

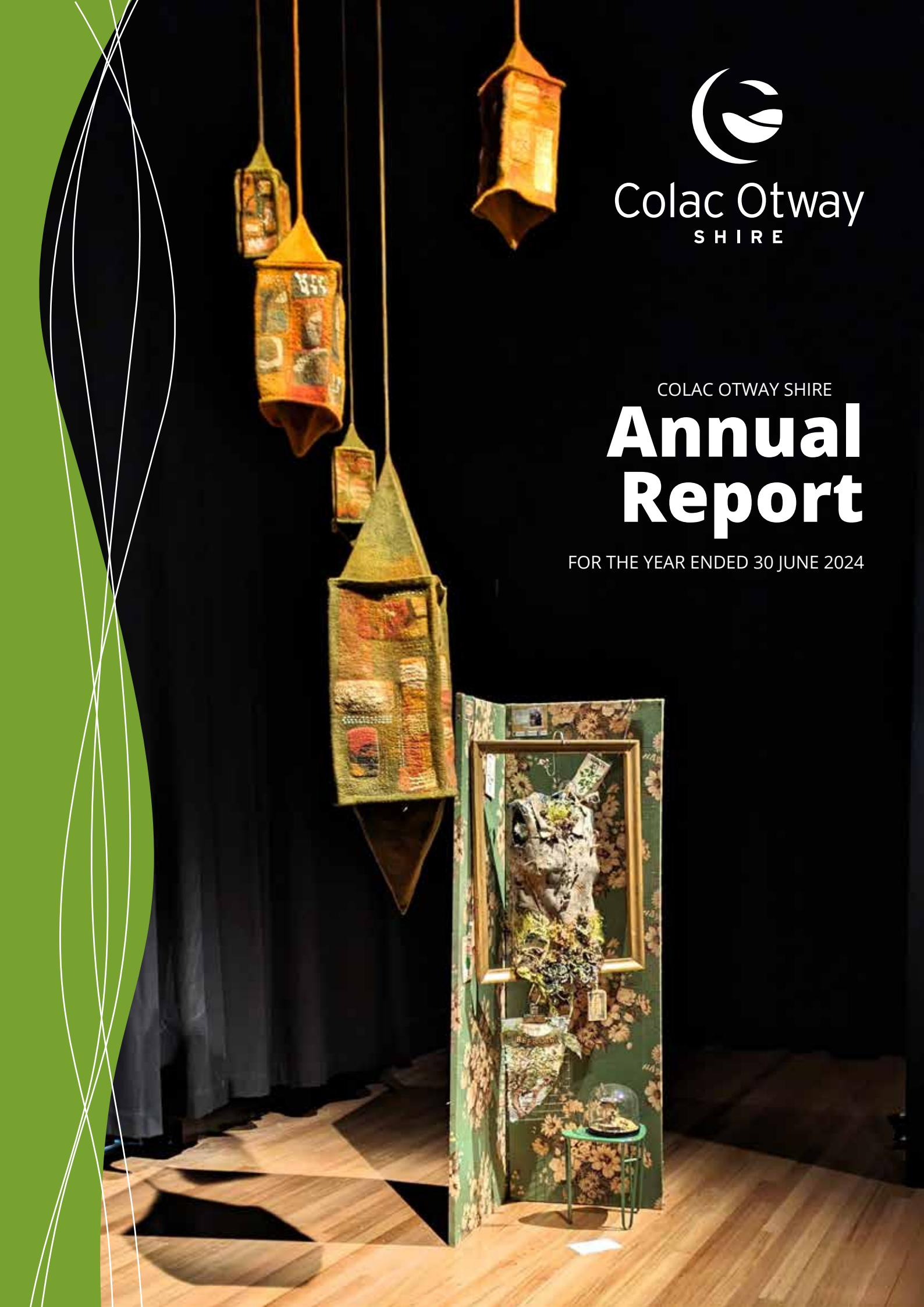


Colac Otway
SHIRE

COLAC OTWAY SHIRE

Annual Report

FOR THE YEAR ENDED 30 JUNE 2024



The Colac Otway Shire

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

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

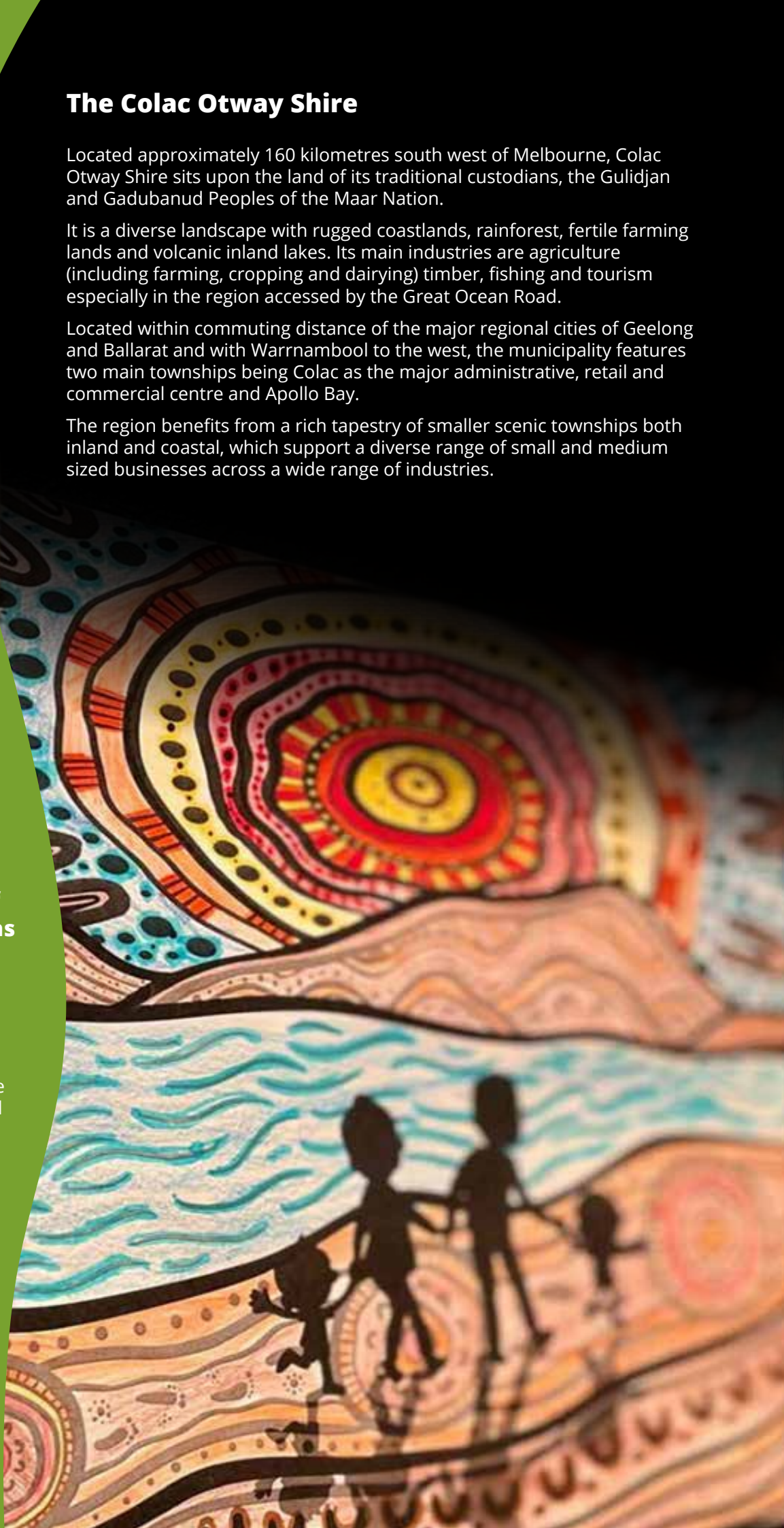
Located within commuting distance of the major regional cities of Geelong and Ballarat and with Warrnambool to the west, the municipality features two main townships being Colac as the major administrative, retail and commercial centre and Apollo Bay.

