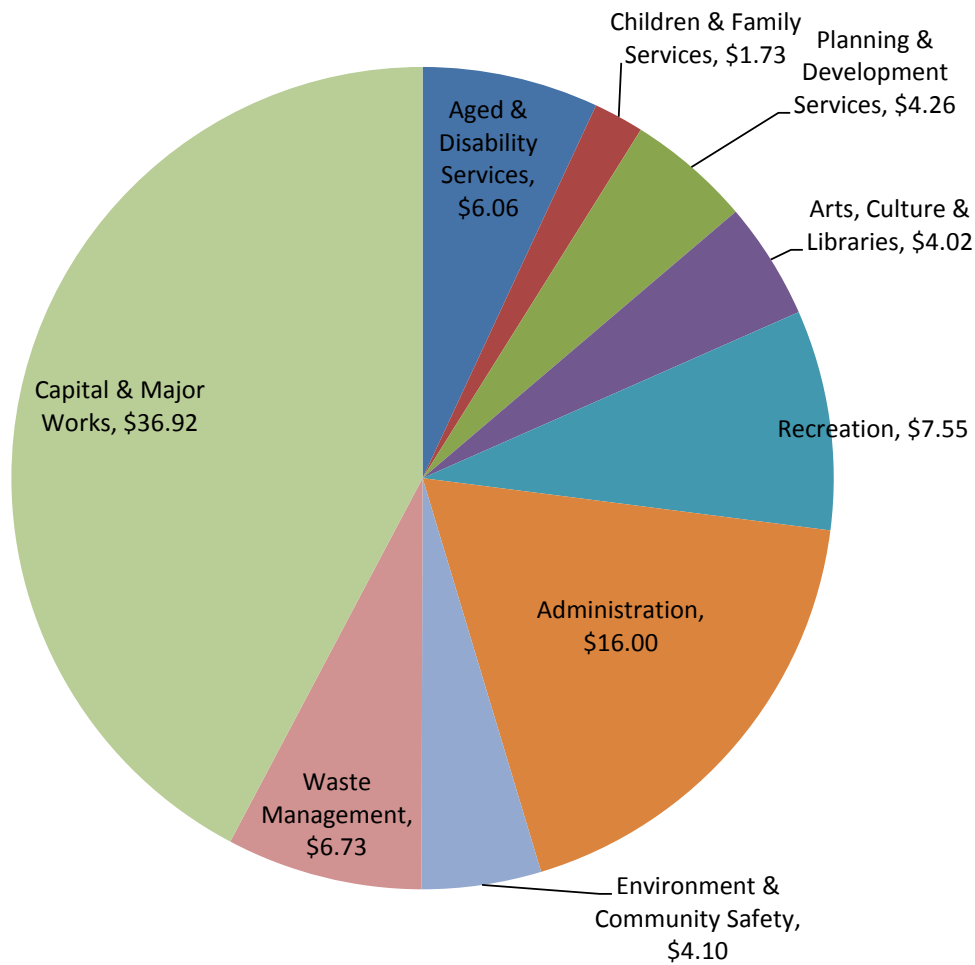
8.8 Strategic objectives



The Annual Budget includes a range of services and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Council Plan for the 2016/17 year.

The services that contribute to these objectives are set out in Section 2.

8.9 Council expenditure allocations



The above chart provides an indication of how Council allocates its expenditure across the main services that it delivers. It shows how much is allocated to each service area for every \$100 that Council spends. Council overheads, governance costs and administrative costs are allocated to our external facing services using an internal overhead allocation model.

9. Budget influences

This section sets out the key budget influences arising from the internal and external environment within which the Council operates.

9.1 Snapshot of Colac Otway Shire Council

Colac Otway Shire Council is located in the South West of Victoria, covering an area of 3,443 square kilometres, stretching from the plains of Cressy in the north to rainforest of Cape Otway in the south. The Shire consists of rich agricultural lands, timbered forests and the urban areas of Colac, Apollo Bay, Birregurra, Pirron Yallock and Cressy. The Shire's administrative centre is based in the urban hub of Colac, with an additional service centre in the coastal town of Apollo Bay.

The current Shire was created through the amalgamation between the former City of Colac and the former Shire of Colac and the former Shire of Otway.

Population

Our population was estimated to be 20,501 in 2014 (source: Australian Bureau Statistics). Our population has remained relatively steady over the last decade exhibiting a -0.1% growth rate. We are anticipating increased population growth in the medium term as the duplication of the Princess Highway from Geelong to Colac opens up access to the region.

Ageing population

The Shire has a relatively older population, with 59.8% of our residents being over 35 years old. Over one quarter (25.7%) are aged over 60 years old, with 19.5% of our population school aged (between 5 and 19 years old).

Only 7.5% of our population was born outside of Australia.

Employment and occupation

Colac Otway's residents enjoy steady employment, with 96.3% of our active workforce population in some form of employment. Of this 55.3% are employed in a full-time capacity.

Our five major employment sectors (which employ 56.2% of the workforce) are:

- Manufacturing (12.7%)
- Health Care and Social Assistance (12.6%)
- Agriculture, Forestry & Fishing (12.0%)
- Retail Trade (10.5%)
- Accommodation and food services (8.5%)
- Education and Training (6.0%)
- Administrative and Support Services (4.9%)

Budget implications

As a result of the Shire's demographic profile there are a number of budget implications in the short and long term as follows:

- Council's Ageing population presents challenges in planning for infrastructure and services which provide ease of access and useability and support for the increasing aged members of our community. We may face challenges in attracting and retaining a sustainable workforce as the workforce age demographic declines.
- The location, relatively large area and very diverse topography of the Shire presents transport issues - the duplication of the Princess Highway from Geelong to Colac will alleviate a number of access issues, but may present different problems, with the potential for a significant increase in road freight and traffic travelling through the Shire.
- Complex regulatory environment - Council operates in a highly regulated environment.
- Asset Renewal - the highly diverse topography within the Shire presents unique circumstances in renewing assets due to the vastly different conditions from one end of the Shire to the other.

9.2 External influences

- Consumer Price Index (CPI) increases on goods and services of 1.7% through the year to December quarter 2015 (ABS release 28 January 2016). State-wide CPI is forecast to be 2.5% for the 2016/17 year (Victorian Budget Papers 2015/16).
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2015 was 1.7% (ABS release 13 August 2015). The wages price index in Victoria is projected to be 3.25% per annum in 2016/17 and the subsequent two years (Victorian Budget Papers 2015/16). Council must renegotiate a new Collective Agreement during the 2016/17 year for commencement during 2016.
- Ongoing freeze in Victoria Grants Commission funding.
- Estimated operating expenditure of \$2.1 million and capital expenditure of \$2.30 million during 2016/17 relating to recovery works from the Christmas Day 2015 bushfire at Wye River and Separation Creek. Compensation of \$4.38 million is anticipated to be received by Council via the National Disaster Relief and Recovery Arrangements and other State funding streams.
- Increases of 3.3% (or \$2.02 per tonne) in the levy payable to the State Government upon disposal of waste into landfill, resulting in additional waste tipping costs. The levy has increased from \$9 per tonne in 2008/09 to \$30.33 per tonne in 2016/17.
- Cost Shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to Cost Shifting include school crossing supervisors, library services and home and community care for aged residents. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.

9.3 Internal influences

As well as external influences, there are also a number of internal influences which are expected to have an impact on the preparation of the 2016/17 Budget. These matters have arisen from events occurring in the 2015/16 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2016/17 year. These matters and their financial impact are set out below:

- Renegotiation of Council's current Enterprise Bargaining Agreement to occur 2016.
- The return to full scale operation of the Bluewater Leisure Centre during 2015/16 after a comprehensive redevelopment of the site. This will affect income (from fees and charges), Employee Benefits (from increased staffing requirements arising from returning the centre to full operations) and Materials and Services (increases in utilities and consumables arising from full operation of the centre)
- Transitioning to the National Disability Insurance Scheme (NDIS) impacting the resources required in the Council's Older Persons/Health and Community Care Services.

9.4 Budget principles

In response to these influences, guidelines were prepared and distributed to all Council officers with budget responsibilities. The guidelines set out the key budget principles upon which the officers were to prepare their budgets. The principles included:

- Existing fees and charges to be increased in line with CPI or market levels.
- Grants to be based on confirmed funding levels.
- New revenue sources to be identified where possible.
- Service levels to be maintained at 2015/16 levels with the aim to use less resources with an emphasis on innovation and efficiency.
- A culture of 'every dollar counts'. We recognise that every \$1,000 to \$2,000 saved is the equivalent of our neighbour's rates
- Contract labour to be minimised.
- Construction and material costs to reflect the input costs of the services.
- New initiatives or new employee proposals to be justified through a business case.
- Real savings in expenditure identified in 2015/16 to be preserved.
- Operating revenues and expenses arising from completed 2015/16 capital projects to be included.
- Consideration of the whole of life cost of the service or asset.

9.5 Long term strategies

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2016/17 to 2019/20 (Section 14.), Rating Information (Section 7.) and Other Long Term Strategies (Section 16.) including borrowings, infrastructure and service delivery.

10. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2016/17 year.

10.1 Budgeted income statement

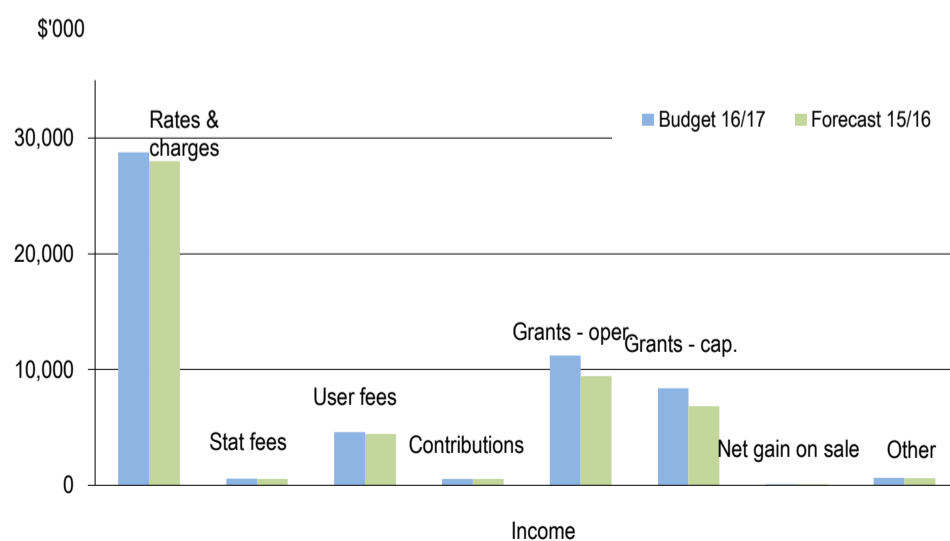
	Ref	Forecast	Budget	Variance
		Actual 2015/16 \$'000	2016/17 \$'000	\$'000
Total income	10.2	50,465	54,412	3,947
Total expenses	10.3	(47,642)	(47,452)	190
Surplus (deficit) for the year		2,823	6,960	4,137
Grants –non-recurrent capital	5.1.2	(3,673)	(4,982)	(1,309)
Contributions - non-monetary assets		0	0	0
Capital contributions - other sources	10.2.4	(174)	(252)	(78)
Adjusted underlying surplus (deficit)		(1,024)	1,726	2,750

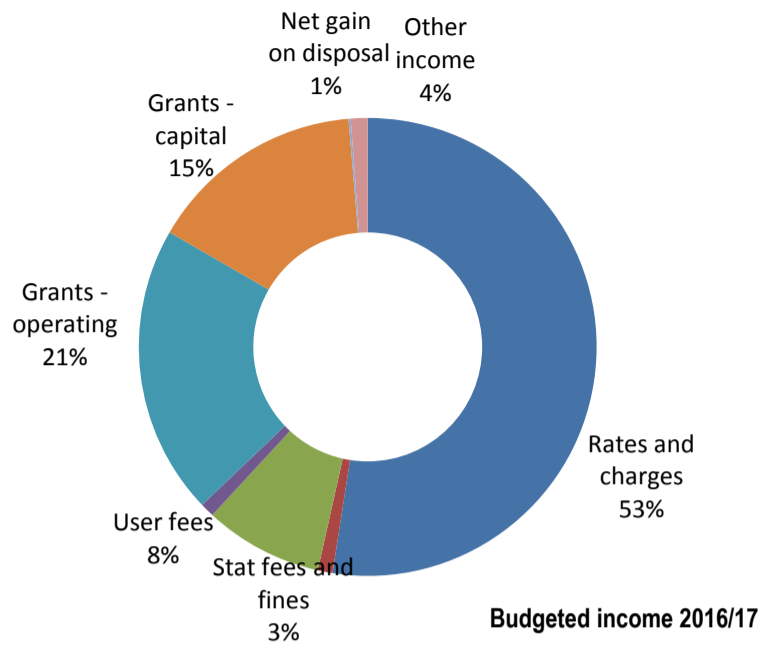
10.1.1 Adjusted underlying surplus (\$1.73 million)

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2016/17 year is a surplus of \$1.73 million which is an improvement from a deficit of \$1.02 million in the 2015/16 forecast year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

10.2 Income

Income Types	Ref	Forecast	Budget	Variance
		Actual 2015/16 \$'000	2016/17 \$'000	\$'000
Rates and charges	10.2.1	27,974	28,744	770
Statutory fees and fines	10.2.2	548	570	22
User fees	10.2.3	4,414	4,588	174
Contributions - monetary	10.2.4	562	371	(191)
Grants - operating	5.1.1	9,304	11,061	1,757
Grants - capital	5.1.2	6,834	8,194	1,360
Net gain on disposal of property, infrastructure, plant & equip.	10.2.5	83	83	0
Other income	10.2.6	746	799	53
Total income		50,465	54,412	3,947





10.2.1 Rates and charges (\$0.77 million increase)

It is proposed that income raised by all rates and charges be increased by \$0.77 million over 2015/16 levels to \$28.74 million. This includes an increase in general rates of 2.5%, the Municipal Charge of 2.5%; kerbside waste charge of 2.5%; recycling waste charge of 2.5%; and forecasts supplementary rates to maintain steady at \$0.1 million.

The increases are in line with the Victorian Government's Fair Go Rating legislation, however it must be noted that as the 2016/17 year is a revaluation year for rating purposes and as such the rate increase for any individual property may vary from 2.5% relative to that property's variation from the average valuation change.

Section 7. Rates and Charges - includes a more detailed analysis of the rates and charges to be levied for 2016/17 and the rates and charges specifically required by the Regulations.

10.2.2 Statutory fees and fines (\$0.02 million increase)

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, *Public Health and Wellbeing Act 2008* registrations and parking fines. Increases in statutory fees are made in accordance with legislative requirements.

Statutory fees are forecast to increase by 4.1% or \$0.02 million compared to 2015/16. The main area contributing to the increase is the local laws service, where parking infringements are anticipated to increase by \$0.016 million as a result of increased enforcement during the peak summer season.

A detailed listing of statutory fees is included in Appendix A.