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

Acknowledgement of Traditional Custodians

The Colac Otway Shire Council respectfully acknowledges the Gulidjan and Gadubanud peoples of the Maar Nation as the Traditional Custodians of the Colac Otway region, the land and waterways upon which the activities of the Colac Otway Shire Council are conducted.

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



Contents

Introduction to our Annual Report	4
Welcome	4
How to read our Annual Report	4
The Year in Review	6
From the Mayor and CEO	8
Our Community Profile – Fast Facts	10
Our Strategic Direction	11
Serving our Community - Fast Facts	13
Achievements	14
Challenges and Future Outlook	22
Continuous Improvement Initiatives	26
Performance against the Council Plan	28
Projects and Programs	29
Environmental Sustainability Achievements	30
Community Satisfaction Survey Snapshot	33
Financial Summary	34
Our Council	36
Our Councillors	38
Our Executive	40
Organisational Structure	41
Our People	42
Our Performance	46
Our Planning and Accountability Framework	48
Theme 1 Strong and Resilient Economy	50
Theme 2 Valuing the Natural and Built Environment	54
Theme 3 Healthy and Inclusive Community	58
Theme 4 Strong Leadership and Management	62
Sustainability Report	66
Our Governance	68
Democratic Governance	70
Corporate Governance	73
Statutory Information	75
Governance and Management Checklist 2023-24	77
Performance and Financial Statements	80

Introduction to our Annual Report

Welcome

How to read our Annual Report





Introduction to our Annual Report

Welcome

Colac Otway Shire Council is proud to present this 2023-24 Annual Report to our ratepayers, community members and other stakeholders. This report tells the story of the work, achievements and performance of the past financial year. The Annual Report highlights Council's performance against the four-year Council Plan and the annual budget. It details the breadth of our services and operations, our financial performance, our governance and management processes, and the responsibilities fulfilled by our Councillors, Executive Management Team and employees.

The Annual Report highlights achievements and challenges, provides comprehensive information

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

At Colac Otway, we see our Annual Report as not only meeting our legislative obligations, but also as a key document for our community, providing a detailed account of how we performed over the past 12 months. The content in the Annual Report is reviewed every year and is guided by best practice in reporting and local government requirements.

Your feedback is important and is invited via inq@colacotway.vic.gov.au

How to Read the Annual Report

The Annual Report is set out in the following sections to make it easier to read:

THE YEAR IN REVIEW

Information in this section includes our major highlights, achievements and challenges during the year including major projects, sustainability initiatives, advocacy, how we are working with our community on matters important to them through projects, grants and events, the services we provide to our community, the CEO's and Mayor's messages and a financial overview of our operations.

OUR COUNCIL

General information is provided in this section about Colac Otway Shire Council, our Councillors, staff numbers, organisation structure, equal opportunity, training and organisational development and occupational health and safety.

OUR PERFORMANCE

This section details our performance and accountability framework, on how we have met our four key Strategic Objectives set out in our Council Plan 2021-25. These are: a Strong and

Resilient Economy; Valuing the Natural and Built Environment; a Healthy and Inclusive Community; and Strong Leadership and Management. This section also provides a snapshot of our Community Satisfaction Survey results and our Sustainability Report.

OUR GOVERNANCE

This section outlines our legislative obligations and details our democratic and internal governance practices as part of our commitment to ensuring that all of our operations are open, transparent and accountable. This section also includes statutory information required by various pieces of legislation.

PERFORMANCE STATEMENTS

This section includes our Performance Statements and the Victorian Auditor-General's Report on our performance.

FINANCIAL STATEMENTS

In this section we provide a detailed account of our financial statements for the year. These have been prepared in accordance with the Local Government Act 2020 and audited by the Victorian Auditor General's Office (VAGO)



The Year in Review

Message from the Mayor and CEO

Our Strategic Direction

Our Community Profile - Fast Facts

Serving our Community - Fast Facts

Achievements

Challenges and Future Outlook

Continuous Improvement Initiatives

Description of Operations

Performance against the Council Plan

Projects and Programs

Environmental Sustainability Achievements

Community Satisfaction Survey Snapshot

Financial Summary



From the Mayor and CEO



On behalf of fellow Councillors and staff, we are pleased to present Colac Otway Shire Council's 2023-24 Annual Report. Council has continued to implement the Council Plan 2021-25 and work towards the vision created with our community in 2021.

Our reflection

The past financial year has been challenging on many fronts for Council and our community and we are proud of the efforts of our people who maintained focus on the day-to-day services that are important to our community in the face of increasing costs and pressures.

We have seen momentum build in key areas like land supply for housing and project delivery and have delivered a good financial result compared to the adopted budget, although this is masked by delayed Financial Assistance Grants.

And we finalised our review of aged care and disability services in response to government reforms to the sector. This is the most significant service review undertaken in this term of Council, requiring strategic analysis, good communication and careful consideration.

Working on community outcomes

We continue to play our part in easing housing and accommodation pressures – with our role being first and foremost to work on facilitating land supply across the Shire.

This has seen significant progress in Colac West, the Deans Creek area, and the Bakerland and Hillview estates, which are progressing through strategic planning processes, and will provide thousands of future housing lots.

The former Council-owned land in Bruce Street is now under construction, opening up housing lots near Lake Colac, which is a great outcome for our ratepayers as well as the future residents of this estate.

Additionally, we harnessed the strength of our partners, particularly with the G21 Geelong Region Alliance and the South West Victoria Alliance, advocating for major projects and programs with our neighbouring Councils.

We also attracted significant funding for an exciting partnership project under the Australian Government's Regional Precincts and Partnerships Program to explore how to deliver contemporary and affordable dwellings for much needed key workers.

It has been pleasing to see some key project outcomes come to fruition for the community with the completion of the Memorial Square toilets and our emphasis on sprucing up community halls around the Shire so that they can continue to play their role in connecting local communities.

We have had significant community input on projects in the past year and we greatly value the time, thought and effort residents make in helping to shape events, facilities and programs that benefit the broader community. Community engagement

on activities such as the Botanic Gardens Master Plan, Birregurra and Donaldson's Street playspaces, and events hosted by our Youth Team has had a large impact on their final outcomes.

We would like to acknowledge the patience of our clients and community through the Best Value Review of Aged Care Services and it is pleasing we didn't join the trend of Councils exiting these services. While there are changes ahead due to the government reforms, which focus on ensuring that clients have choice and confidence in the quality of the services they receive, Council is investing to support this service and our great team who care for and look after our valued clients.

Keeping up efforts relating to governance remains important for the community and Council – notably the comprehensive review of the Local Law and introduction of our first cat curfew. The review of the Governance Rules and policies will provide the incoming Council with a solid foundation to start their term

Lifting our performance

Our Annual Plan carries us towards achieving the objectives in the Council Plan, with another busy year that saw 94 per cent of our 63 key actions completed or well-progressed.

Council's financial result was sound given the high inflation and economic pressures. The net result for the year was a deficit of \$5.408 million, however this was largely due to the delayed payment of Financial Assistance Grants, which if received when expected would have seen Council deliver a surplus and be favourable to the budget.

We also saw a 10 per cent uplift in project delivery in the past 12 months with \$13.5 million of infrastructure projects on the ground. We know we have a large program of work carried forward, but we will harness the current momentum to hit the ground running in the 2024-25 year.

Thank you

It has been an honour to work with fellow Councillors to serve our communities in 2023-24.

We thank the community for your continued support for, and input into, the planning of key services and projects.

And finally, thank you to the 350 staff at Colac Otway who dedicate themselves to delivering essential services across the Shire. Your hard work is greatly appreciated and is the foundation of our ability to deliver on the Council Plan and its objectives in any given year.







**Cr Margaret White
Mayor**



**Anne Howard
Chief Executive Officer**

Our Community Profile

- Fast Facts

Colac Otway Shire has an estimated population of 22,273 people *		The median age is 45 ^	31% of the population is over 60 years old ^
1.4% of the population identify as Aboriginal or Torres Strait Islander *	10.3% of the population were born overseas *	Ranked country of birth Australia (81.0%), United Kingdom (2.6%), New Zealand (1.0%), China (0.8%), Taiwan (0.7%)	
	40.9% own their property outright *	29.6% own their property with a mortgage *	20.6% of households rent their home *
22.3% of households are couples with children *	29.8% of people live on their own *	12.1% of houses are for visitors only (3.3% across the Shire) *	154 approvals were issued in 2022-23 for residential dwellings to be built *
The median weekly household income is \$1,277 ^	The median weekly rent is \$265 *		19% of people have volunteered at an organisation over the last 12 months *
More than 85% of Colac Otway's workforce lives locally *	There are 10,491 local jobs	29% of ratepayers are non-resident	65% of people who live in the Shire feel safe alone at night
Gross Regional Product \$1.64B	Largest employing industries Manufacturing (14.2%), Health Care and Social Assistance (13.3%), Agricultural, Forestry and Fishing (11.4%)		30.6% of economic output comes from the manufacturing sector #
14.8% of the population have a Bachelor or Higher degree	23.2% of the population have a vocational qualification		216 babies were born in the Shire in 2022-23

^ Sourced from the Australian Bureau of Statistics 2023 (Estimated Resident Population)
* Sourced from the Colac Otway Shire (Profile ID) # Sourced from Remplan Economy

Our Strategic Direction

Our Vision 2050

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

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

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

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

Our Values

Colac Otway Shire Council strives to be a values-based organisation.

Our values were developed by our people. They guide our behaviours, our approach to our work and to each other.

We act with **integrity**

We commit to **safe work** practices

We are **accountable** and **proactive**

We take a **positive** approach to our work

We **communicate** effectively

We are **supportive, inclusive** and **respectful**

We are **progressive** and **flexible**

Our Goals

The Council Plan 2021-25 sets our goals for the community across four themes. Each year Council determines through the development of our Budget and Annual Plan the actions we will take to achieve these goals.

Theme 1 - Strong and Resilient Economy

We are committed to expanding our diverse industries, vibrant arts community, world-renowned tourism, and professional health services. A healthy, growing economy will provide sustainable industries and jobs, and opportunities for all ages.

Valuing the Natural and Built Environment

We will protect our natural environment and communities, by maintaining and providing resilient infrastructure, and being leaders in sustainable living, modelling innovation and best practice.

Healthy and Inclusive Community

We will continue to be a great place to live. We embrace our diverse community, take care of our older community and prepare our children for success. We care for each other, are friendly and welcoming, a

Strong Leadership and Management

We will be leaders in good governance, transparency and strive for ongoing improvement.



Serving Our Community - Fast Facts



693

Children who attend the Maternal and Child Health service at least once in the year



150,483

Physical library collection items loaned



825,665

Kerbside bins collected in the year



5,392

Active library borrowers this year



4,828

Tonnes of material diverted from the landfill stream



\$3.81m

Towards the upgrade and renewal of local roads



342

Planning application decisions made in the year



\$2.66m

Towards the upgrade and renewal of local buildings.



143,501

Visits to Bluewater Leisure Centre



72

Council grants awarded to business and community groups



67

Animals were rehomed



310

Annual food safety assessments completed

Our Achievements

Accommodation for our community

Release of land for housing in Colac

Growing the township is critical to the future of Colac and a key requirement is ensuring there is adequate supply of residential land. In 2023-24 Council made substantial progress in implementing the Colac 2050 Growth Plan and facilitated the rezoning of land at Irrewillipe Road, Sinclair Street and the future Hillview Estate. These future residential developments will provide an additional 900 lots and will add to progress being made on developments in Colac West with planning applications being lodged for 332 residential lots.

Significant progress has also been made in securing a longer-term land supply through the Deans Creek Precinct Structure Plan, with all background studies nearing completion and a Community Reference Group established to support the project. The Deans Creek Precinct Structure Plan has identified land capable of providing land for 6,000 homes, well in excess of the Housing Target set by the State Government for Colac Otway Shire.

Colac Otway Adaptable Precincts Project

Council has built strong partnerships across the region who have a strong understanding of the housing challenges faced across our municipality. Council and regional partners made an application to the Australian Government's Regional Precincts and Partnerships Program (rPPP). These key partners include Deakin University, Formflow, Urbis, University of Wollongong, Salvation Army, Kids under Cover, Bushfire Resilient Building Council, Johns Lyng Group and Haven Homes, bringing together a diverse range of expertise and capacity.

This partnership is one of only six applicants to be successful nationally, and secures \$2 million for the Colac Otway Adaptable Precincts project. This project will achieve the innovation and partnership outcomes sought by the funding program through a significant consultation, research, testing and planning process, including the design and testing of modular housing typologies. While the Colac Otway Adaptable Precincts Project has a focus on two sites, the outcomes will be highly translatable to other sites and towns as it will demonstrate through the community engagement and precinct planning work that housing solutions for regional towns can be streamlined, innovative, sustainable, and adaptive.

Additionally, the project can create pathways for other businesses in Colac Otway Shire and the region as the work funded through rPPP will generate greater interest and acceptance by regional communities for innovative modular accommodation, which may potentially accelerate the market, as well as map out streamlined planning approval processes to achieve this.



Economic Development and the Visitor Economy

Memorial Square Toilet Redevelopment including changing places facility

The newly constructed Memorial Square toilet facilities opened to the public in June, featuring Colac Otway's first Changing Places facility. The new facilities also include male and female toilets, all gender toilets, an all gender ambulant bathroom facility, and a family room with a baby change area and accessible toilet with baby change facilities. The new amenities support the recently constructed regional playspace and provide a vastly improved offering for visitors to Colac's Central Business District.