10.2.3 User fees (\$0.18 million increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include separate rating schemes, use of leisure, entertainment and other community facilities and the provision of human services such as family day care and home help services. In setting the budget, the key principle for determining the level of user charges has been to balance the cost of service provision to Council against the community's capacity to pay.

User charges are projected to increase by 3.95% or \$0.18 million over 2015/16. The majority of this increase results from Bluewater Leisure Centre which is budgeted to be fully operational for the whole 2016/17 year, as opposed to 9 months in 2015/16.

A detailed listing of fees and charges is included in Appendix A.

10.2.4 Contributions - monetary (\$0.19 million decrease)

Contributions includes monies paid by developers in regard to public resort and recreation, drainage and car parking in accordance with planning permits issued for property development. As such the level of contributions can vary from year to year as a result of the nature of works being undertaken by Council.

Contributions are projected to decrease by \$0.19 million or 33.96% compared to 2015/16 due mainly to the completion of a number of major projects within the municipality during the 2015/16 year.

10.2.5 Net gain on disposal of property, infrastructure, plant and equipment (\$nil movement)

Proceeds from the disposal of Council assets is forecast to be \$0.27 million for 2016/17 which relates predominately to the planned cyclical replacement of part of the plant and vehicle fleet. The written down value of assets sold is forecast to be \$0.261 million.

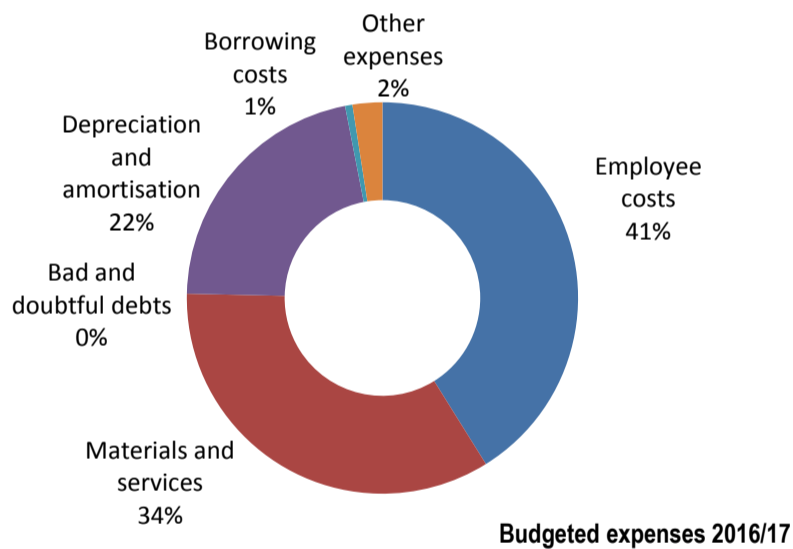
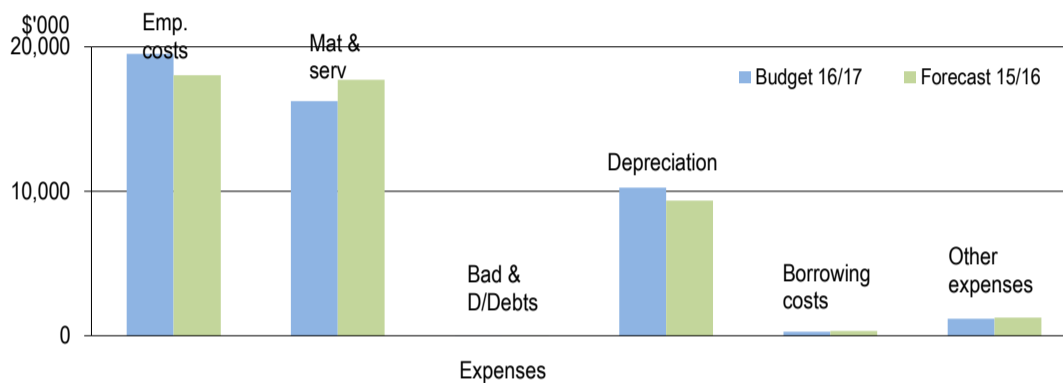
10.2.6 Other income (\$0.05 million increase)

Other income relates to a range of items such as private works, cost recoups and other miscellaneous income items. It also includes interest revenue on investments and rate arrears.

Other income is forecast to increase by 7.1% or \$0.05 million compared to 2015/16. This is predominately a result of an anticipated increase in interest on investments of \$0.05 million compared to 2015/16, as Council holds significant cash reserves in fully cash backing all of its discretionary reserves.

10.3 Expenses

Expense Types	Ref	Forecast		Variance
		Actual 2015/16 \$'000	Budget 2016/17 \$'000	
Employee costs	10.3.1	18,031	19,507	1,476
Materials and services	10.3.2	17,700	16,233	(1,467)
Bad and doubtful debts	10.3.3	2	2	0
Depreciation and amortisation	10.3.4	9,338	10,237	899
Borrowing costs	10.3.5	326	289	(37)
Other expenses	10.3.6	1,245	1,184	(61)
Asset Write Off/Impairment	10.3.7	1,000	0	(1,000)
Total expenses		47,642	47,452	(190)



Source: Section 3

10.3.1 Employee costs (\$1.48 million increase)

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, etc. There is no increase in permanent staff.

Whilst overall employee costs are anticipated to increase by 8.2% or \$1.48 million, \$1.18 million of this increase is directly attributable to bushfire recovery activities. These positions are temporary fixed term in nature and are fully funded under the National Disaster Relief and Recovery Arrangements.

With the bushfire recovery amount excluded, Council's employee costs have increased only marginally, by 0.17% or \$0.30 million against the projected 2015/16 result.

When comparing this amount to the projected 2015/16 result it must be noted that Council has had a number of positions unfilled throughout the 2015/16 year, which is reflected in the forecast result for 2015/16 (i.e. the 2015/16 forecast has been reduced to reflect the unspent wages on vacant positions).

When compared to Council's 2015/16 Original Budget which allowed for all vacant positions to be filled for the whole year (\$18.168 million) and excluding the aforementioned bushfire response employee costs (i.e. comparing 'ordinary' operations over the two years), Council's employee costs increase by just \$0.16 million or 0.9%. This is a combination of filling vacancies with lower bandings, a reduced EBA escalation rate, and a slight reduction in employee hours across Council's home care services.

Overall the above reflects no increase in permanent staff levels.

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

Department	Budget 2016/17 \$'000	Comprises	
		Full Time \$'000	Part Time \$'000
Chief Executive Office	661	617	44
Corporate Services	3,574	2,013	1,561
Development and Community Services	6,978	2,918	4,060
Infrastructure and Leisure Services	6,660	5,743	917
Bushfire recovery	1,181	974	207
Total staff expenditure	19,054	12,265	6,789
Casuals and other expenditure	453		
Capitalised labour costs	607		
Total expenditure	20,114		

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

Department	Budget FTE	Comprises	
		Full Time	Part Time
Chief Executive Office	5.5	5	0.5
Corporate Services	37.4	29	8.4
Development and Community Services	82.6	40.5	42.1
Infrastructure and Leisure Services	92.6	82	10.6
Bushfire recovery	12.5	10	2.5
Total	230.6	166.5	64.1
Total staff	230.6		

The most significant movements in employee costs by service unit are summarised below:

Department	Service Unit	Forecast	Budget 2016/17 \$'000	Variance \$'000
		Actual 2015/16 \$'000		
Chief Executive Office	Business Improvement	0	96	96
	Major Contracts Governance	56	117	61
Corporate Services	Local Laws	177	227	50
	Statutory Planning	565	627	62
Development and Community Services	Council Home Care Services	743	836	93
		1,423	1,170	(253)
Infrastructure and Leisure Services	Bluewater Leisure Centre	1,064	1,157	93
Bushfire recovery	Bushfire Recovery	464	1,181	717

10.3.2 Materials and services (\$1.47 million decrease)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to decrease by 8.3% or \$1.47 million compared to 2015/16.

In formulating its 2016/17 budget Council has been very aware of the need to contain costs and has dedicated significant effort into identifying and implementing business improvements and cost saving measures whilst maintaining service levels. Cost savings have been identified across many areas of Council's operation. The major savings include:

- A reduction of \$0.33 million in consultant expenditure relating to Small Town Improvement Program projects, as projects from previous years are completed.
- Council's valuation contract expenses decrease by \$0.20 million, due to 2016/17 not being a full rates valuation year and the cost savings resulting from the renegotiation of the valuation contract services.
- A reduction in \$0.20 million in contractors for environmental projects as the sustainability project draws to near completion.
- The use of planning contractors reduces by \$0.16 million as vacant staff positions are filled.
- A reduction of \$0.15 million in heavy plant and light fleet operating expenditure due to largely to savings in fuel use arising from a reduction in the number of plant items, coupled with the replacement of fleet and plant items with more efficient vehicle types.
- A reduction of \$0.07 million in recruitment costs forecast as vacant positions become filled.

10.3.3 Bad and doubtful debts (\$nil movement)

There is no anticipated movement in the bad and doubtful debts budget for 2016/17.

10.3.4 Depreciation and amortisation (\$0.90 million increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase of \$0.90 million for 2016/17 is due mainly to the completion of the 2016/17 capital works program and the full year effect of depreciation on the 2015/16 capital works program which includes the completion of the Bluewater redevelopment and dredge at the Port of Apollo Bay. Refer to Section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2016/17 year.

Also note that Council recognises depreciation expense (in accordance with accounting standards) for the Port of Apollo Bay of \$ 0.8 million which Council is not required to fund. The asset is owned by the state and all asset renewals are funded by the state as and when required.

10.3.5 Borrowing costs (\$0.04 million decrease)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The 11.5% reduction in borrowing costs results from the planned reduction in borrowings due to repayment of principal in accordance with loan agreements.

10.3.6 Other expenses (\$0.06 million decrease)

Other expenses relate to a range of unclassified items including contributions to community groups, advertising, insurances, motor vehicle registrations and other miscellaneous expenditure items. Other expenses are forecast to decrease by 4.9% or \$0.06 million compared to 2015/16. There are a number of smaller reductions included in this amount, including a reduction in anticipated Youth Programs (\$0.02 million), as the FReeZa program is handed over to local health services, and a reduction in miscellaneous expenditure on kindergartens (\$0.02 million).

10.3.7 Asset Write off/Impairment (\$1.0 million decrease)

Council made an allowance in 15/16 of \$1.0 million to cover asset impairment and write off arising from damaged assets from the Wye River and Separation Creek bushfire, this is expected to be a one-off adjustment.

11. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2016/17 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

The analysis is based on three main categories of cash flows:

- **Operating activities** - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt.
- **Investing activities** - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment.
- **Financing activities** - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

11.1 Budgeted cash flow statement

	Ref	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Cash flows from operating activities	11.1.1			
<i>Receipts</i>				
Rates and charges		27,987	28,744	757
User fees and fines		5,948	5,641	(307)
Grants - operating		9,431	11,211	1,780
Grants - capital		6,834	8,194	1,360
Interest		369	420	51
Other receipts		937	659	(278)
		51,506	54,869	3,363
<i>Payments</i>				
Employee costs		(17,857)	(19,329)	(1,472)
Other payments		(20,800)	(17,938)	2,862
		(38,657)	(37,267)	1,390
Net cash provided by operating activities		12,849	17,602	4,753
Cash flows from investing activities	11.1.2			
Payments for property, infrastructure, plant & equip.		(16,647)	(18,163)	(1,516)
Proceeds from sale of property, infrastructure, plant & equipment		427	269	(158)
Payments for investments		0	0	0
Proceeds from investments		0	0	0
Loans and advances made		0	0	0
Repayments of loans and advances		0	0	0
Net cash used in investing activities		(16,220)	(17,894)	(1,674)
Cash flows from financing activities	11.1.3			
Finance costs		(326)	(289)	37
Proceeds from borrowings		0	0	0
Repayment of borrowings		(593)	(799)	(206)
Net cash used in financing activities		(919)	(1,088)	(169)
Net decrease in cash and cash equivalents		(4,290)	(1,380)	2,910
Cash and cash equivalents at the beginning of the year		15,696	11,406	(4,290)
Cash and cash equivalents at end of the year	11.1.4	11,406	10,026	(1,380)

11.1.1 Operating activities (\$4.75 million increase)

The increase in cash inflows from operating activities is due mainly to a \$1.36 million increase in capital grants to fund the capital works program and a \$1.78 million increase in operating grants, much of which relates to the receipt of a full year's Victoria Grants Commission allocation, along with rates and charges increase of \$0.75 million.

The net cash flows from operating activities varies from the surplus (deficit) for the year as the expected revenues and expenses of the Council include non-cash items which have been excluded from the Cash Flow Statement. The budgeted operating result is reconciled to budgeted cash flows available from operating activities as set out in the following table.

	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Surplus (deficit) for the year	2,823	6,960	4,137
Depreciation	9,338	10,237	899
Loss (gain) on disposal of property, infrastructure, plant & equipment	(83)	(83)	0
Finance costs	326	289	(37)
Net movement in current assets and liabilities	445	200	(245)
Cash flows available from operating activities	12,849	17,602	4,753

11.1.2 Investing activities (\$1.68 million decrease)

The increase in payments for investing activities represents the planned increase in capital works expenditure disclosed in section 12 of this budget report.

11.1.3 Financing activities (\$0.17 million decrease)

Financing costs will decrease \$37k. This is due to an increase in loan repayments of \$206k (mainly due to a one-off early loan repayment of \$171k).

11.1.4 Cash and cash equivalents at end of the year (\$1.38 million decrease)

Overall, total cash and investments is forecast to decrease marginally by \$1.38 million to \$10.03 million as at 30 June 2017, reflecting Council's budget strategy of using excess cash and investments to enhance existing and create new infrastructure.

11.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2017 it will have cash and investments of \$10.03 million, which has been restricted as shown in the following table.

	Ref	Forecast Actual 2016 \$'000	Budget 2017 \$'000	Variance \$'000
Total cash and investments		11,406	10,026	(1,380)
Restricted cash and investments				
- Statutory reserves	11.2.1	(641)	(556)	85
- Cash held to carry forward capital works	11.2.2	(1,439)	0	1,439
- Trust funds and deposits		(336)	(336)	0
Unrestricted cash and investments	11.2.3	8,990	9,134	144
- Discretionary reserves	11.2.4	(7,628)	(7,471)	157
Unrestricted cash adjusted for discretionary reserves	11.2.5	1,362	1,663	301

11.2.1 Statutory reserves (\$0.556 million)

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes.

11.2.2 Cash held to fund carry forward capital works

There is no amount shown as cash held to fund carry forward works at 30 June 2017, as it is expected that the capital works budget in the 2016/17 financial year will be fully completed. An amount of \$1.44 million is forecast to be held at 30 June 2016 to fund capital works budgeted but not completed in the 2015/16 financial year. Section 6.2 contains further details on capital works funding.