Revised Events Policy

Council undertook a comprehensive review of its policies relating to the management of events on public land. Following extensive community consultation that included online surveys and drop-in sessions in both Colac and Apollo Bay, a draft policy was developed and exhibited. The draft policy was further refined through targeted consultation in late 2023 with 30 key event organisers contacted to invite further direct feedback.

The result was a holistic Events in a Public Place Policy adopted by Council in November 2023. The new policy is supported by updated procedures and application processes.



Enhancing Community Places

Community halls are the heart

Council invested in a number of improvements to community halls across the Shire in 2023-24, recognising that many of these facilities are in need of renewal work and provide an important focus for smaller rural communities in particular.

Some key projects completed include replacement of the Colac Central Bowling Club kitchen, a range of minor upgrades to the Cororooke Hall including the wastewater water treatment and stormwater collection systems, re-painting of the Birregurra Hall and replacement of the roof at the Chappelle Vale Hall.

A range of other hall improvements funded in 2023-24 were scoped and designed, ready for implementation in 2024-25.

Botanic Gardens Master Plan

The Master Plan for the Colac Botanic Gardens is a strategic document intended to provide for the management and development of the gardens for the next decade and beyond. Through 2022-24 the community was surveyed on their aspirations and priorities so these could be incorporated into the development of a draft master plan. Over 270 submissions were received through this preliminary consultation phase.

The Draft Master Plan was developed with all stakeholders and users to provide an agreed vision for the long-term management and care of the Colac Botanic Gardens. It has addressed issues in an integrated way, including management and maintenance requirements, collections planning, visitor facilities, public engagement, events, and new developments. The Draft Master Plan was presented to Council in June 2024 for broader public exhibition.

Council also established a partnership with the Dawn Wade Foundation in 2023-24, a philanthropic organisation with a passion for botanic gardens. With the adoption of the master plan there is the opportunity to leverage partnership funding for this foundation to implement many of the wonderful projects identified.



Connecting with communities

Community Conversations around the Shire

Council commenced community conversations in January 2024 with the Executive Management Team working remotely from the Forrest Public Hall. These meetings provide an opportunity for local people to drop in and talk about local issues with senior officers of Council in an informal setting. Getting to put faces to names and enabling the executive to hear first hand what is important to each community.

Community Conversations were held in Cororooke, Gellibrand and Lavers Hill and will continue through 2024-25.

Consultation for Donaldson Street and Birregurra playground renewal

Community engagement and collaboration activities for both projects commenced in November 2023, and through several sessions and engagement strategies with the community, Council was able to obtain a clear understanding of the community's aspirations for the playground renewals.

The community has been heavily involved in shaping the final concept plans for the Donaldson Street

park, through onsite consultation meetings by way of a park 'open house and community barbeque' where targeted focus group discussions with children, young people, and community members were had. Specific activities to engage young people included drawings, playdough, social media engagement and an online survey.

Adoption of Fair Access Policy

In February 2024, Council adopted a Fair Access Policy which aims to address inequality and known barriers experienced by women and girls in accessing and using community sports infrastructure. The policy is designed to comply with the Gender Equality Act 2020, and the wider Victorian Government gender equality strategy.

The policy is founded on the expectation that gender equality will be considered and prioritised in all of Council's future planning, policy, service delivery and practice as it relates to community sports infrastructure provision. As part of the commitment, a schedule will be established for the review and update of relevant existing sports and recreation policies, processes and programs with reference to the Fair Access Policy.



Youth related achievements

Council's Youth team continues to develop strong partnerships with key stakeholders to enable the delivery of a range of initiatives to support the health and wellbeing of young people, supported through Victorian Government funding. Initiatives included:

In 2023-24 the team ensured that young people had their voice heard through a shire-wide youth survey and delivery of co-design workshops with children and young people on key projects like the Donaldson Street Playspace.

A series of 'Discovering You' workshops were held with local schools as a way of supporting young people's mental, social and emotional wellbeing. Council also partnered with neighbouring councils and health services to support the delivery of education webinar sessions to address vaping amongst young people.

Fostering creativity in Colac Otway youth was the goal of a range of art, photography and badge making workshops, as well as professional development opportunities like Responsible Servicing of Alcohol, food handling and barista training courses.

Young people and their families were encouraged to get active through a Walk to Kinder campaign, skate park competition, as well as supporting partners like Leisure Networks to host a Sports Inclusion Day for young children with disabilities, and AFL Victoria to deliver all-girls' Auskick programs.

Community flags fly high

Council installed a new Community Flagpole in the COPACC gardens which supports the flying of flags on days of significance, aimed at fostering a healthy and inclusive community. A new Flag Policy was adopted by Council which provides direction on the flying of flags that demonstrate pride of place and support community inclusiveness such as the Pride Flag and the Transgender Pride Flag on days of significance.

Council also installed lighting for the three ceremonial flags at the entrance to its Rae Street office, enabling them to be flown continuously through the night and weekends.



Supporting Change Along the Coast

Transfer of the Port of Apollo Bay, an airfield and crown land parcels

Management responsibility of the Port of Apollo Bay was transferred from Council to Great Ocean Road Coast and Parks Authority (GORCAPA) on 30 June 2024, along with the Committee of Management (CoM) responsibilities for the Crown Land (land and water) on which the port operates.

Council, like many in the community, sees the Port of Apollo Bay as the jewel in the crown of the Great Ocean Road, an iconic coastal destination with rare beauty and character. Council has been privileged to have held management responsibilities on behalf of the Department of Transport and Planning for many years and has worked closely with key harbour users and community representatives to create a vibrant port full of activity for commercial fishing, recreation and tourism.

Transfer of the Port was bittersweet for Council as we said goodbye to a small but highly valued team who will now become essential employees of GORCAPA. The transfer of assets and operations was a steady and methodical process, taking about six months. Throughout this period, Council's Port team was always professional and focussed on their day-to-day work supporting the Apollo Bay and coastal community. We wish them all the very best

for a bright future.

Council also transitioned the Port of Apollo Bay Consultative Committee, a key advisory committee to Council for many years. The committee will now support and provide advice to GORCAPA as the new Port Manager. This committee of volunteers, representing port-users, professionals and community volunteers, was a fantastic asset to Council and we know they will continue to support the prosperity and destiny of the Port of Apollo Bay.

Completion of Remediation of Breakwall Structure D at the Apollo Bay Harbour

Council completed construction of a new sheetpile wall on the outer edge of the lee breakwall at the Apollo Bay Harbour, providing long-term stability to the breakwall structure. Council undertook these works, with a value of approximately \$2.5 million, on behalf of the Department of Transport and Planning in accordance with a funding agreement with the Victorian Government. Works were fully funded by the Government and are a critical element of ongoing renewal of harbour infrastructure to ensure the longevity of the port for its use by a range of commercial and recreational users. The final stage of the project will involve removal of the existing sheetpile wall.



Strengthening governance

Governance Rules reviewed

Through a series of workshops and briefings in March, April and May, Councillors worked on proposed improvements to their Governance Rules to include a mix of essential updates and improvements which reflect the accumulated experience of councillors over the current council term.

The draft Governance Rules endorsed in May 2024 for public exhibition included essential updates to ensure the rules align with the Local Government Act 2020 and amendments to the provisions relating to the election of the Mayor, minor but important updates to references in the election period policy which forms a part of the Governance Rules and, less critically, updates to the provisions relating to losing quorum due to conflicts of interest.