11.2.3 Unrestricted cash and investments (\$9.13 million)

The amount shown is in accordance with the definition of unrestricted cash included in the Regulations. These funds are free of statutory reserve funds and cash to be used to fund capital works expenditure from the previous financial year.

11.2.4 Discretionary reserves (\$7.47 million)

These funds are shown as discretionary reserves as, although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

11.2.5 Unrestricted cash adjusted for discretionary reserves (\$1.66 million)

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants and contributions. Council regards these funds as the minimum necessary to ensure that it can meet its commitments as and when they fall due without borrowing further funds.

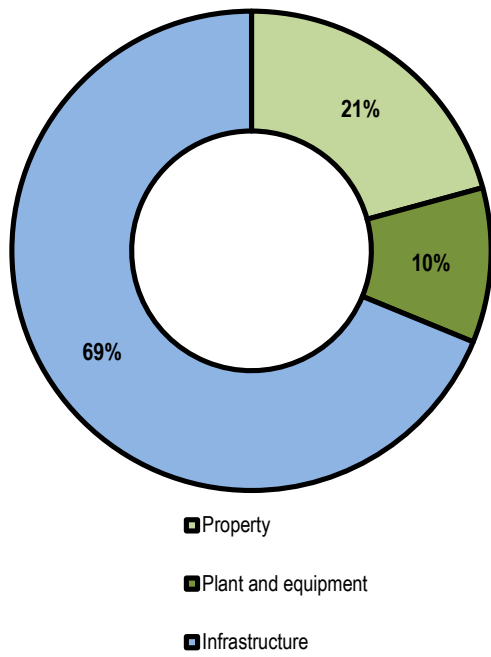
12. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2016/17 year and the sources of funding for the capital budget.

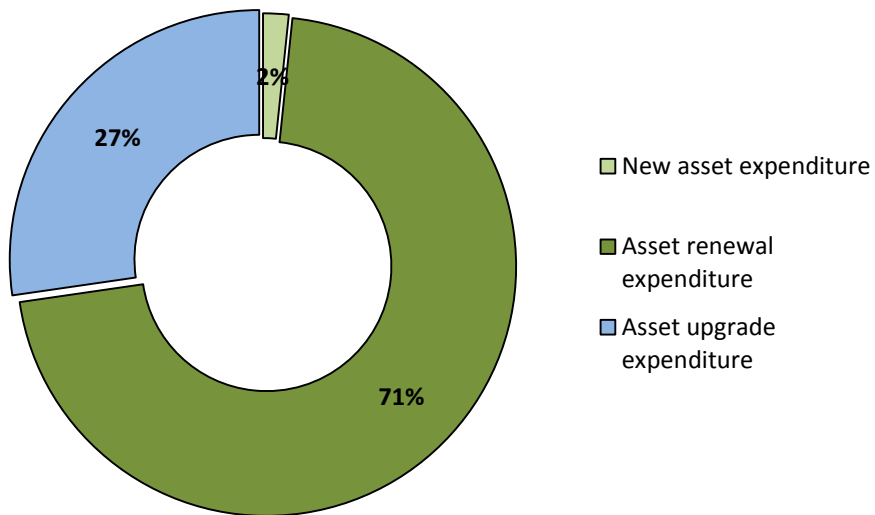
12.1 Capital works

Capital Works Areas	Ref	Forecast	Budget	Variance
		Actual 2015/16 \$'000	2016/17 \$'000	\$'000
Works carried forward	12.1.1			
Property				
Buildings		1,858	539	(1,319)
Total buildings		<u>1,858</u>	<u>539</u>	<u>(1,319)</u>
Total property		<u>1,858</u>	<u>539</u>	<u>(1,319)</u>
Plant and equipment				
Fixtures, fittings and furniture		0	201	201
Computers and telecommunications		50	0	(50)
Total plant and equipment		<u>50</u>	<u>201</u>	<u>151</u>
Infrastructure				
Roads		425	300	(125)
Bridges		660	0	(660)
Footpaths and cycleways		0	400	400
Other infrastructure		129	0	(129)
Total infrastructure		<u>1,214</u>	<u>700</u>	<u>(514)</u>
Total works carried forward		<u>3,122</u>	<u>1,440</u>	<u>(1,682)</u>
New works				
Property	12.1.2			
Land improvements		25	0	(25)
Total land		<u>25</u>	<u>0</u>	<u>(25)</u>
Buildings		2,132	3,107	975
Total buildings		<u>2,132</u>	<u>3,107</u>	<u>975</u>
Total property		<u>2,157</u>	<u>3,107</u>	<u>950</u>
Plant and equipment	12.1.3			
Plant, machinery and equipment		1,458	1,142	(316)
Fixtures, fittings and furniture		504	227	(277)
Computers and telecommunications		331	265	(66)
Total plant and equipment		<u>2,293</u>	<u>1,634</u>	<u>(659)</u>
Infrastructure	12.1.4			
Roads		5,827	9,047	3,220
Bridges		250	250	0
Footpaths and cycleways		607	1,125	518
Drainage		150	450	300
Recreational, leisure and community		491	302	(189)
Parks, open space and streetscapes		1,100	210	(890)
Off street car parks		112	0	(112)
Other infrastructure		194	0	(194)
Total infrastructure		<u>8,731</u>	<u>11,384</u>	<u>2,653</u>
Total new works		<u>13,181</u>	<u>16,125</u>	<u>2,944</u>
Total capital works expenditure		<u>16,303</u>	<u>17,565</u>	<u>1,262</u>
Represented by:				
New asset expenditure	12.1.5	2,047	290	(1,757)
Asset renewal expenditure	12.1.5	10,956	12,481	1,525
Asset upgrade expenditure	12.1.5	3,300	4,794	1,494
Total capital works expenditure		<u>16,303</u>	<u>17,565</u>	<u>1,262</u>

Budgeted capital works 2016/17



Budgeted capital works 2016/17



Source: Section 3. A more detailed listing of capital works is included in Section 6.

12.1.1 Carried forward works (\$1.44 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2015/16 year it is forecast that \$1.44 million of capital works will be incomplete and be carried forward into the 2016/17 year. The more significant projects include the CBD and Entrances project (\$0.40 million), Sealed Road Reconstructions (\$0.30 million) and the Colac Central Reserve Redevelopment (\$0.28 million).

12.1.2 Property (\$3.65 million)

The property class comprises buildings and building improvements including community facilities, municipal offices, sports facilities and pavilions.

For the 2016/17 year, \$3.65 million will be expended on building and building improvement projects. Significant projects include Colac Central Reserve redevelopment (\$2.81 million).

12.1.3 Plant and equipment (\$1.84 million)

Plant and equipment includes plant, machinery and equipment, computers and telecommunications.

For the 2016/17 year, \$1.84 million will be expended on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of the plant and vehicle fleet (\$1.14 million), and upgrade and replacement of information technology (\$0.02 million).

12.1.4 Infrastructure (\$12.08 million)

Infrastructure includes roads, bridges, footpaths and cycleways, drainage, recreation, leisure and community facilities, parks, open space and streetscapes, off street car parks and other structures.

For the 2016/17 year, \$9.35 million will be expended on road projects. The more significant projects include local road reconstructions (\$3.22 million), reconstruction of bushfire damaged infrastructure (\$2.30 million), road resheeting (\$1.40 million), road sealing (\$0.90 million), and major patching (\$0.30 million).

\$1.53 million will be expended on footpath & cycleway projects. Included in this there will be \$0.30 million spent on Colac CBD footpaths, with \$0.29 spent on extending Council's footpath network and a further \$0.23 on renewing existing footpaths.

\$0.45 million will be expended on drainage with \$0.30 million budgeted for stormwater asset upgrades and \$0.15 million budgeted for renewal of the existing drainage network.

Other infrastructure expenditure includes \$0.01 million on bridges, \$0.35 million on footpaths and cycleways, \$0.62 million on recreational, leisure and community facilities, \$0.08 million on car parks and \$0.11 million on other infrastructure.

12.1.5 Asset renewal (\$12.481 million), new assets (\$0.3 million) and upgrade (\$4.79 million)

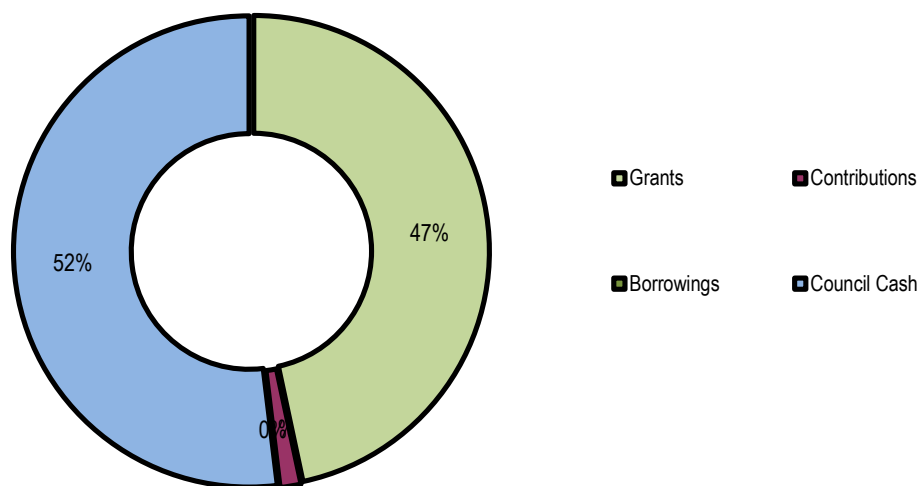
A distinction is made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability, whilst upgrade expenditure extends the service capacity of that asset. Expenditure on new assets does not have any element of expansion or upgrade of existing assets but will result in an additional burden for future operation, maintenance and capital renewal.

In budgeting to spend \$12.481 million on renewal Council is anticipating to renew its assets at a level greater than which it is consuming them, as measured by Council's depreciation charge of \$10.24 million. This provides Council with a renewal ratio of 121.92% indicating that Council is providing for current and future service capacity in its asset base.

12.2 Funding sources

Sources of funding	Ref	Forecast	Budget	Variance
		Actual 2015/16 \$'000	2016/17 \$'000	\$'000
Works carried forward				
Current year funding				
- reserve cash and investments		1,375	1,440	65
- unrestricted cash and investments		1,747	0	(1,747)
Total works carried forward	12.2.1	3,122	1,440	(1,682)
New works				
Current year funding				
Grants	12.2.2	6,834	8,194	1,360
Contributions		91	252	161
Borrowings		0	0	0
Council cash				
- operations	12.2.3	5,829	6,487	658
- proceeds on sale of assets	12.2.4	427	269	(158)
- reserve cash and investments	12.2.5	0	923	923
- unrestricted cash and investments		0	0	0
Total new works		13,181	16,125	2,944
Total funding sources		16,303	17,565	1,262

Budgeted total funding sources 2016/17



Source: Section 6

12.2.1 Carried forward works (\$1.44 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2015/16 year it is forecast that \$1.44 million of capital works will be incomplete and be carried forward into the 2016/17 year. The more significant projects include the CBD and Entrances project (\$0.40 million), Sealed Road Reconstructions (\$0.30 million) and the Colac Central Reserve Redevelopment (\$0.28 million).

12.2.2 Grants - Capital (\$8.19 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for the Roads to Recovery program (\$3.21 million), Bushfire Recovery replacement of infrastructure (\$2.30 million), and Colac Central Reserve redevelopment (\$2.28 million).

12.2.3 Council cash - operations (\$6.33 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$6.33 million will be generated from operations to fund the 2016/17 capital works program.

12.2.4 Council cash - proceeds from sale of assets (\$0.27 million)

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet and heavy plant renewal policy of \$0.27 million.

12.2.5 Reserve cash - reserve cash and investments (\$0.92 million)

Council has set aside specific cash reserves to assist with funding future capital projects. For the 2016/17 budget Council will transfer \$1.44 million from the carried forward projects reserve to fund all capital works which has been carried forward from 2015/16. Additional to this \$0.92 million of new capital expenditure will be funded from reserves in 2016/17. This includes \$0.87 million of heavy plant and fleet purchases which will be funded from the Plant Replacement Reserve, and a further \$0.05 million sourced from the Recreational Lands Reserve to fund developments at the Birregurra Tennis Courts.

13. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2015/16 and 2016/17. It also considers a number of key financial performance indicators.

13.1 Budgeted balance sheet

	Ref	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Current assets	13.1.1			
Cash and cash equivalents		11,406	10,026	(1,380)
Trade and other receivables		2,675	2,932	257
Financial assets		0	0	0
Other assets		147	147	0
Total current assets		14,228	13,105	(1,123)
Non-current assets	13.1.1			
Trade and other receivables		0	0	0
Investments in associates and joint ventures		274	274	0
Property, infrastructure, plant and equipment		294,909	302,423	7,514
Intangible assets		132	132	0
Total non-current assets		295,315	302,829	7,514
Total assets		309,543	315,934	6,391
Current liabilities	13.1.2			
Trade and other payables		1,700	1,752	(52)
Trust funds and deposits		336	336	0
Provisions		4,640	4,733	(93)
Interest-bearing loans and borrowings		636	604	32
Total current liabilities		7,312	7,425	(113)
Non-current liabilities	13.1.2			
Provisions		4,243	4,328	(85)
Interest-bearing loans and borrowings		4,137	3,370	767
Total non-current liabilities		8,380	7,698	682
Total liabilities		15,692	15,123	569
Net assets		293,851	300,811	6,960
Equity	13.1.4			
Accumulated surplus		133,558	140,583	7,025
Reserves		160,293	160,228	(65)
Total equity		293,851	300,811	6,960

Source: Section 3

13.1.1 Current Assets (\$1.12 million decrease) and Non-Current Assets (\$7.51 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$1.35 million during the year mainly to fund the capital works program during the year.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget year.

Other assets relates to inventories or stocks held for sale or consumption in Council's services in the next 12 months. Inventory levels held by Council are relatively insignificant and are anticipated to remain stable over the budget year.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, bridges and other infrastructure which has been built up by Council over many years.

13.1.2 Current Liabilities (\$0.11 million increase) and Non Current Liabilities (\$0.68 million decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to increase slightly over 2015/16 levels.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These provisions are budgeted to increase slightly over the budget year.

Interest-bearing loans and borrowings are borrowings of Council. The Council is budgeting to repay loan principal of \$0.80 million over the year (including an additional one-off loan repayment of \$171k).

13.1.3 Working Capital (\$1.24 million decrease)

Working capital is the excess of current assets above current liabilities. This calculation recognises that although Council has current assets, some of those assets are already committed to the future settlement of liabilities in the following 12 months, and are therefore not available for discretionary spending.

Some of Council's cash assets are restricted in that they are required by legislation to be held in reserve for specific purposes or are held to fund carry forward capital works from the previous financial year.

	Forecast		
	Actual	Budget	Variance
	2015/16	2016/17	
	\$'000	\$'000	\$'000
Current assets	14,228	13,105	(1,123)
Current liabilities	7,312	7,425	113
Working capital	6,916	5,680	(1,236)
Restricted cash and investment current assets			
- Statutory reserves	(641)	(556)	85
- Cash used to fund carry forward capital works	(1,439)	0	1,439
- Trust funds and deposits	(336)	(336)	0
Unrestricted working capital	4,836	5,124	288

13.1.4 Equity (\$6.96 million increase)

Total equity (net assets) and is made up of the following components:

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time. The increase in accumulated surplus of \$7.03 million results directly from the operating surplus for the year, less net transfers to other reserves.