The review puts the incoming Council in a good position for the start of the new term following the 2024 General Election.

Governance frameworks updated

Council completed two comprehensive pieces of work relating to governance in 2023-24 being the Fraud and Corruption Framework and the Risk Management Framework. These documents, adopted in October 2023 represent a contemporary approach to managing the prevention, identification, management and reporting of these key governance matters.

Strong program of internal audits

Council continues to demonstrate a commitment to continuous improvement and uses the Internal Audit Program as a strategic support for this work. Three internal audits were conducted in 2023-24 with a focus on the effectiveness of controls and measures to manage risks in relation to the following:

- i. Workplace Health and Safety
- ii. Delegations and Authorisation
- iii. Property management including leases and licences

Recommendations are incorporated in action plans and implementation is already underway, with regular status reporting to the Audit and Risk Committee and Council.

Adoption of new local law and cat curfew

Council adopted the Colac Otway Shire - Local Law No.1 – General Local Law 2023 during the August 2023 Council Meeting after reviewing Council's existing Local Laws 1, 2 and 3. The three Local laws were integrated into a single contemporary Local Law designed to improve and protect the amenity of the municipality, as well as regulating activities on Council controlled land and roads.

Adoption of the Local Law complied with the Local Government Act 2020 and ensured that Council's penalty and infringement regime remains current, relevant and reflects community expectations.

The review of the Local Law led to further consideration of animal management, prompted by a number of community submissions received on this topic. In November 2023, Council introduced its first 'cat curfew' with owners now required to keep their cats confined to indoors or dedicated enclosures from dusk to dawn.



Creating a contemporary workplace

Strengthening safety

An internal audit into Workplace Health and Safety (OHS) was conducted in April 2023 and made several recommendations including that Council develop an overarching OHS Framework, incorporating refreshed policies and procedures. This required a significant investment of effort through the 2023-24 year, with the three documents finalised just before the end of financial year.

The OHS Policy, Framework and Manual are designed to strengthen Council's culture of a safe and healthy work environment by defining Council's commitment to complying with safety legislation and regulations, identifying, and mitigating risks. The OHS Manual is the foundation for Council's OHS Management System, which is the framework of how Workplace Safety is managed at Council. The OHS Manual is organised in accordance with AS/NZ 4801- Occupational Health and Safety Management Systems and includes references to applicable Victorian OHS Legislation and Australian Standards. The system is designed to ensure compliance, facilitate continuous improvement and strengthen Council's culture of safety and wellbeing.

People Matters Survey undertaken

Council participated in the state-wide People Matters Survey in February 2024, gaining critical insight to the workplace culture to inform workplace development plans. Participation was almost double the 2021 survey, which was encouraging as this demonstrates high trust of employees in the rigour and confidentiality of the survey.

Ensuring that people in our workplace feel safe and inclusive is one of management's highest priorities.

It was encouraging to see positive movement in a range of key measures since 2021, including significant decreases in the number of people in the workplace who have experienced bullying, sexual harassment or discrimination in the prior 12 months.

Ongoing Leadership Development Program

Council continues to commit to strengthening and supporting leaders across the organisation, in partnership with Petruc.co who is highly regarded in this field.

The working relationship with a person's direct supervisor has one of the greatest influences on an employee's experience and performance. A series of rolling workshops have taken place through 2023-24 for the Executive Management Team, Senior Leadership Team and also a broad group of about 50 People Leaders from all levels and departments across the organisation.

Replacement of phone system

In 2023-24 Council's phone system provider MiTel chose to exit the Australian market leaving Council to quickly identify a new phone system provider.

Council used this opportunity to upgrade the technology and went to tender for a Microsoft Teams based phone system. This allowed Council to move towards 'soft phones' and do away with phone handsets along with improving the call flow and visibility of customer facing phone services.

Overall the rollout was remarkably successful and staff availability is visible in real time along with important metrics around call centre performance.



Challenges and Future Outlook

Key worker and affordable housing

There is an acute lack of social and affordable and key worker housing in the Shire and in Apollo Bay in particular. Despite a recent softening of median house prices, median rents remain out of reach for many low-income households and key workers.

Council is continuing to advocate for support from Homes Victoria for a commitment to social housing projects in Colac and Apollo Bay. The Homes Victoria website indicates it is undertaking two projects to deliver 14 homes in Colac with a budget of approximately \$7 million, and plans a further 50 dwellings on a site on Pound Rd, Colac. This will still leave the community with a significant shortfall and remain a challenge for many years.

Cost of doing business

Council and the community will continue to share the challenge of increasing costs for almost every commodity. Despite signs that inflation is settling there is little likelihood that costs will actually reduce and so there is unlikely to be relief in sight for either Council or the community.

Council is a large asset owner and manager with asset renewal funding a key component of every budget. Meeting this demand is becoming increasingly challenging due to the rising costs of construction. These higher expenses are putting significant pressure on budgets, making it difficult to both renew existing assets and build new facilities.

Council will continue to be reliant on alternative funding options, like grants or partnerships, to make up for the shortfall. Given the Victorian Government's financial circumstances this will be more challenging despite Council's good track record in attracting grants.

Right-sizing the Council's asset base will be a strategic challenge for Council and must be tackled in the next few years if Council is to establish a sustainable service model.

Increasing variability of climatic conditions

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

Colac Otway experienced a number of extreme weather events over recent years that have resulted in landslips, damaged roads and caused extensive flooding. Council, alongside the community and other levels of government will continue to face significant challenges as we plan, respond and recover from extreme weather events that are expected to increase in both severity and frequency.

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

Implementing actions to continue reducing carbon emissions

Council adopted its new Environmental Sustainability Strategy and Climate Change Action Plan in October 2023. Implementation has commenced where actions can be accommodated in normal operations, however many of the strategies and actions outlined in these plans will require ongoing internal resourcing and greater external funding in the short and long term. Councillors also determined not to implement the practice of achieving a net zero carbon position through purchase of carbon offsets in early 2024. This key principle may already need review by the incoming Councillors so that officers and the community have clear direction and expectations.

Council reduced its greenhouse gas emissions resulting directly from its operations by 70% since 2010, however the reduction of the remaining emissions will involve careful economic consideration and transition planning that will require long-term corporate commitment, substantial technological advances and external funding support.

Challenging times for farmers

An unseasonably dry autumn and winter season is providing challenges for the agriculture sector across the region. Whilst rainfall has been higher in other parts of Victoria the south west has received less rainfall, resulting in less availability of water for stock and less fodder. These conditions have placed increased pressure on farmers' incomes, which will have flow-on impacts for the local agricultural economy. It is unclear the extent to which these conditions will extend in 2024-25.

An outbreak of avian influenza at egg farms in Meredith and Terang early in 2024, which resulted in quarantine arrangements for surrounding farms, highlights the significant challenge for our farming communities. Whilst the avian flu outbreaks were contained and did not impact on the Colac Otway Shire, it does highlight the potential for significant impacts to farmers in our region were a biosecurity issue to arise in the future.

Visitor Servicing in Colac

Council commenced the Colac Visitor Servicing Review to identify a visitor servicing model for Colac, which is sustainable in the long term and maximises information dispersal to visitors, to increase visitor spend, length of stay and seasonal/geographical dispersal.

The review found that most visitors now plan their trips before arriving at a destination, with an increasing preference for having information brought to them. Visitors are also seeking authentic experiences that foster a deeper connection to the destination.

A discussion paper was prepared to summarise the review's findings, including options to meet current visitor needs. This paper was shared through a community and business engagement process to gather feedback. Early in 2025 Council will conduct a competitive Expression of Interest (EOI) process to seek an external operator for Colac VIC and will make decisions on other visitor servicing options outlined in the review following the EOI process.

Making local roads and streets safer

The Department of Transport and Planning (DTP), in collaboration with the Transport Accident Commission (TAC), has provided funding to Council for road safety improvements on local streets and roads, with a budget of up to \$2 million over two years. Council, DTP and TAC have identified a number of safety projects that are eligible for this funding, some of which align with existing strategies like the Apollo Bay Community Structure Plan. These projects also complement ongoing precinct priorities, such as the Colac Civic Health and Railway Precinct Plan.

Council doesn't have a current Road Safety Strategy to further guide projects or funding applications. It is hoped that Council's funding application to the TAC will be successful to enable it to develop a comprehensive Road Safety Strategy for Colac Otway Shire in 2024-25

Commonwealth Government's Aged Care Reforms

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

Council has completed a Best Value Review of its agenda and disability services and has resolved to remain in the provision of Home Care Packages as these transition to the new Support at Home framework.

Preparing for delivery of this program under new legislation and regulation will be a key focus for the first half of 2025 and requires a comprehensive review of systems and processes while supporting clients and staff through the change. This is made more challenging as the Australian Government has not yet finalised or communicated the details of the reforms.

Childcare services still in short supply

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

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

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

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



Workforce Shortages in Key Services

One pressing challenge facing the organisation from a workforce perspective is the shortage of skills and labour in some critical areas in particular the areas of accounting, project management, planning and engineering. Colac Otway Shire Council is not alone, with the Australian Local Government Association reporting that over 90 per cent of councils facing jobs and skills shortages.

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

Cyber security

Throughout 2023-24 there has been a strong focus on cyber security and specifically on implementing best practice. There have also been a number of high-profile data breaches in third parties, some of whom provide services to Council in an evolving dynamic environment.

This environment is going to continue to accelerate and with Artificial Intelligence (AI) the sophistication of malicious schemes will continue to increase. Council has made a strong commitment to improving cyber security in the 2024-25 budget and there are many initiatives in play that will lift the maturity of Council. However, as Council matures in the response so do the threat actors. Council is also investing by being active in larger networks such as with the Victorian State Government to ensure that the responses are based on current best practice and made with a coordinated approach.

Working towards financial sustainability

Council identified internal efficiencies and improvements in 2023-24 that led directly to a cost reduction in our recurrent operations of \$0.222 million. These reductions have been incorporated into the Budget 2024-25 and since the savings program commenced cumulative savings over three years amount to almost \$1.5 million found by officers through efficiencies and improved budgeting practices.

Council will continue to strengthen its financial, asset and project management practices to ensure that public money is used effectively and services are delivered in cost-effective ways, however the

low-hanging fruit is almost gone. To make further savings or substantial change the Councillors and community will need to work with officers to identify the reforms needed. If this cannot be achieved Council's budgets will continue to deliver deficits, and asset renewal will not be funded leading to further deterioration of existing assets and service delivery will be compromised.

New council term

Establishing a new team of Councillors following an election is an exciting time, but requires significant investment by Councillors and officers. The foundation created at this time can be critical to the success of the Council over its term and to the community outcomes achieved.

The Victorian Government introduced a series of reforms to the Local Government Act 2024 that include a revised mandatory training program that must be completed within four months of the election, and for Mayors and Deputy Mayors additional training to be completed within a month of them being elected to these offices.

In addition there is a significant amount of work to be undertaken to establish Council's suite of Integrated Strategic Plans including the Council Plan, Financial Plan and Asset Plan. It is a very busy time ahead.

The reforms to the Local Government Act 2020 also include the introduction of a model Councillor Code of Conduct and a suite of mandatory policies to be adopted shortly after the election.

For Colac Otway Shire Councillors the new term starts with the support of a Municipal Monitor appointed by the Minister for Local Government to support Council strengthen its governance.

Preparing for next Enterprise Agreement

Council will commence negotiating a new Enterprise Agreement with its employees early in 2025, with the current agreement expiring in August 2025. Council has a diverse workforce full of highly valued people committed to the community, and effective an Enterprise Agreement is an important element in creating a contemporary and constructive workplace, considering much more than just remuneration.

Continuous Improvement Initiatives

Planning processes streamlined

Many planning permit triggers and processes are requirements of a state-wide based planning scheme. Council, with the support of the State Government, has completed a review of the planning scheme with a focus on actions that can be taken to simplify planning permit requirements and where appropriate reduce the number minor activities that require a planning permit. Council has also achieved the approval of several planning scheme amendments that streamline the delivery of Colac's residential land supply with the approval of planning scheme amendments rezoning land at Bruce Street and Sinclair Street in Colac, and two sites at Elliminyt in Irrewillipe Road and Harris Road/ Colac Lavers Hill Road.

Increased emergency management opportunities

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

Planning for a major emergency cannot be done in isolation as there would be a call on many recovery services involving numerous people and agencies.

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

Ongoing Support for Community Asset Committees

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

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

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

Securing key skills

To strengthen our engineering department and reduce the impact of staff turnover, we are starting a cadet engineer program. This will give young engineers valuable hands-on experience while they contribute to our department. By providing structured training, mentorship, and cross-training, we aim to build a strong team that can consistently deliver high-quality work. The program will also help us collaborate with industry partners. Regular reviews will keep the program on track, ensuring we develop a skilled talent pool that supports the department's long-term success



Performance against the Council Plan

Strategic indicators help us understand what is important to measure. The Council Plan includes indicators that measure the extent to which we have achieved progress against the strategic objectives and planned priorities. Where indicators have been identified, they are reported later in this report. A selection of key indicators are presented in the table below.

Indicators	Achievement	
Theme 1 - A strong and resilient economy		
Increase land supply by 200 new lots annually	151	✗
Number of residential lots approved by planning permits	111	✓
Number of commercial and industrial lots approved by planning permits (use and development)	15	✓
Theme 2 - Valuing the built and natural environment		
Number of trees planted in public spaces (open space and streetscape)	220	✓
Reduced waste to landfill	57.6%	✓
Organic waste diverted from landfill stream and composted	3,530 tonnes	✓
Theme 3 - Healthy and inclusive communities		
Participation rates in Maternal and Child Health checks	76.39%	✓
Increased participation rates at libraries	24.21%	✓
Increased visitation and memberships at Bluewater Leisure Centre	117,046	✓
Increased visitation and memberships at Apollo Bay Aquatic Centre	6,912	✓
Theme 4 - Strong leadership and management		
Community satisfaction for overall performance increases annually from 63 points	48	✗
85% of planning applications, determined within 60 working days and 100% of Vicsmart applications, determined within 10 working days	62% / 66%	✗
Number of traineeships/apprenticeships	4 apprentices	✓

Actions

Council, in the adopted Annual Action Plan, set out 63 Council Plan actions for 2023-24. Of the 63 actions identified in the plan, 62% are complete, 32% are underway and progressing well and 6% have not started due to resourcing constraints. This progress is summarised below.