13.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2017 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- A total of 95% of total rates and charges raised will be collected in the 2016/17 year (2015/16: 95% forecast actual);
- Trade creditors to be based on total capital and operating expenditure less written down value of assets sold, depreciation and employee costs. Payment cycle is 30 days;
- Other debtors and creditors to remain consistent with 2015/16 levels;
- Employee entitlements to be increased by the Collective Agreement outcome offset by the impact of more active management of leave entitlements of staff;
- Repayment of loan principal to be \$0.8 million (including one-off repayment of \$171k); and
- Total capital expenditure to be \$17.56 million.

Long Term Strategies

This section includes the following analysis and information.

- 14 Strategic resource plan
- 15 Rating information
- 16 Other long term strategies

14. Strategic resource plan

This section includes an extract of the adopted Strategic Resource Plan to provide information on the long term financial projections of the Council.

14.1 Plan development

The Act requires a Strategic Resource Plan (SRP) to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan. In preparing the SRP, Council must take into account all other plans and strategies in regard to services and initiatives which commit financial and non-financial resources for the period of the SRP.

Council has prepared an SRP for the four years 2016/17 to 2019/20 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

The key objective, which underlines the development of the SRP, is financial sustainability in the medium to long term, while still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives, which underpin the SRP, are:

- Maintain existing service levels on a 'business as usual basis'
- Include only known streams;
- Maintain a capital renewal program at least in line with depreciation; and
- Achieve a balanced budget on a cash basis, including the use of reserve transfers.

In preparing the SRP, Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Act:

- Prudently manage financial risks relating to debt, assets and liabilities;
- Provide reasonable stability in the level of rate burden;
- Consider the financial effects of Council decisions on future generations; and
- Provide full, accurate and timely disclosure of financial information.

The SRP is updated annually through a rigorous process of consultation with Council service providers followed by a detailed sensitivity analysis to achieve the key financial objectives.

14.2 Financial resources

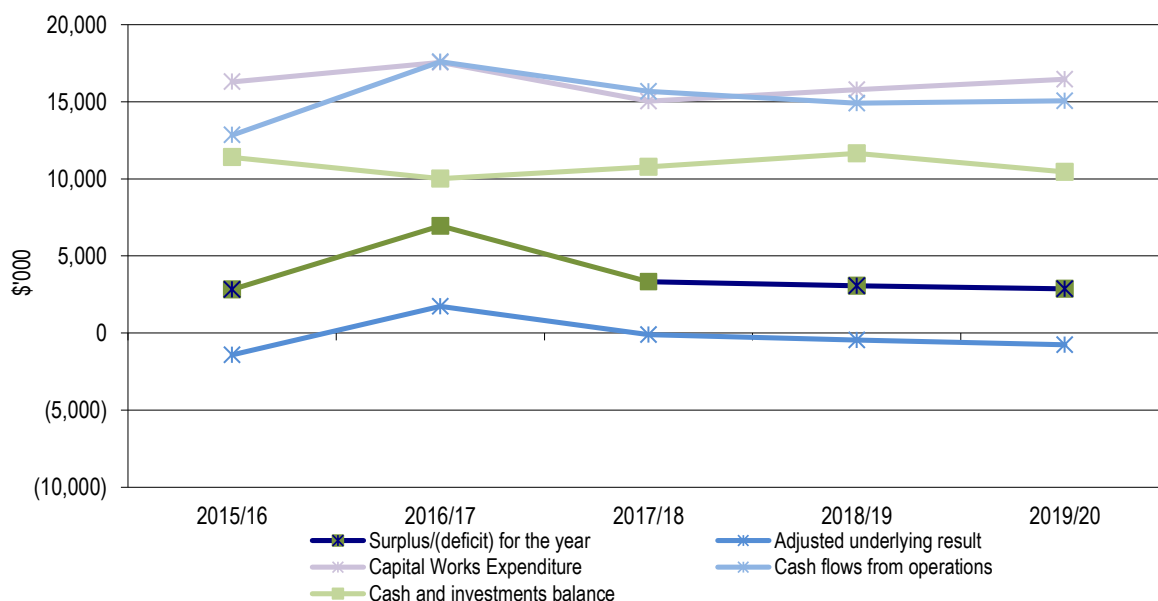
The following table summarises the key financial results for the next four years as set out in the SRP for years 2016/17 to 2019/20. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2015/16	2016/17	2017/18	2018/19	2019/20	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit) for the year	2,823	6,960	3,333	3,063	2,861	-
Adjusted underlying result	(1,412)	1,726	(103)	(465)	(762)	-
Cash and investments balance	11,406	10,026	10,779	11,648	10,445	-
Cash flows from operations	12,849	17,602	15,679	14,915	15,070	o
Capital works expenditure	16,303	17,565	15,045	15,795	16,460	o

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

The following graph shows the general financial indicators over the four year period.



The key outcomes of the Plan are as follows:

- **Financial sustainability (Section 11)** - Cash and investments is forecast to remain stable.
- **Rating levels (Section 15)** – Modest rate increases are forecast over the four years at an average of 2.5%. All rate increases over the life of the SRP will be in line with future expectation of the rating cap under the Fair Go Rating legislation.
- **Service delivery strategy (Section 16)** – Service levels have been maintained over the four year period with operating expenditure on a 'business as usual' basis. Whilst it is possible that Council's service review and business improvement programs will identify efficiencies in future years these efficiencies have not been factored into the budget forward projections. Likewise Council has projected income where it is guaranteed only. It is possible that Council will indeed obtain other sources of income over these years - this is especially so in grant funding, where Council is highly proactive in identifying and sourcing funding streams.

Despite this, Council continues to anticipate operating surpluses, reducing over the period. Council's underlying result however continues the downward trend over the four years, with relatively modest deficits being projected, improving on forecasts from this time last year.

However as previously mentioned, when removing the included \$0.80 million of depreciation from the Port of Apollo Bay, the budget balances/returns to surplus for the forecast SRP period's.

- **Borrowing strategy (Section 16)** – Borrowings are forecast to reduce from \$4.77 million to \$2.01 million over the four year period. There are no new borrowings forecast over the period.
- **Infrastructure strategy (Section 16)** - Capital expenditure over the four year period will total \$64.87 million at an average of \$16.22 million. Council will maintain at least a 100% renewal ratio in each year of the period.

15. Rating information

This section contains information on Council's past and foreshadowed rating levels along with Council's rating structure and the impact of changes in property valuations. This section should be read in conjunction with Council's Rating Strategy which is available on Council's website.

15.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 14), rates and charges were identified as an important source of revenue, accounting for greater than 50% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. 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 Victorian community.

However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases, particularly recent changes in property valuations and subsequently rates for some properties in the municipality. To ensure that deliberations about future rate increases have been made on an informed basis, comparisons of historical rate increases were made between Council and other similar sized councils. The following table shows a comparison of the last five years and the average rates per capita for the 2015/16 year.

Colac Otway	
Year	Shire
2011/12	5.7%
2012/13	6.8%
2013/14	6.3%
2014/15	5.1%
2015/16	4.9%
Average increase	5.8%
Average per capita 2015/16	\$1,365

15.2 Future rate increases

The following table sets out future proposed increases in revenue from rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2016.

Year	General Rate Increase %	Municipal Charge Increase \$'000	Waste Charge Increase \$'000	Total Rates Collected \$'000
2015/16	4.9%	104	130	27,987
2016/17	2.5%	63	68	28,744
2017/18	2.5%	65	69	29,451
2018/19	2.5%	66	71	30,176
2019/20	2.5%	68	73	30,918

15.3 Rating structure

Council has established a rating structure which is comprised of three key elements. These are:

- Property values, form the central basis of rating under the *Local Government Act 1989*
- A user pays component to reflect usage of certain services provided by Council
- A fixed municipal charge per property to cover some of other administrative costs of the Council

Striking a proper balance between these elements provides equity in the distribution of the rate burden across residents.

Council makes further distinctions within the property value component of rates based on the purpose for which the property is used, that is, whether the property is used for residential, farming or commercial purposes. This distinction is based on the concept that business or farm should pay a fair and equitable contribution to rates taking into account the benefits those properties derive from and provide to the local community. An distinction is also made as to location of property, that is whether the property is located within the Colac urban area or within the balance of the shire. This distinction is based upon an equitable distribution of property values.

Having reviewed the various valuation bases for determining the property value component of rates, Council has determined to apply a Capital Improved Value (CIV) basis on the grounds that it provides the most equitable distribution of rates across the municipality. There are currently no plans to change that basis, but Council does review its rating structure every four years.

The existing rating structure comprises six differential rates (residential Colac, commercial/industrial Colac, residential balance of shire, commercial/industrial balance of shire, rural farm and holiday rental). These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. Council also levies a municipal charge, a kerbside collection charge as allowed under the Act.

The rating differentials set by Council are:

Category	Differential %
Residential Colac	100%
Commercial/Industrial Colac	165%
Residential Balance of Shire	85%
Commercial/Industrial Balance of Shire	140%
Rural Farm	79%
Holiday Rental	100%

The following table summarises the rates to be determined for the 2016/17 year. A more detailed analysis of the rates to be raised is contained in Section 7 "Statutory Disclosures".

Rate type	How applied	2015/16	2016/17	Total Raised \$000's ^{*1}	Change
Residential Colac	Cents/\$ CIV	0.004513	0.004370	6,242,423	6.2%
Commercial/Industrial Colac	Cents/\$ CIV	0.007446	0.007210	1,987,314	-3.2%
Residential Balance of Shire	Cents/\$ CIV	0.003836	0.003714	7,222,620	1.9%
Commercial/Industrial Balance of Shire	Cents/\$ CIV	0.006318	0.006118	1,030,730	-3.8%
Rural Farm	Cents/\$ CIV	0.003565	0.003452	5,769,935	3.3%
Holiday Rental	Cents/\$ CIV	0.004513	0.004370	1,015,042	-1.2%
Municipal charge	\$/ property	178.00	182.45	2,589,330	2.5%
Tirrengower Drainage Scheme	\$/ Hectare	2.50	2.50	21,063	0.0%
Kerbside collection charge weekly	\$/ property	285.00	292.00	2,784,220	2.5%
Kerbside collection charge fortnightly	\$/ property	189.00	194.00	29,488	2.5%

^{1*} Note the above does not include annualised supplementary rates

Council has adopted a formal *Rating Strategy* that contains expanded information on Council's rating structure and the reasons behind its choices in applying the rating mechanisms it has used.

15.4 General revaluation of properties

During the 2015/16 year, a revaluation of all properties within the municipality was carried out and will apply from 1 July 2016 for the 2016/17 year. The outcome of the general revaluation has been an overall increase in property valuations throughout the municipality, with some significant relativity changes between the varying property classes as measured by rating differential . Overall, property valuations across the municipal district have increased by 6.16%.

The following table summarises the valuation changes between the 2014 and 2016 general revaluations by rating differential, together with the average rating changes between the 2015/16 and 2016/17 years for each differential based on an overall 2.5% average rate increase.

Suburb	Valuation Change (Decrease)	Rating Change (Decrease)
Residential Colac	9.6%	6.2%
Residential Balance of Shire	5.3%	1.9%
Rural Farm	6.7%	3.3%
Holiday Rental	2.1%	-1.2%
Commercial/Industrial Colac	-0.1%	-3.2%
Commercial/Industrial Balance of Shire	-0.7%	-3.8%
Overall	6.2%	2.5%

In view of the outcomes of the general revaluation of all properties within the Council's municipal district during the 2015/16 year, Council has chosen not to make any changes to the existing rate differential. In aggregate, total rates and charges will increase by 2.5% compared to 2015/16. This will be achieved by reducing the rate in the dollar to offset the increase in property valuations across the municipal district following the general revaluation.

16. Summary of other strategies

This section sets out summaries of the strategies that have been developed and incorporated into the Strategic Resource Plan including borrowings, infrastructure and service delivery.

16.1 Borrowings

In developing the Strategic Resource Plan (SRP) (see Section 14), borrowings was identified as one of the potential funding sources for capital works programs. In the past, Council has borrowed strongly to finance large infrastructure projects and since then has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs.

Council is cognisant of the limited sources of own generated income it is able to raise to cover loan servicing and has therefore decided at this stage not to undertake any borrowings over the life of the SRP to fund capital expenditure. This means Council will be reliant upon utilising cash reserves and pursuing grant funding opportunities to fund significant future capital programs.

For the 2016/17 year, in line with the SRP, Council has decided not take out any new borrowings to fund the capital works program and therefore, after making loan repayments of \$0.80 million, will reduce its total borrowings to \$3.98 million as at 30 June 2017. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2016.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2015/16	0	593	326	4,773
2016/17	0	799	289	3,974
2017/18	0	604	217	3,370
2018/19	0	649	181	2,721
2019/20	0	711	134	2,010

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

	2015/16 \$	2016/17 \$
Total amount borrowed as at 30 June of the prior year	5,366	4,773
Total amount proposed to be borrowed	0	0
Total amount projected to be redeemed	(593)	(799)
Total amount of borrowings as at 30 June	4,773	3,974

16.2 Infrastructure

The Council has developed an Infrastructure Strategy based on the knowledge provided by various Asset Management Plans, which sets out the capital expenditure requirements of Council for the next 10 years by class of asset, and is a key input to the SRP. It predicts infrastructure consumption, renewal needs and considers infrastructure needs to meet future community service expectations. The Strategy has been developed through a rigorous process of consultation and evaluation. The key aspects of the process are as follows:

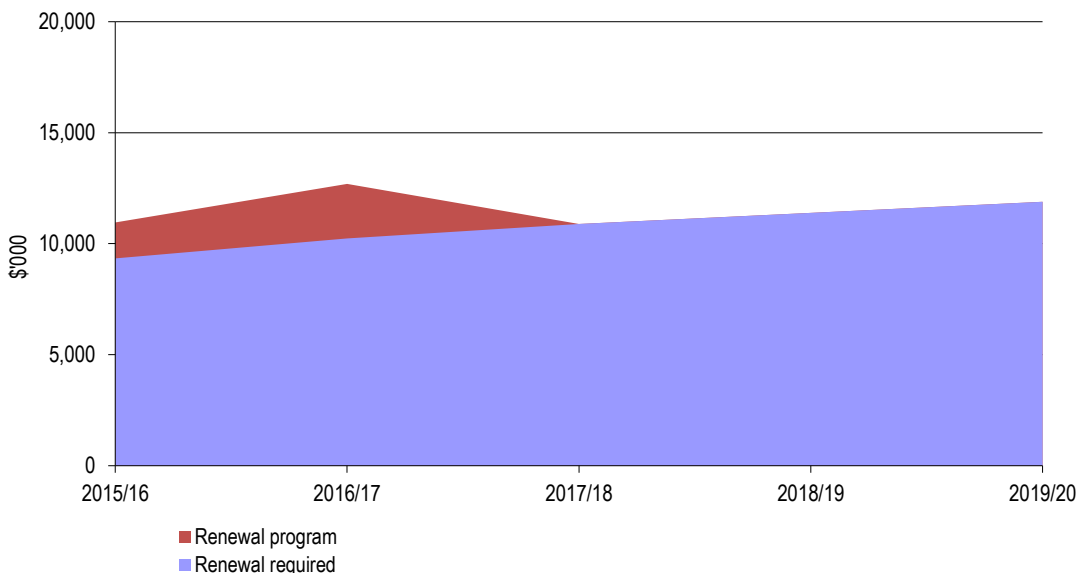
- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes.
- Identification of capital projects through the preparation of asset management plans.
- Prioritisation of capital projects within classes on the basis of evaluation criteria.
- Methodology for allocating annual funding to classes of capital projects.
- Business Case template for officers to document capital project submissions.