Annual actions	Completed	Progressing	Not started
Theme 1 - A strong and resilient economy	15	5	0
Theme 2 - Valuing the built and natural environment	10	2	0
Theme 3 - Healthy and inclusive communities	5	6	0
Theme 4 - Strong leadership and management	9	7	4
Total	39	20	4

Projects and Programs

In addition to Council's day-to-day operations, Council delivers a significant number of projects each year. They come in all shapes and sizes, some are straight-forward and some are complex. Below is a selection of projects delivered in 2023-24 that demonstrate the diversity of our programs. A full list was presented to Council and community at Council's Unscheduled Meeting held on 14 August 2024.

Capital Works program

Project	Description	Project Expenditure
Winifred Nance Playground Project	Full redevelopment of the outdoor playspace at the Winifred Nance Kindergarten, providing for nature and open-ended elements for children of all abilities, with \$300,000 funding from Victorian Government.	\$336,507
Western Oval Drainage Improvements	Refurbishment of drainage system at the oval to ensure safe and fit-for-purpose playing surface, through LRCI funding.	\$315,148
Kitchen renewal, Colac Central Bowling Club	Refurbishment of out-of-date kitchen at the bowling club to support ongoing club use and community activity.	\$83,657
Forest Street reconstruction	Another stage of pavement reconstruction on Forest St, Colac, to support economic and community activity.	\$1,039,493.
Annual resheeting program	Completed annual program that aims to maintain sufficient pavement thickness on the unsealed roads.	\$1,029,826
Annual reseal program	Completed annual program that protects sealed road pavements by maintaining condition of the sealed surface.	\$910,847
Elliminyt Recreation Reserve Oval Lighting Replacement	Major upgrade of oval lighting at Elliminyt Recreation Reserve to support various user groups.	\$452,104
Forrest Caravan Park Fire Services	This project was undertaken to ensure the park complies with safety and registration requirements.	\$93,884
Western Reserve Netball Court Resurfacing	Resurfacing of courts to ensure a safe surface for competition and casual users.	\$56,989
Alvie Recreation Reserve, Netball court resurfacing	Resurfacing of courts to ensure a safe surface for competition and casual users.	\$46,873
Memorial Square Toilet Redevelopment	Major project replacing end-of-life amenities with contemporary amenities catering for all users.	\$1,253,032
COPACC Civic Hall Floor Renewal	Full refurbishment and strengthening of Civic Hall floor at COPACC providing for expanded usage of this community asset.	\$300,061
Landslip rectification work at various sites	This externally-funded program continues to address landslips arising from storms in 2021 and 2022.	\$1,056,588





Operational projects

Project	Description	2023-24 Expenditure
Local Law Review Project	Completion of a comprehensive Local Laws review, replacing three local laws with one contemporary law for the next 10 years.	\$32,633
Colac Library Return Room Safety	Completion of a safety-improvement project at the library as per Council's partnership arrangements.	\$11,300
Deans Creek Precinct Structure Plan (ongoing)	This is Council's most significant multi-year land use planning project, attracting substantial funding from the Victorian Government.	\$428,794

Environmental Sustainability Achievements

Sustainability Snapshot

The community's engagement in developing the Community Vision and Council Plan highlighted the importance of environmental sustainability and addressing and responding to climate change. Council has a broad role in the area of environmental sustainability with a snapshot of achievements highlighted below.

	<p>100% of electricity sourced from renewable energy</p>	<p>57% of kerbside waste diverted from landfill</p>	<p>3,700 people have downloaded the GoodSort app</p>
<p>342 tonnes of glass recovered and processed</p>	<p>3,178 tonnes of organic waste collected for composting</p>	<p>1,308 tonnes of mixed recycling collected for processing</p>	
<p>Environmental Sustainability Strategy and Climate Change Action Plan were key strategic documents adopted in October 2023</p>			<p>220 street trees planted across the Shire</p>
<p>14 community events held with an environmental theme</p>	<p>Council introduced the first Electric Vehicle charging facilities for public use in 2023-24, in Colac and Apollo Bay.</p>		



Environmental Sustainability Strategy and Climate Change Action Plan

The Environmental Sustainability Strategy 2023-33 presents Council's roadmap for the next ten years to ensure that Council protects and enhances its environment and takes appropriate action to mitigate and adapt to a changing climate and create resilient and sustainable communities.

The Climate Change Action Plan 2023-33 (CCAP) outlines proposed actions designed to mitigate the impacts of, and respond to, climate change, with an emphasis of preventing and ameliorating climate change impacts.

The CCAP includes a range of measures aimed at reducing greenhouse gas emissions, including energy efficiency and renewable energy, waste reduction and recycling, and sustainable transport.

The CCAP also includes initiatives aimed at building resilience to climate change impacts, such as emergency management planning, land use planning reforms, urban greening, and biodiversity conservation programs. It also outlines actions to support engagement and education aimed at raising awareness about climate change, promoting sustainable living, and encouraging community action.

Electric Homes Program

Geelong Sustainability ran the Electric Homes Program during 2023-24 to support the region's transition to low emissions living and away from gas. This program is a collaborative and coordinated community purchasing program at scale across the G21 region (Geelong, Surf Coast, Colac Otway, Golden Plains and Queenscliff) providing households the opportunity to install energy efficient appliances and renewable energy generation and storage solutions.

The 2023-24 program delivered 318 installations across the region:

- 158 Hot water heat Pumps
- 79 Solar/Solar and Battery Systems
- 72 Heating and Cooling Systems
- 5 Battery storage Systems
- 4 Electric Vehicle Charging Stations

The cost to residents' energy bills has reduced by \$214,366 per year, with over \$5.3M worth of savings over 25 years and 770 tonnes of CO₂ emissions reduced per year and 18,328 tonnes of CO₂ of emission reduction over the lifetime of the products.

In the Colac Otway Shire 35 households participated:

- 15 purchased solar panels/and or solar and battery systems
- 15 purchased hot water heat pumps
- 5 purchased a split system heating and cooling system

This equates to a reduction of 72.44 tonnes of CO₂ per year, or 1719 tonnes over the lifetime of the products and a collective savings of \$28,781 per year as a result of the installation of the products.

As a partner organisation, Council's facilities were also eligible to access these upgrades, which were on average 30 per cent cheaper due to the bulk buy program's economies of scale. The facilities that have been upgraded are COPACC, Kanyana Centre, Colac East Kindergarten and the Municipal Pound.

The program had an extra 'give back' feature as part of the social dividend - solar panel systems and hot water heat pumps were donated to families through Wathaurong Aboriginal Co-operative. Due to the strong community support, 44 solar panels, (3 x 6.6kW solar systems) and six hot water heat pump systems will be donated.

Draft Nature Strip Planting Policy and Guidelines

Nature strips play an important role in enhancing our towns and creating more sustainable and liveable environments.

Council's Draft Nature Strip Planting Policy and its associated Draft Nature Strip Planting Guidelines create a framework for residents to plant nature strips adjoining properties in city and township areas within Colac Otway Shire and enable and empower them to contribute to urban greening, urban biodiversity and climate resilience. This is in recognition of the environmental, social and amenity values of nature strips and the benefits of diverse nature strip plantings that replace the traditional exotic lawn treatment.