A key objective of the Infrastructure Strategy is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community.

Council's in the enviable position of maintaining renewal expenditure at least in line with current depreciation levels.

The graph below sets out the required and actual asset renewal over the life of the current SRP and the renewal backlog.

It is important to note that Council recognises depreciation expense (in accordance with accounting standards) for the Port of Apollo Bay of \$ 0.8 million which Council is not required to fund. The asset is owned by the state and all asset renewals are funded by the state as and when required.



At present, Council been able to fully fund asset renewal requirements identified in the Infrastructure Strategy. Council has committed significant resources in previous years to eliminate the asset renewal backlog and this has involved the need to levy some relatively large rate increases in previous years to sufficiently fund asset renewal to eliminate the backlog and provide sufficient renewal annually. With the advent of rate capping Council will face severe pressure to maintain renewal funding in future years. Council has made very effective use of grant programs to renew its asset base in recent years and will continue to strongly assess and advocate for grant funding for asset renewal in future.

In updating the Infrastructure Strategy for the 2016/17 year, the following influences have had a significant impact:

- Reduction in the amount of cash and investment reserves to fund future capital expenditure programs;
- Availability of significant Federal funding for upgrade of roads;
- The enactment of the *Road Management Act 2004* removing the defence of non-feasance on major assets such as roads; and
- Funding under the Natural Disaster Relief and Recovery Arrangements to fund restoration works on assets damaged by the Christmas Day 2015 bushfires at Wye River and Separation Creek.

The following table summarises Council's forward outlook on capital expenditure including funding sources for the next four years.

Summary of funding sources					
Year	Total Capital Program \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
2015/16	16,303	6,834	91	9,378	0
2016/17	17,565	8,194	252	9,119	0
2017/18	15,045	4,636	0	10,409	0
2018/19	15,795	4,728	0	11,067	0
2019/20	16,460	4,823	0	11,637	0

In addition to using cash generated from its annual operations and external contributions such as government grants, Council has significant cash or investment reserves that are also used to fund a variety of capital projects. These reserves are either 'statutory' or 'discretionary' cash reserves. Statutory reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by legislation or a funding body, and include contributions to car parking, drainage and public resort and recreation. Discretionary cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose.

16.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 14) which directly impact the future service delivery strategy are to maintain existing service levels and to achieve a breakeven operating result within five to six years. The Rating Information (see Section 15) also refers to modest rate increases into the future. With these key objectives as a basis, a number of internal and external influences have been identified through discussions with management which will have a significant impact on the scope and level of services to be provided over the next four years.

The general influences affecting all operating revenue and expenditure include the following:

	2016/17	2017/18	2018/19	2019/20
	%	%	%	%
Consumer Price Index	2.5	2.5	2.5	2.5
Average Weekly Earnings	2.0	1.8	1.8	1.8
Rate increases	2.5	2.5	2.5	2.5
Property growth	0.5	0.5	0.5	0.5
Wages growth	3.3	3.0	3.0	3.0
Government funding	2.0	2.0	2.0	2.0
Statutory fees	2.0	2.0	2.0	2.0
Investment return	2.5	2.5	2.5	2.5

The service delivery outcomes measured in financial terms are shown in the following table.

Year	Surplus (Deficit) for the year \$'000	Adjusted Underlying Surplus (Deficit) \$'000	Net Service (Cost) \$'000
2015/16	2,823	(1,024)	(42,100)
2016/17	6,960	1,726	(42,794)
2017/18	3,333	(103)	(44,078)
2018/19	3,063	(465)	(45,108)
2019/20	2,861	(762)	(46,461)

Service levels have been maintained over the four year period with operating expenditure on a 'business as usual' basis. Whilst it is possible that Council's service review and business improvement programs will identify efficiencies in future years these efficiencies have not been factored into the budget forward projections. Likewise Council has projected income where it is guaranteed only. It is possible that Council will indeed obtain other sources of income over these years - this is especially so in grant funding, where Council is highly proactive in identifying and sourcing funding streams.

Despite this, Council continues to anticipate operating surpluses, albeit declining, over the period. Council's underlying result however continues to decline over the four years, with relatively modest deficits being projected. These factors highlight the importance to Council of sourcing recurrent grant funding and shows the effect rate capping has on Council, as it has precious few other sources of own controlled income.

Appendix A

Fees and charges schedule

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2016/17 year.

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Bluewater Leisure Centre				
Aquatic – Daily Charges				
Combo Swim Spa Sauna Stadium (SSSS)				
Adult	C	10	\$10.60	\$10.90
Concession	C	10	\$8.60	\$9.00
Pool or spa or steam room or stadium				
Adult	C	10	\$6.00	\$6.20
Child	C	10	\$4.20	\$4.30
Competitor Entry	C	10	\$1.00	\$1.00
Concession	C	10	\$5.00	\$5.10
Family	C	10	\$18.30	\$18.90
Parent/Toddler	C	10	\$5.00	\$5.10
School Group	C	10	\$4.20	\$4.30
Aqua Membership (Aquatics Only)				
Adult				
12 months	C	10	\$515.00	\$532.00
Direct Debit	C	10	\$19.80	\$20.50
Child				
12 months	C	10	\$360.00	\$372.00
Direct Debit	C	10	\$13.90	\$14.30
Concession				
12 months	C	10	\$425.00	\$439.00
Direct Debit	C	10	\$16.30	\$16.90
Family				
12 months	C	10	\$775.00	\$798.00
Direct Debit	C	10	\$29.70	\$30.70
Crèche				
Member - BWFC				
Child 1 hr (per hour)	C	10	\$5.00	\$5.30
Family 1 hr (per hour)	C	10	\$9.00	\$9.50
Non-member - BWFC				
Child 1 hr	C	10	\$8.00	\$8.50
Family 1 hr	C	10	\$14.40	\$15.20
Health Club & Group Fitness				
Casual				
Fitness Assessment (45 min)	C	10	\$52.00	\$53.00
Casual Entry				
Adult	C	10	\$12.00	\$12.30
Concession	C	10	\$9.90	\$10.10
Group entry (schools)	C	10	\$6.60	\$6.80
Senior Programs	C	10	\$6.60	\$6.80
Personal Training				
1 session group training	C	10	\$70.00	\$72.00
1 session personal training (45 min)	C	10	\$52.00	\$53.00
10 ticket group training	C	10	\$595.00	\$612.00
10 ticket personal training	C	10	\$438.00	\$451.00
5 ticket group training	C	10	\$315.00	\$324.00
5 ticket personal training	C	10	\$235.00	\$239.00
Platinum Membership (Full Centre)				
Adult				
12 months	C	10	\$772.00	\$794.00
Direct Debit	C	10	\$29.70	\$30.50

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Concession				
12 months	C	10	\$637.00	\$655.00
Direct Debit	C	10	\$24.50	\$25.20
Family				
12 months	C	10	\$1,158.00	\$1,190.00
Direct Debit	C	10	\$44.60	\$45.80
Gold Membership (Gym Only)				
Adult				
12 months	C	10	\$686.00	\$704.00
Direct Debit	C	10	\$26.40	\$27.10
Concession				
12 months	C	10	\$566.00	\$580.00
Direct Debit	C	10	\$21.80	\$22.30
Family				
12 months	C	10	\$1,030.00	\$1,055.00
Direct Debit	C	10	\$39.60	\$40.60
Membership Fee				
Direct Debit Default Fee				
Direct Debit	C	10	\$5.00	\$0.00
Direct Debit Joining Fee				
Adult	C	10	\$46.00	\$47.00
Concession	C	10	\$38.00	\$38.00
Family	C	10	\$69.00	\$70.00
Multi pass				
Adult				
10 ticket platinum	C	10	\$108.00	\$111.00
10 ticket aqua	C	10	\$54.00	\$55.80
30 ticket platinum	C	10	\$306.00	\$314.00
30 ticket aqua	C	10	\$153.00	\$158.00
Concession				
10 ticket aqua	C	10	\$44.60	\$46.00
10 ticket platinum	C	10	\$89.00	\$91.00
30 ticket platinum	C	10	\$252.00	\$259.00
30 ticket aqua	C	10	\$126.00	\$130.00
Other Charges				
Casual Inflatable				
Family Pass	C	10	\$21.00	\$21.00
Single Pass	C	10	\$6.50	\$6.50
Upgrade from Swim	C	10	\$3.00	\$3.00
Inflatable Hire				
Inflatable Hire	C	10	\$88.00	\$90.00
Instructor hire/hr aquatic or dry				
Instructor Hire	C	10	\$54.00	\$55.50
Pool party per child				
Pool Party	C	10	\$11.00	\$12.00
Swim School				
30 min 1 on 1				
Swim School	C	0	\$40.00	\$41.00
30 min group lesson				
Swim School	C	0	\$12.00	\$12.40
Family Discount				
Discount for 3 or more children enrolled	C	0	(\$18.00)	(\$18.00)
Membership				
Direct Debit	C	0	\$21.00	\$21.50
Schools Instructor Charge				
Instructor Charge	C	0	\$54.00	\$55.50

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Schools Swim & Survive Program Entry				
Program Entry	C	0	\$3.30	\$3.30
Venue Hire				
Pool Hire				
Lane hire/hr (during normal operating hrs)	C	10	\$22.00	\$22.50
Whole pool ½ day<4 hrs (during normal operating hours)	C	10	\$330.00	\$338.00
Whole pool full day 4+ hrs (during normal operating hours)	C	10	\$495.00	\$506.00
Program Pool Hire - half pool per hr	C	10	\$33.00	\$33.00
Program Pool Hire -full pool per hr	C	10	\$55.00	\$55.00
Additional Lifeguard Hire (per hour)				\$40.00
Commercial Room Hire				
Program Room Single	C	10	\$36.00	\$36.50
Program Room Double	C	10	\$54.00	\$55.00
Meeting Room	C	10	\$36.00	\$36.50
Community Room Hire				
Program Room Single	C	10	\$25.00	\$25.60
Program Room Double	C	10	\$37.00	\$38.50
Meeting Room	C	10	\$25.00	\$25.60
Stadium Hire				
All day hire	C	10	\$515.00	\$516.00
Off Peak court hire/hr	C	10	\$36.60	\$36.80
Peak court hire/hr	C	10	\$43.00	\$43.00
Apollo Bay Leisure Centre Charges				
Pool or spa or steam room or stadium				
Adult	C	10	\$5.80	\$6.00
Concession	C	10	\$5.00	\$5.10
Child	C	10	\$4.20	\$4.30
Family	C	10	\$18.30	\$18.90
Season Pass Adult	C	10	\$165.00	\$170.00
Season Pass Concession	C	10	\$123.00	\$128.00
Season Pass Family	C	10	\$265.00	\$275.00
Stadium Casual Entry	C	10	\$5.00	\$5.10
Stadium Hire	C	10	\$36.60	\$36.80
COPACC				
Auditorium 1 - 4 Hour Minimum Hire				
Commercial Hire				
4 Hour Hire	C	10	\$950.00	\$980.00
8 Hour Hire	C	10	\$1,400.00	\$1,450.00
Additional Hour	C	10	\$125.00	\$130.00
Hourly penalty	C	10	\$200.00	\$200.00
Community Groups, Schools & Council From Colac Otway				
4 Hour Hire	C	10	\$705.00	\$725.00
8 Hour Hire	C	10	\$1,050.00	\$1,080.00
Additional Hour	C	10	\$100.00	\$105.00
Hourly penalty	C	10	\$150.00	\$150.00
Catering				
Catering				
Tablecloth Hire - Per tablecloth	C	10	\$13.00	Fee withdrawn
Tablecloth Hire - COPACC Black - per cloth	C	10	\$0.00	\$10.00
Tea & Coffee Deluxe - per head	C	10	\$3.50	Fee withdrawn
Tea & Coffee Standard - per head	C	10	\$3.00	Fee withdrawn
Tea, Coffee & Mints - All Day - per head	C	10	-	\$3.25
Juice - Apple/Orange per bottle	C	10	\$7.50	Fee withdrawn
Juice - Apple/Orange per Jug	C	10	-	\$6.00

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Cinema/Box Office Charges				
Commercial Hire				
Credit Card Charges on sales	C	10	4%	4%
Ticketing – per ticket	C	10	\$2.75	\$2.75
Community Groups, Schools & Council From Colac Otway				
Credit Card Charges on sales	C	10	4%	4%
Ticketing – per ticket	C	10	\$1.38	\$1.38
Civic Hall				
Commercial Hire				
4 Hour Hire	C	10	\$470.00	\$470.00
8 Hour Hire	C	10	\$725.00	\$725.00
Additional Hour	C	10	\$85.00	\$85.00
Community From Colac Otway				
4 Hour Hire	C	10	\$395.00	\$395.00
8 Hour Hire	C	10	\$620.00	\$620.00
Additional Hour	C	10	\$75.00	\$75.00
Equipment Hire				
Equipment Hire				
Data projector/AV System - Large	C	10	\$80.00	\$82.00
Data projector/AV System - Small	C	10	\$25.00	\$26.00
Haze Machine - Daily	C	10	\$30.00	\$40.00
Haze Machine - Weekly	C	10	\$80.00	\$100.00
Mirror Ball	C	10	\$75.00	\$77.00
PA System - Advanced	C	10	\$250.00	\$250.00
PA System - Basic	C	10	\$100.00	\$100.00
PA System - Meeting Room (Fixed)	C	10	-	\$25.00
Portable Stage - Flat Stage	C	10	\$200.00	\$200.00
Portable Stage - Large Tiered Seating	C	10	\$1,200.00	\$1,200.00
Portable Stage - Small Tiered Seating	C	10	\$800.00	\$800.00
Wireless Microphone - per additional day	C	10	\$25.00	\$25.00
Wireless Microphone - per day	C	10	\$50.00	\$50.00
Green Room				
Commercial Hire				
After hours & weekends	C	10	\$65.00	\$67.00
Between 8:30am & 5pm weekdays	C	10	\$40.00	\$41.00
Community From Colac Otway				
After hours & weekends	C	10	\$57.00	\$59.00
Between 8:30am & 5pm weekdays	C	10	\$27.00	\$28.00
Kitchen Hourly Rate				
Commercial Hire				
After hours & weekends	C	10	\$65.00	\$67.00
Between 8:30am & 5pm weekdays	C	10	\$50.00	\$52.00
Community From Colac Otway				
After hours & weekends	C	10	\$57.00	\$59.00
Between 8:30am & 5pm weekdays	C	10	\$27.00	\$28.00
Labour Charges				
Hourly Rate				
Event staff - First 8 Hours	C	10	\$60 per hr	\$62 per hr
Event staff - Additional Hour	C	10	\$80 per hr	\$83 per hr
Technical staff - First 8 Hours	C	10	\$60 per hr	\$62 per hr
Technical staff - Additional Hour	C	10	\$80 per hr	\$83 per hr

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Meeting Room/s Hourly Rate				
Commercial Hire				
Double Room (After hours & weekends)	C	10	\$85.00	\$88.00
Double Room (Between 8:30am & 5pm weekdays)	C	10	\$65.00	\$67.00
Single Room (After hours & weekends)	C	10	\$65.00	\$67.00
Single Room (Between 8:30am & 5pm weekdays)	C	10	\$40.00	\$46.00
Community From Colac Otway				
Double Room (After hours & weekends)	C	10	\$75.00	\$78.00
Double Room (Between 8:30am & 5pm weekdays)	C	10	\$55.00	\$57.00
Single Room (After hours & weekends)	C	10	\$55.00	\$57.00
Single Room (Between 8:30 & 5pm weekdays)	C	10	\$35.00	\$36.00
Other Charges				
Commercial Hire				
Admin Fee	C	10	\$160.00	\$165.00
Grand Piano	C	10	\$100.00	\$100.00
Major Cleaning	C	10	\$200.00	\$210.00
Minor Cleaning	C	10	\$150.00	\$155.00
Piano Tuning	C	10	\$260.00	\$260.00
Community Groups, Schools & Council From Colac Otway				
Admin Fee	C	10	\$160.00	\$165.00
Grand Piano	C	10	Free	Free
Major Cleaning	C	10	\$200.00	\$210.00
Minor Cleaning	C	10	\$150.00	\$155.00
Piano Tuning	C	10	\$260.00	\$260.00
Public Gallery Exhibition & Display Hire Charges				
Exhibition				
Exhibition	C	10	10% Commission	10% Commission
Public Gallery Hourly Rate For Meeting & Convention				
Commercial Hire				
After hours & weekends	C	10	\$65.00	\$67.00
Between 8:30 & 5pm weekdays	C	10	\$40.00	\$46.00
Community From Colac Otway				
After hours & weekends	C	10	\$55.00	\$57.00
Between 8:30 & 5pm weekdays	C	10	\$35.00	\$36.00
Rehearsal Room Hourly Rate				
Commercial Hire				
After hours & weekends	C	10	\$65.00	\$67.00
Between 8:30 & 5pm weekdays	C	10	\$40.00	\$46.00
Community From Colac Otway				
After hours & weekends	C	10	\$55.00	\$57.00
Between 8:30 & 5pm weekdays	C	10	\$35.00	\$36.00
Roll Over (pre event set up)				
Commercial Hire				
All Day Prior	C	10	\$160.00	\$165.00
Evening Prior	C	10	\$100.00	\$105.00
Community From Colac Otway				
All Day Prior	C	10	\$130.00	\$135.00
Evening Prior	C	10	\$75.00	\$80.00

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Other Services				
Community Bus Hire per km				
Community Bus Hire per km	C	10	\$1.00	\$1.05
Council Properties (per annum)				
Apollo Bay Newsheet				
Apollo Bay Newsheet	C	10	\$818.00	\$850.72
Bartlett St Kindergarten (Wydinia)				
Bartlett St Kindergarten (Wydinia)	C	10	\$1.00	\$1.00
Freedom of Information (per application)				
Freedom of Information (per application)	S	0	\$27.20	\$27.90
			Subject to Statutory Change	
Land Information Certificate				
Land Information Certificate	S	0	\$20.00	\$24.80
			Subject to Statutory Change	
Payment Dishonour Fee (All Other)				
Admin Fee				
Admin Fee	C	10	\$25.00	\$25.00
Payment Dishonour Fee (Direct Debit)				
Admin Fee				
Admin Fee	C	10	\$10.00	\$10.00
Printing and Photocopying				
A3 sheet				
A3 sheet	C	10	\$0.90	\$0.40
A4 sheet				
A4 sheet	C	10	\$0.50	\$0.20
Coloured copy – A3 sheet				
Coloured copy – A3 sheet	C	10	\$1.80	\$2.00
Coloured copy – A4 sheet				
Coloured copy – A4 sheet	C	10	\$1.00	\$1.00
Replacement Rate Notice				
Replacement Rate Notice	C	0	\$25.00	\$25.00
Record Search Fee				
Discovery Fee - Per Hour				
Discovery Fee - Per Hour	C	10	\$50.00	\$50.00
Annual Report				
Hard Copy of Annual Report				
	C	10	\$0.00	\$20.00
OPASS & Community Services				
Family Day Care Administration Levy				
Carers Levy				
Carers Levy	C	0	\$11.05/week	\$11.40
Per family per week				
Per family per week	C	0	\$0.35 hour/child	\$0.45 hour/child
Family Day Care Charges				
8am to 6pm Monday to Friday				
(per hour per child)	C	0	\$7.20 to \$7.65	\$7.40 to \$7.90
Before 8 am and after 6 pm				
Mon – Fri (per hour per child)	C	0	\$8.20 to \$8.65	\$8.45 to \$8.90
Meals (per meal)				

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Breakfast	C	0	\$3.50	\$3.60
Evening Meal	C	0	\$6.00	\$6.20
Lunch	C	0	\$4.50	\$4.65
Snack	C	0	\$1.55	\$1.60
Saturday, Sunday and Public Holidays (per hour per child)				
Saturday, Sunday and Public Holidays (per hour per child)	C	0	\$8.20 to \$8.65	\$8.45 to \$8.90
Trips				
Trips	C	0	\$4.65	\$4.80
OPASS				
Domestic Assistance (per hr)				
Domestic Assistance	C	0	\$4.00 to \$32.00	\$4.50 to \$45.00
Overnight Respite (per night)				
Respite Care	C	0	\$35.50	\$36.00
Personal Care (per hr)				
Personal Care	C	0	\$4.00 to \$36.00	\$4.50 to \$45.00
Property Maintenance (per hr plus cost of materials)				
Property Maintenance (per hr plus cost of materials)	C	0	\$11.70 to \$46.50	\$12.10 to \$48.10
Respite Care (per hr)				
Respite Care	C	0	\$4.00 to \$32.00	\$4.50 to \$45.00
Veterans Home Care (1st hr)				
No further fee	S	0	\$5.50	\$5.50
Community Transport				
Birregurra/Forrest/Beeac/Warrion				
One way	C	0	\$8.00	\$8.00
Return	C	0	\$16.00	\$16.00
Colac				
Return	C	0	\$9.00	\$9.00
Colac Otway Shire - Apollo Bay, Lavers Hill				
Return	C	0	\$30.00	\$30.00
Colac to Geelong or Ballarat				
One way	C	0	\$15.00 (two or more passengers) - \$20.00 (one passenger)	\$15.00 (two or more passengers) - \$20.00 (one passenger)
Return	C	0	\$30.00	\$30.00
Colac to Melbourne				
Return	C	0	\$55.00	\$55.00
Colac to Warrnambool				
Return	C	0	\$35.00	\$35.00
Community Bus Transport for Group Activities				
Community Bus Transport for Group Activities	C	0	\$5.60	\$5.60
Full Cost Service				
Full Cost Service	C	0	\$1.00 per km + 10% admin	\$1.00 per km + 10% admin
Out & About Day Out Trips				
Out & About Day Out Trips	C	0	\$30.00	\$30.00
Contracted Services				
Case Management (per hr)				
Assessments, reassessments, reviews, set up arrangements.	C	10	\$90.00	\$90.00
Contracted Services				
Rate/Kilometre	C	10	\$1.15	\$1.15
Food Services (per meal)				
Meal	C	10	\$22.50	\$22.50
Domestic Assistance (per hr)				
7:30am to 7:30pm Sat./Sun./Public Holiday	C	10	\$78.00	\$85.00
7:30am to 7:30pm Mon. to Fri.	C	10	\$45.00	\$46.00

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Personal Care (per hr)				
7:30am to 7:30pm Sat./Sun./Public Holiday	C	10	\$82.00	\$85.00
7:30am to 7:30pm Mon. to Fri.	C	10	\$45.50	\$47.00
7:30pm to 7:30am Mon. to Fri.	C	10	\$63.50	\$85.00
Property Maintenance (per hr plus cost of materials)				
7:30am to 7:30pm Sat./Sun./Public Holiday	C	10	\$93.00	\$95.00
7:30am to 7:30pm Mon. to Fri.	C	10	\$51.00	\$52.60
7:30pm to 7:30am Mon. to Fri.	C	10	\$72.00	\$95.00
Respite Care (per hr)				
7:30am to 7:30pm Sat./Sun./Public Holiday	C	10	\$82.00	\$85.00
7:30am to 7:30pm Mon. to Fri.	C	10	\$45.50	\$47.00
7:30pm to 7:30am Mon. to Fri.	C	10	\$63.50	\$85.00
Delivered Meals				
All meals (per meal)				
All meals (per meal)	C	0	\$9.65 to \$20.00	\$10.00 to \$22.00
Delivered meals (per meal)				
Delivered meals (per meal)	C	0	\$9.65 to \$20.00	\$10.00 to \$22.00
Public Health				
Health Protection Administration (Registration Fees)				
Additional Staff above 5 who work over 20 hours/week				
New and renewal	C	10	\$10.50	\$10.80
Additional Staff above 5 who work under 20 hours/week				
New and renewal	C	10	\$5.50	\$5.65
CLASS 1 Food Premises				
New	C	10	\$557.00	\$572.35
Renewal	C	10	\$430.00	\$441.85
CLASS 2 Food Provider				
New	C	10	N/A	Fee withdrawn
Renewal	C	10	N/A	Fee withdrawn
CLASS 2 Major Food Premises				
New	C	10	\$465.00	\$477.80
Renewal	C	10	\$320.00	\$328.80
CLASS 2 Minor Food Premises				
New	C	10	\$275.00	\$282.60
Renewal	C	10	\$190.00	\$195.25
CLASS 3 Fruit and Vegetables				
New	C	10	\$275.00	Fee withdrawn
Renewal	C	10	\$170.00	Fee withdrawn
CLASS 3 Major Food Premises				
New	C	10	\$275.00	\$282.60
Renewal	C	10	\$157.00	\$161.35
CLASS 3 Major Mobile Food Vehicles				
New	C	10	\$275.00	Fee withdrawn
Renewal	C	10	\$180.00	Fee withdrawn
CLASS 3 Minor Food Premises				
New	C	10	\$200.00	\$205.50
Renewal	C	10	\$105.00	\$107.90
Additional Mobile Food Vehicle				
Class 2	C	10	\$0.00	\$120.00
Class 3	C	10	\$0.00	\$65.00
Additional Temporary Food Registration				
Class 2	C	10	\$0.00	\$120.00
Class 3	C	10	\$0.00	\$65.00
Additional Inspection				

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Additional Inspection	C	10	\$0.00	\$133.60
Personal Appearance Services				
Beauty Therapies				
New premises design fee	C	10	\$140.00 + Pro-rata registration fee	133.60 +pro rata registration
Registration/renewal	C	10	\$145.00	\$149.00
Hairdressers				
New premises design fee	C	10	\$130.00 + Pro-rata registration fee	\$180.00
Registration/renewal	C	10	\$133.50	\$0.00
Skin Penetration				
Skin Penetration (acupuncture, ear piercing)				
New premises design fee	C	10	\$130.00 + Pro-rata registration fee	133.60 +pro rata registration
Registration/renewal	C	10	\$133.50	\$137.17
Skin Penetration (Tattooists, body piercing)				
New premises design fee	C	10	\$0.00	133.60 +pro rata registration
Registration/renewal	C	10	\$0.00	\$190.00
Miscellaneous				
Conveyance Enquiries				
Conveyance Enquiries	C	10	\$130.00	\$133.60
Street Traders				
Administration Assistance	C	10	\$0.00	\$40.00
Water Sampling				
Water samples	C	10	\$0.00	\$140 + sample cost
Immunisation				
Immunisation	C	10	\$21.50	\$22.10
Late Renewal Penalty Fee per Month				
Late Renewal Penalty Fee per Month	C	10	\$130.00	\$133.60
Replacement Certificate				
Replacement Certificate	C	10	\$46.50	\$47.80
Transfer of Registration				
Transfer of Registration	C	10	50% of renewal fee	50% of renewal fee
Express Service				
Express Service (within 5 days)	C	10	0	\$140.00
Professional Service				
Professional Service	C	10	0	\$133.60
Additional hour	C	10	0	\$40
Prescribed Accommodation				
up to 6 persons				
New premises design fee	C	10	0	133.60 +pro rata registration
Registration/renewal	C	10	0	\$160.00
6 to 10 persons				
New premises design fee	C	10	\$130.00 + Pro-rata registration fee	133.60 +pro rata registration
Registration/renewal	C	10	\$186.00	\$191.12
11 to 20 persons				
New premises design fee	C	10	\$130.00 + Pro-rata registration fee	133.60 +pro rata registration
Registration/renewal	C	10	\$226.00	\$232.22
20+ persons				
New premises design fee	C	10	\$130.00 + Pro-rata registration fee	133.60 +pro rata registration
Registration/renewal	C	10	\$278.00	\$285.65
Caravan Parks per site				
Caravan Parks per site	S	0	\$2.50	\$2.50
Combo Food Premises/Accommodation				
New premises design fee	C	10	\$130.00 + Pro-rata registration fee	Fee withdrawn

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Registration/renewal	C	10	\$163.00	Fee withdrawn
Public Health - Septic Tanks				
Additional inspections				
Additional inspections	C	10	\$130.00	\$133.60
Septic tank alterations				
Septic tank alterations	C	10	\$250.00	\$256.88
Septic tank systems – aerated wastewater treatment				
Septic tank systems – aerated wastewater treatment	C	10	\$500.00	\$513.75
Septic tanks – trench, sand filter systems				
Septic tanks – trench, sand filter systems	C	10	\$500.00	\$513.75

Recreations, Arts & Culture

Recreation Reserve Maintenance				
Central Reserve (per annum)				
Colac Cricket Association	C	10		
Colac Football Club	C	10		
Colac Little Athletics	C	10		
Youth & Recreation Centre	C	10		
Cricket Ground (per annum)				
Colac Cricket Association	C	10		
Colac Umpires Association	C	10		
Eastern Reserve (per annum)				
Colac Baseball League	C	10		
Colac Cricket Club	C	10		
Colac Netball Association	C	10		
Elliminyt Recreation Reserve (per annum)				
Elliminyt Tennis Club	C	10		
South Colac Sports Club	C	10		
Western Reserve (per annum)				
Colac Cricket Association	C	10		
Imperials Football Club	C	10		

“Fees and charges to be determined based on the formula specified in Council’s Recreation Reserves Fees & Charges Policy.

“Fees and charges to be determined based on the formula specified in Council’s Recreation Reserves Fees & Charges Policy.

Waste Management

Waste Management Additional Service Charge/Bin				
240 litre garbage additional service charge/bin				
240 litre garbage additional service charge/bin	C	10	\$260.00	\$266.00
240 litre organic additional service charge/bin				
240 litre organic additional service charge/bin	C	10	\$125.00	\$128.00
240 litre recycle additional service charge/bin				
240 litre recycle additional service charge/bin	C	10	\$75.00	\$77.00
Upgrade to 240litre Garbage Bin				
Upgrade to 240litre Garbage Bin	C	10	\$200.00	\$205.00
All waste retrieval sites				
Car bodies				
Car bodies	C	10	\$65.00	\$67.00
Chemical drums				
Chemical drums	C	10	\$1.00 each	\$1.10 each
Commercial fully co-mingled recyclables				
Commercial fully co-mingled recyclables	C	10	\$14.00 per m3	\$14.25 per m3
Inert waste only (municipal)	C	10	Deleted	
Mattresses each				
Mattresses each	C	10	\$20.00	\$22.00

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Putrescibles (inc. mixed rubbish)				
Putrescibles (inc. mixed rubbish)	C	10	\$58 per m3,120 litre garbage bin or less \$11,120 litre - 240 litre garbage bin \$17, or \$260 per tonne	\$60 per m3,120 litre garbage bin or less \$11,120 litre - 240 litre garbage bin \$17, or \$280 per tonne
Steel scrap				
Steel scrap	C	10	\$11 per m3 or \$41 per tonne	\$11 per m3 or \$41 per tonne
Tree pruning's				
Tree pruning's	C	10	\$35 per m3 \$132 per tonne	\$38 per m3 \$132 per tonne
TV & Monitors				
TV & Monitors	C	10	\$10.00	\$10.00
Tyres				
Car	C	10	\$6.60	\$7.50
Car on rim	C	10	\$13.00	\$14.00
Commercial batteries each (more than 2)	C	10	\$6.00	\$6.10
Light truck	C	10	\$13.50	\$16.00
Tractor 1-2m	C	10	\$210.00	\$210.00
Tractor up to 1m	C	10	\$96.00	\$100.00
Truck	C	10	\$37.50	\$45.00
Waste disposal tickets				
10 tickets(up to 240lt bin)	C	10	\$66.00	\$68.00
25 tickets (up to 240lt bin)	C	10	\$142.00	\$146.00
Kerbside Bin Fees				
120 litre garbage (bin only)				
120 litre garbage (bin only)	C	10	\$72.00	\$74.00
120 litre organic (bin only)				
120 litre organic (bin only)	C	10	\$72.00	\$74.00
120 litre recycle (bin only)				
120 litre recycle (bin only)	C	10	\$72.00	\$74.00
240 litre garbage (bin only)				
240 litre garbage (bin only)	C	10	\$77.00	\$79.00
240 litre organic (bin only)				
240 litre organic (bin only)	C	10	\$77.00	\$79.00
240 litre recycle (bin only)				
240 litre recycle (bin only)	C	10	\$77.00	\$79.00
Bin change over fee (all bins)				
Bin change over fee (all bins)	C	10	\$30.00	\$31.00
Lost or stolen bins – 120/240 litre				
Lost or stolen bins – 120/240 litre	C	10	\$53.00	\$54.00
Aerodrome Landing Fees				
Apollo Bay (per landing)				
Apollo Bay (per landing)	C	10	\$10.00	\$10.50
Colac (per landing)				
Colac (per landing)	C	10	\$10.00	\$10.50
Port of Apollo Bay				
Fixed mooring (annual)				
Fixed mooring (annual)	C	10	\$1,806.00	\$1,860.00
Itinerant Berth (daily) based on vessel length				
more than 10m but less than 15m	C	10	\$25.00	\$26.00
more than 15m but less than 20m	C	10	\$30.00	\$31.00
more than 20m but less than 25m	C	10	\$37.00	\$38.00
more than 25m but less than 30m	C	10	\$60.00	\$62.00
more than 30m	C	10	\$120.00	\$124.00
Marina keys (per key)				

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Marina keys (per key) (including replacement)	C	10	\$25.00	\$26.00
Swing mooring (annual)				
Swing mooring (annual)	C	10	\$120.00	\$123.50
Swing mooring establishment				
Swing mooring establishment	C	10	\$193.00	\$199.00
Other Harbour Fees - based on Vessel Length				
Slipping Fee	Vessel Length			
10	C	10	\$179.00	\$184.50
10.2	C	10	\$186.00	\$191.50
10.4	C	10	\$193.00	\$199.00
10.6	C	10	\$201.00	\$207.00
10.8	C	10	\$208.00	\$214.00
11	C	10	\$209.00	\$215.00
11.2	C	10	\$222.00	\$228.50
11.4	C	10	\$229.00	\$236.00
11.6	C	10	\$237.00	\$244.00
11.8	C	10	\$243.00	\$250.00
12	C	10	\$252.00	\$259.50
12.2	C	10	\$258.00	\$266.00
12.4	C	10	\$266.00	\$274.00
12.6	C	10	\$272.00	\$280.00
12.8	C	10	\$280.00	\$288.50
13	C	10	\$287.00	\$295.50
13.2	C	10	\$294.00	\$303.00
13.4	C	10	\$301.00	\$310.00
13.6	C	10	\$307.00	\$316.00
13.8	C	10	\$316.00	\$325.50
14	C	10	\$322.00	\$331.50
14.2	C	10	\$332.00	\$342.00
14.4	C	10	\$343.00	\$353.00
14.6	C	10	\$352.00	\$363.00
14.8	C	10	\$362.00	\$373.00
15	C	10	\$373.00	\$384.00
15.2	C	10	\$382.00	\$393.50
15.4	C	10	\$391.00	\$403.00
15.6	C	10	\$401.00	\$413.00
15.8	C	10	\$411.00	\$423.50
16	C	10	\$421.00	\$433.50
16.2	C	10	\$431.00	\$444.00
16.4	C	10	\$441.00	\$454.00
16.6	C	10	\$451.00	\$464.50
16.8	C	10	\$460.00	\$474.00
17	C	10	\$470.00	\$484.00
17.2	C	10	\$480.00	\$494.50
17.4	C	10	\$490.00	\$505.00
17.6	C	10	\$500.00	\$515.00
17.8	C	10	\$510.00	\$525.50
18	C	10	\$520.00	\$535.50
18.2	C	10	\$532.00	\$548.00
18.4	C	10	\$544.00	\$560.00
18.6	C	10	\$558.00	\$575.00
18.8	C	10	\$570.00	\$587.00
19	C	10	\$582.00	\$599.50
19.2	C	10	\$595.00	\$613.00
19.4	C	10	\$607.00	\$625.00
19.6	C	10	\$620.00	\$638.50
19.8	C	10	\$632.00	\$651.00
20	C	10	\$645.00	\$664.50

		<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Storage Fee (Per Day)	Vessel Length				
	10	C	10	\$45.00	\$46.50
	10.2	C	10	\$49.00	\$50.50
	10.4	C	10	\$52.00	\$53.50
	10.6	C	10	\$56.00	\$58.00
	10.8	C	10	\$60.00	\$62.00
	11	C	10	\$64.00	\$66.00
	11.2	C	10	\$68.00	\$70.00
	11.4	C	10	\$72.00	\$74.00
	11.6	C	10	\$75.00	\$77.00
	11.8	C	10	\$79.00	\$81.50
	12	C	10	\$82.00	\$84.50
	12.2	C	10	\$87.00	\$90.00
	12.4	C	10	\$90.00	\$93.00
	12.6	C	10	\$93.00	\$96.00
	12.8	C	10	\$99.00	\$102.00
	13	C	10	\$102.00	\$105.00
	13.2	C	10	\$105.00	\$108.00
	13.4	C	10	\$109.00	\$112.50
	13.6	C	10	\$112.00	\$115.50
	13.8	C	10	\$117.00	\$120.50
	14	C	10	\$120.00	\$123.50
	14.2	C	10	\$123.00	\$126.50
	14.4	C	10	\$128.00	\$132.00
	14.6	C	10	\$132.00	\$136.00
	14.8	C	10	\$136.00	\$140.00
	15	C	10	\$139.00	\$143.00
	15.2	C	10	\$142.00	\$146.00
	15.4	C	10	\$147.00	\$151.50
	15.6	C	10	\$150.00	\$154.50
	15.8	C	10	\$154.00	\$158.50
	16	C	10	\$158.00	\$163.00
	16.2	C	10	\$162.00	\$167.00
	16.4	C	10	\$166.00	\$171.00
	16.6	C	10	\$170.00	\$175.00
	16.8	C	10	\$173.00	\$178.00
	17	C	10	\$177.00	\$182.50
	17.2	C	10	\$180.00	\$185.50
	17.4	C	10	\$184.00	\$189.50
	17.6	C	10	\$188.00	\$193.50
	17.8	C	10	\$192.00	\$198.00
	18	C	10	\$196.00	\$202.00
	18.2	C	10	\$199.00	\$205.00
	18.4	C	10	\$203.00	\$209.00
	18.6	C	10	\$207.00	\$213.00
	18.8	C	10	\$210.00	\$216.50
	19	C	10	\$214.00	\$220.50
	19.2	C	10	\$218.00	\$224.50
	19.4	C	10	\$223.00	\$230.00
	19.6	C	10	\$226.00	\$233.00
	19.8	C	10	\$229.00	\$236.00
	20	C	10	\$233.00	\$240.00

Asset Management

Asset Protection Permit Fee					
Asset Protection Permit Fee	C	0	\$140.00	\$140.00	
Checking of Engineering Plans					
Checking of Engineering Plans	S	0	0.75%	0.75%	
Design Fee					

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
In house	C	0	10%	10%
Other	C	0	At cost + 20%	At cost + 20%
Fee for Legal Point of Discharge Report (as per Section 312(3) Building Regulations 2006)				
Fee for Legal Point of Discharge Report (as per Section 312(3) Building Regulations 2006)	S	0	\$62.56	\$62.56
Special Charge Scheme				
Contract administration	C	0	2.50%	2.50%
Scheme administration	C	0	3.0%	3.0%
Supervision of Sub-division Works				
(% of estimated cost of constructing works proposed)	S	0	2.50%	2.50%
Local Road (speed at any time is greater than 50kph)				
Minor Works				
Conducted on any part of the roadway, shoulder or pathway (11.5 units)	S	0	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year
Not conducted on any part of the roadway, shoulder or pathway (5 units)	S	0	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year
Works on Roads (works other than minor works)				
Conducted on any part of the roadway, shoulder or pathway (25 units)	S	0	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year
Not conducted on any part of the roadway, shoulder or pathway (25 units)	S	0	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year
Local Road (speed at any time is not more than 50kph)				
Minor Works				
Conducted on any part of the roadway, shoulder or pathway (11.5 units)	S	0	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year
Not conducted on any part of the roadway, shoulder or pathway (5 units)	S	0	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Works on Roads (works other than minor works)				
Conducted on any part of the roadway, shoulder or pathway (20 units)	S	0	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year
Not conducted on any part of the roadway, should or pathway (5 units)	S	0	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year	Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year

Colac Livestock Selling Centre

Agents special sale				
Agents special sale	C	10	\$190.60	\$200.00
Agents weekly fee				
Agents weekly fee	C	10	\$190.60	\$200.00
All horses				
All horses	C	10	\$17.60	\$17.60
All other cattle				
All other cattle	C	10	\$13.50	\$13.50
Annual licence and rental				
Annual licence and rental	C	10	\$2,377.60	\$2,377.60
Bobby calves				
Bobby calves	C	10	\$5.90	\$5.90
Bulls flat rate				
Bulls flat rate	C	10	\$18.60	\$18.60
Cows and calves weigh fee				
>5 animals	C	10	\$3.50	\$3.50
1 animal	C	10	\$4.80	\$4.80
2-4 animals	C	10	\$4.10	\$4.10
Dairy cattle				
Dairy cattle	C	10	\$13.50	\$13.50
Pigs				
Pigs	C	10	\$3.50	\$3.50
Private weigh				
Private weigh	C	10	\$5.90	\$5.90
Sheep and lambs				
Sheep and lambs	C	10	\$1.10	\$1.10
Stud cattle				
Stud cattle	C	10	\$18.60	\$18.60
Weighed cattle				
Weighed cattle	C	10	\$13.50	\$13.50

Economic Development

Colac & Great Ocean Road Visitor Information Centres				
Internet & Printing Charges				
Per ¼ hour	C	10	\$2.50	\$0.00
Per hour	C	10	\$9.00	\$0.00
Printing	C	10	\$0.20	\$0.20
Guide Services				
Bus Tour	C	10	\$50.00	\$50.00

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Environment & Community Safety				
Animal Control - Effective from 10 April 2015				
Registration				
All other (refer Sch. 2 of Domestic Animal Act 1994)	C	0	\$38.00	\$38.00
Cat registration – full	C	0	\$105.00	\$105.00
Cat registration – micro chipped and de-sexed	C	0	\$17.00	\$18.00
Cat registration – micro chipped only (reduced fee for micro chipping only applies to cats registered prior to 2014)	C	0	\$33.00	\$33.00
Dog registration – full	C	0	\$114.00	\$115.00
Dog registration – micro chipped and de-sexed	C	0	\$22.00	\$24.00
Dog registration – micro chipped only (reduced fee for micro chipped only applies to dogs registered prior to 2014)	C	0	\$37.00	\$37.00
Pensioner discount	C	0	50%	50%
Working farm dog	C	0	\$22.00	\$24.00
Declared Dangerous & Menacing Dogs			\$110.00	\$115.00
Pet Shop - Breeding/Boarding Facility Audit Fee			\$150.00	\$160.00
Pound Release Fees				
All other	C	0	\$30 plus \$10 per head per day	\$30 plus \$10 per head per day
Cats	C	0	\$40.00 plus \$5.00 per day	\$40.00 plus \$5.00 per day
Cattle/horses	C	0	\$80.00 plus \$15.00 per day	\$80.00 plus \$15.00 per day
Dogs	C	0	\$60.00 plus \$15.00 per day	\$60.00 plus \$15.00 per day
Sheep/pigs	C	0	\$41 plus \$10.00 per head per day	\$41 plus \$10.00 per head per day
Events				
Charitable organisations				
Charitable organisations	C	0	\$70	\$75
Other				
Other	C	0	\$160 per event	\$170.00 per event
Wedding on Council controlled/managed land	C	0	\$70	\$75.00
Fire Prevention				
Administrative fee block slashing (plus cost of slashing)				
Administrative fee block slashing (plus cost of slashing)	C	10	\$167.00	\$170.00
Local Law Infringement fee – burning of offensive material (2 penalty units)				
Infringement fee – burning of offensive material (2 penalty units)	S	0	\$207.00	\$200.00
Statutory Penalty fee – Failing to comply with fire prevention notice (10 penalty units)				
Infringement fee – failing to comply with fire prevention notice (2 penalty units)	S	0	\$1,508.28	\$1,517.00
Standpipe water fee – per kilolitre				
Standpipe water fee – per kilolitre	C	10	\$4.40	\$4.50
Local Laws				
Local Law No 1				
Alcohol permit	C	0	\$115.00	\$120.00
Local Law No 2				
- Signs (A frame) -Other	C	0	\$114.00	\$120.00
Alcohol infringement fee (2 penalty unit)	S	0	\$200.00	\$200.00
Goods for sale	C	0	\$55.00 per m2	\$60.00 per m2
-Signs (A frame) -Charitable	C	0	\$57.00	\$60.00
Street party/festival	C	0	\$135.00 per event	\$170.00
Tables and chairs	C	0	\$110 for 1st table and 4 chairs - then \$25 per seat thereafter	\$115 for 1st table and 4 chairs - then \$30 per seat thereafter
Using Council land	C	0	\$50 plus \$25 per week	\$50 permit/admin fee plus \$25.00 per week

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Vegetation	C	0	\$72.00	\$75.00
Other				
Abandoned or derelict vehicles				
Abandoned or derelict vehicles	C	0	\$230 plus transport & storage	\$250.00 + transport & storage
All other permits				
All other permits	C	0	\$83.00	\$85.00
Camping				
Camping	C	0	\$62 per week or \$11 per day	\$65.00 p/week or \$12.00 p/day
Circus				
Circus	C	0	\$130.00	\$140.00
Impoundment Fee				
Impoundment Fee	C	0	\$130.00	\$150.00
Public protection (hording permit)				
Public protection (hording permit)	C	0	\$25 application fee plus \$6 per m2	\$30 Application Fee plus \$10 per m2
Sport Event				
Sport Event	C	0	\$65.00	\$70.00
Parking				
All day parking permit (Payable in 6 monthly blocks - Johnstone's Car park only)				
All day parking permit	C	0	\$16 per week	\$20.00 per week
Building site on street				
Parking space charge/permit	C	0	\$36 per pay per week or part thereof	\$40.00 per bay per week or part thereof.
Car parking fines				
Car parking fines	C	0	\$74.00	\$75.00
Car parking fines (Statutory Fee)	S	0		\$151.00
Disabled parking				
Disabled Persons Permit Issue Fee	C	0	\$10.00	\$10.00
Permit replacement fee	C	0	\$5.00	\$5.00
Planning & Building				
Bonds				
Bond for Demolition or Removal of Building (Reg. 323)				
Bond for Demolition or Removal of Building (Reg. 323)	S	0	\$100 per 1sqm of floor area or cost of works, whichever is the lesser	\$100 per 1sqm of floor area or cost of works, whichever is the lesser
Bond for Re-erection of Building (Reg. 323)				
Bond for Re-erection of Building (Reg. 323)	S	0	\$5,000 or the cost of works, whichever is the lesser	\$5,000 or the cost of works, whichever is the lesser
Building Control Charges				
Application for Place of Public Entertainment (PoPE) Permit or Temporary Structure				
Application for Place of Public Entertainment (PoPE) Permit	C	10	\$570 plus \$30 per year for multiple year permits	\$590 plus \$30 per year for multiple year permits
Application for Temporary Structure Siting Permit	C	10	\$455 plus \$30 per year for multiple year permits	\$470 plus \$30 per year for multiple year permits
Application for Place of Public Entertainment (PoPE) Permit & Temporary Structure Siting Permit	C	10	\$797 plus \$30 per year for multiple year permits	\$820 plus \$30 per year for multiple year permits
Application for Place of Public Entertainment Permit or Temporary Structure Siting Permit Priority Fee (in addition to application fee)	C	10	\$228.00	\$235.00

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Information charges				
Building plans, plan search	C	10	\$76.00	\$80.00
Building plans/plan search (archival search)	C	10	\$182.00	\$190.00
Property Information Certificate				
Property information Application	S	0	\$49.91	\$49.91
Lodgement fees				
Class 1 & 10	S	0	\$37.40	\$37.40
Building Enforcement				
Building Enforcement				
Administration of Building Notice	C	10	\$910.00	\$940.00
Administration of Building Order	C	10	\$570.00	\$590.00
Building Permit Amendments				
Permit Amendments				
Permit Amendments	C	10	\$182.00	\$188.00
Extensions of Time	C	10	\$182.00	\$188.00
Building Permit Application Fee				
All other classes of Occupancy 2-9 inclusive (construction and/or demolition)				
Does not exceed \$5,000*	C	10	\$430.00	\$445.00
Does not exceed \$10,000*	C	10	\$590.00	\$610.00
Does not exceed \$20,000*	C	10	\$910.00	\$940.00
Does not exceed \$50,000*	C	10	\$1,287.00	\$1,330.00
Does not exceed \$100,000*	C	10	\$2,036.00	\$2,105.00
Does not exceed \$200,000*	C	10	\$2,841.00	\$2,935.00
Does not exceed \$500,000*	C	10	\$4,503.00	\$4,650.00
Does not exceed \$600,000	C	10	0.62%	0.62%
Does not exceed \$700,000	C	10	0.62%	0.62%
Does not exceed \$800,000	C	10	0.62%	0.62%
Does not exceed \$900,000	C	10	0.62%	0.62%
Does not exceed \$1,000,000	C	10	0.57%	0.57%
Does not exceed \$1,500,000	C	10	0.52%	0.52%
Does not exceed \$2,000,000	C	10	0.52%	0.52%
Does exceed \$2,000,000	C	10	0.41%	0.41%
Domestic – class 1a Dwellings (construction and demolition), where the value of building work:				
Does not exceed \$5,000	C	10	\$472.00	\$488.00
Does not exceed \$10,000	C	10	\$590.00	\$610.00
Does not exceed \$15,000	C	10	\$793.50	\$820.00
Does not exceed \$25,000	C	10	\$885.00	\$915.00
Does not exceed \$50,000	C	10	\$1,221.00	\$1,262.00
Does not exceed \$75,000	C	10	\$1,415.00	\$1,462.00
Does not exceed \$100,000	C	10	\$1,710.00	\$1,768.00
Does not exceed \$150,000	C	10	\$1,828.00	\$1,890.00
Does not exceed \$200,000	C	10	\$2,241.00	\$2,318.00
Does not exceed \$250,000	C	10	\$2,713.00	\$2,805.00
Does not exceed \$300,000	C	10	\$2,950.00	\$3,050.00
Does exceed \$300,000	C	10	\$3,775.00	\$3,900.00
Minor Works - Class 10a, 10b & 1ai: Garages, carports, pool/spas & fence where value of work:				
Less than \$5000	C	10	\$476.00	\$476.00
Between \$5,000 to \$10,000	C	10	\$590.00	\$590.00
Between \$10,001 to \$20,000	C	10	\$766.00	\$766.00
More than \$20,000	C	10	\$885.00	\$885.00
Minor works - Class 10b: Safety Barrier (without pool/spa) & Alterations to Safety Barrier.	C	10	\$170.00	\$176.00

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Statutory charge on building permits				
Building permit levy (cost of building over \$10,000)	S	0	Cost x 0.128% of works	Cost x 0.128% of works
Inspections				
Additional Inspection (charged where additional inspections are required)				
Additional Inspection (Domestic) - within 20km radius of Colac	C	10	\$194.00	\$200.00
Additional Inspection (Commercial) - within 20km radius of Colac	C	10	\$261.00	\$270.00
Additional Travel - (in addition to additional inspection fee) - more than 20km from Colac	C	10	\$1.00 per Km	\$1.00 per Km
Safety Barrier Inspection Fee	C	10	0	\$200.00
Essential Safety Measures Assessments				
Essential Safety Measures Determination				
Essential Safety Measures Determination	C	10	\$570.00	\$590.00
Swimming Pool/Spa Safety Barrier Audit				
Safety Barrier Inspection	C	10	-	\$220.00
Report and Consent Fees				
Demolition fee (s. 29A)				
Demolition fee (s. 29A)	S	0	\$62.56	\$62.56
Report & Consent Application				
Report & Consent Application	S	0	\$250.65	\$250.65
Report & Consent Application - Charge per notice sent to adjoining properties	C	10	\$20.00	\$21.00
Planning Fees & Charges – Other				
Advertising				
Additional signs per site per sign	C	10	\$60.00	\$0.00
Advertising notice sent to individual property owners per letter	C	10	\$6.00	\$6.50
Advertising sign erected on site	C	10	\$120.00	\$0.00
Application for approval of amended plans under secondary consent				
Application for approval of amended plans under secondary consent	C	10	\$135.00	\$170.00
Application for Certification of subdivision under Subdivision Act				
Application for Certification of subdivision under Subdivision Act	S	0	\$100 plus \$20 per lot	\$100 plus \$20 per lot
Application for Plan of Consolidation				
Application for Plan of Consolidation	S	0	\$100.00	\$100.00
Application for Rectification of Plan of Subdivision				
Application for Rectification of Plan of Subdivision	S	0	\$100.00	\$100.00
Certificate of Compliance				
Certificate of Compliance	S	0	\$147.00	\$147.00
Check Engineering Plans				
Check Engineering Plans	S	10	0.75% of value of works	0.75% of value of works
Engineering Plan prepared by Council				
Engineering Plan prepared by Council	S	10	3.5% of value of works	3.5% of value of works
Extension of time to planning permits				
Extension of time to planning permits	C	10	\$83.00	\$105.00

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
Property Enquiry (does not require extensive research)				
Property Enquiry (does not require extensive research)	C	10	\$37.00	\$40.00
Property Enquiry (extensive research)				
Property Enquiry (extensive research)	C	10	\$140.00	\$150.00
Satisfaction Matters				
Satisfaction Matters	S	0	\$102.00	\$102.00
Supervision of Works				
Supervision of Works	S	10	2.5% of value of works	2.5% of value of works
Section 173 Agreements				
Amendment to an existing agreement	C	10	\$0.00	\$150.00
Removal of an existing agreement	C	10	\$0.00	\$100.00
Permit for use of land				
Use only				
	S	0	\$502.00	\$502.00
To develop land or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of the land for a single dwelling per lot if the estimated cost of development included in the application is:				
Single dwelling (\$10,000-\$100,000)				
	S	0	\$239.00	\$239.00
Single dwelling (More than \$100,000)				
	S	0	\$490.00	\$490.00
To develop land (other than for a single dwelling per lot) if the estimated cost of development included in the application is:				
Other developments (\$10,000 or less)				
	S	0	\$102.00	\$102.00
Other developments (\$10,001-\$250,000)				
	S	0	\$604.00	\$604.00
Other developments (\$250,001-\$500,000)				
	S	0	\$707.00	\$707.00
Other developments ((\$500,001-\$1 million)				
	S	0	\$815.00	\$815.00
Other developments (\$1,000,001-\$7 million)				
	S	0	\$1,153.00	\$1,153.00
Other developments (\$7,000,001-\$10 million)				
	S	0	\$4,837.00	\$4,837.00
Other developments (\$10,000,001-\$50 million)				
	S	0	\$8,064.00	\$8,064.00
Other developments (more than \$50,000,000)				
	S	0	\$16,130.00	\$16,130.00
To subdivide an existing building				
	S	0	\$386.00	\$386.00
To subdivide land into two lots				
	S	0	\$386.00	\$386.00
To effect a realignment of a common boundary between lots or to consolidate two or more lots				
	S	0	\$386.00	\$386.00
All other subdivisions				
	S	0	\$781.00	\$781.00
An application to remove a restriction (within the meaning of the Subdivision Act 1988) in the circumstances described in Section 47(2) of the Planning and Environment Act 1987				
	S	0	\$249.00	\$249.00

	<u>Council</u> <u>/Statutory</u>	<u>GST</u> <u>%</u>	<u>2015/2016 Fee</u> <u>incl. Tax</u>	<u>2016/2017 Fee</u> <u>incl. Tax</u>
An application to create, vary or remove a restriction within the meaning of the Subdivision Act 1988 or to create or remove a right-of-way.	S	0	\$541.00	\$541.00
To create, vary or remove an easement other than a right of way, or to vary or remove a condition in the nature of an easement other than a right of way in a Crown.	S	0	\$404.00	\$404.00
(b) Amendments to Permits – Set by Statute				
	1			
Change of use only	S	0	\$502.00	\$502.00
	2			
To amend a permit other than a single dwelling	S	0	\$502.00	\$502.00
	3			
Single dwelling (\$10,000-\$100,000)	S	0	\$239.00	\$239.00
	4			
Single dwelling (More than \$100,000)	S	0	\$490.00	\$490.00
	5			
Other developments (\$10,000 or less)	S	0	\$102.00	\$102.00
	6			
Other developments (\$10,000-\$250,000)	S	0	\$604.00	\$604.00
	7			
Other developments (\$250,000-\$500,000)	S	0	\$707.00	\$707.00
	8			
Other developments (\$500,000-\$1million)	S	0	\$815.00	\$815.00
	9			
Other amendments	S	0	\$386.00	\$386.00
(c) Planning Scheme Amendment Fees – Set by Statute				
i.				
Considering a request for an Amendment	S	0	\$798.00	\$798.00
ii.				
Independent panel (considering submissions which seek a change to an Amendment)	S	0	\$798.00	\$798.00
iii.				
Adoption of Amendment by Responsible Authority	S	0	\$524.00	\$524.00
iv.				
Consideration of a request to approve an Amendment (by the Minister for Planning)	S	0	\$798.00	\$798.00

Appendix B

Budget processes

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the *Local Government Act 1989* (the Act) and *Local Government (Planning and Reporting) Regulations 2014* (the Regulations).

Under the Act, Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2016/17 budget, which is included in this report, is for the year 1 July 2016 to 30 June 2017 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2016 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, Officers firstly review and update Council's long term financial projections. Financial projections for at least four years are ultimately included in Council's Strategic Resource Plan, which is the key medium-term financial plan produced by Council on a rolling basis. The preparation of the budget, within this broader context, begins with Officers preparing the operating and capital components of the annual budget during January and February. A draft consolidated budget is then prepared and various iterations are considered by Council at informal briefings during March and April. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in May for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

To assist interested persons to understand the budget and make a submission if they wish, Council officers undertake a community engagement process including public information sessions, focus groups and other techniques. The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

Budget process	Timing
1. Officers update Council's long term financial projections	Dec/Jan
2. Officers prepare operating and capital budgets	Jan/Feb
3. Councillors consider draft budgets at informal briefings	Mar/Apr
4. Proposed budget submitted to Council for approval	April
5. Public notice advising intention to adopt budget	April
6. Budget available for public inspection and comment	April
7. Public submission process undertaken	May/June
8. Submissions period closes (42 days)	June
9. Submissions considered by Council/Committee	June
10. Budget and submissions presented to Council for adoption	June
11. Copy of adopted budget submitted to the Minister	July
12. Revised budget where a material change has arisen	