The policy and guidelines are an instrument to facilitate the safe, consistent and orderly greening of nature strips that balances positive biodiversity outcomes with other important functions of the road reserve (e.g. pedestrian and road safety, accessibility and asset protection).

The policy and guidelines were on exhibition for a period of six weeks during June and July 2024, allowing the community to provide comment on the drafts and the final policy and guidelines are expected to be adopted by Council in early 2024-25.

Bluewater Electrification Feasibility Update and Grant application

The Bluewater Leisure Centre is Council's biggest gas user by far. Natural gas has no clean renewable alternative, and electrification of Bluewater is a key initiative to reduce Council's residual greenhouse gas emissions and accelerate council's transition away from the use of gas at its facilities.

Detailed feasibility and costings have been prepared to assist with Council's \$1.2M funding application for electrification of the Bluewater Leisure Centre under the Federal Government's Community Energy Upgrades Fund.

The project, if funded, will replace existing gas fired equipment with energy efficient electrical alternatives that will result in substantial carbon emissions reductions and operational cost savings.

Tree planting across the municipality

Council in 2023-24 planned, prepared and delivered the Street Tree Planting Program. This program was again successful and saw in excess of 200 trees planted across the municipality .

This year planting took place in Colac Birregurra, Apollo Bay, Cressy and Beac. The program was 85% completed in the financial year due to staff and contractor availability and the remainder of the program will be completed in Autumn 2024. An increased program is planned for 2024-25 and the benefits of the program are visible across the shire.

New EV chargers in Colac and Apollo Bay

Two new public EV charging stations supplied by 100% clean renewable electricity have been installed in Council owned and managed public carparks in Apollo Bay and Colac.

Council worked with Evie Networks to facilitate the installation of fast EV chargers in Apollo Bay and Colac as part of the Victorian Government's Destination Charging Across Victoria program.

These EV chargers provide multiple charging options to ensure universal access for all makes of electric vehicles.



Community Satisfaction Survey Snapshot

The results from the 2024 Community Satisfaction Survey provides valuable insights into the community's perception of Council's performance and areas that Council should focus on to better meet community expectations.

The independent survey helps Council to gain insight into the community's perception of Council, its leadership and its delivery of key services.

The survey seeks community views on a range of Council services and is benchmarked against both state-wide and other Large Rural Councils.

It provides feedback on councils' overall performance, value for money in services and infrastructure; community consultation and engagement; decisions made in the interest of the community; customer service, local infrastructure, facilities, services, and overall council direction.

Council's overall performance score of 48 is two points lower than its 2023 result and is consistent with the drop in this measure experienced by Large Rural Councils and Councils across the state. Of the 20 key measures, Council saw an improvement in seven areas, a decline in 12 areas and one remained unchanged.

The results highlighted several service areas where Council was similar in performance to the Large Rural Council group, and areas where community perception of Council performance was low compared to other Councils.

Council saw improvement in the already strong results for art centres and libraries, waste management, and emergency and disaster management.

There was a three-point drop in elderly support services, which is attributed to the uncertainty throughout our review of those services, which has now seen a commitment to stay in the service. The result still has us above the Large Rural Councils average, and in line with the state result.

Maintenance of sealed and unsealed local roads is always a concern for residents, and planning and building permits scores improved year on year. Council acknowledges that there is still work to do in both the delivery of these services and in the understanding of how they operate.



Financial Summary

Colac Otway Shire Council's performance was generally unfavourable when compared to the 2023-24 Budget and the previous financial year.

A summary of key results follows, with details on following pages.

Key Results for 2023-24	Adopted Budget \$'000	Actual \$'000	Variance Fav/(unfav) \$'000	Variance %
Rates and charges revenue	35,365	35,720	355	1.0%
Total Revenue	59,450	60,281	831	1.4%
Total Expenditure (non-capital)	60,881	65,689	(4,808)	-7.9%
Net surplus	(1,431)	(5,408)	(3,977)	
Cash and cash equivalents	25,335	15,422	(9,913)	-39.1%
Net assets	457,840	547,720	89,880	19.6%
Capital expenditure	12,334	10,835	(1,996)	-12%
Capital expenditure at Port of Apollo Bay	0	2,692	(904)	-
Total Capital projects delivered	12,334	13,527	1,193	9.8%

Detailed information relating to Council's financial performance is included in the Financial Report and statements at the end of this annual report.



Our Council

Our Councillors

Our Executive

Organisational Structure

Our People





Our Councillors

Our Councillors provide the Council's CEO and staff with the strategic direction, policy framework, guidance and resources to achieve the Council Plan goals and objectives.

- Working together the seven Councillors:
- Maintain the 'Community Vision'.
- Establish the Council Plan, Financial Plan and Asset Plan.
- Set the strategic and policy framework including the Rating and Revenue Plan.
- Monitor performance against plans.
- Allocate overall resources.

Councillors are democratically elected every four years in a general election in accordance with the Local Government Act 2020.

The next general election will be held on 26 October 2024 and the municipality remains unsubdivided.

The table below lists Colac Otway Shire Councillors in 2023-24.

Councillor	Election Date
Max Arnott	First elected as Councillor (via Countback) in 2023
Graham Costin	First elected as Councillor in 2020
Tosh-Jake Finnigan	First elected as Councillor (via Countback) in 2023
Kate Hanson	First elected as Councillor in 2016 and re-elected in 2020
Stephen Hart	First elected as Councillor in 2002 and re-elected in 2008, 2012, 2016 and 2020
Chris Potter	First elected as Councillor in 2016 and re-elected in 2020
Margaret White	First elected as Councillor in 2020



Councillor Code of Conduct

The conduct and behaviour of Councillors underpins the ability of Council to make effective decision-making, deliver services for the community and ensure that health, wellbeing and safety of all Council's employees is protected.

On 27 April 2022, Council adopted a revised Councillor Code of Conduct which is designed to set out the standards of conduct expected to be observed by Councillors in the course of their duties and functions as Councillors, including prohibiting discrimination, harassment (including sexual harassment) and vilification.

In addition to setting out the Councillor Conduct Principles, the code also outlines:

- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest.
- Roles and relationships.
- Dispute resolution procedures.



Our Executive

Our organisation is led by an Executive Management Team comprising the Chief executive Officer, the General Manager Corporate Services, the General Manager Community and Economy, the General Manager Infrastructure and Operations and the Manager Governance.

The team plays an important role in ensuring that the Councillors and organisation each have the information required to set priorities and implement decisions.



Anne Howard

Chief Executive Officer

- Master of Business Administration
- Master of Infrastructure Engineering and Management
- Bachelor Civil Engineering (Hons)

Commenced: 16 August 2021



Andrew Tenni

General Manager Corporate Services

- Masters of Applied Science (Innovation and Service Management)
- Graduate Diploma in Business Leadership
- Bachelor of Arts (Social Science).

Commenced: 8 August 2022



Ian Seuren

General Manager Community and Economy

- Master of Sport Business
- Bachelor of Applied Science (Human Movement)

Commenced: 8 November 2018



Doug McNeill

General Infrastructure and Operations

- Bachelor of Applied Science (Planning)
- Advanced Diploma of Management)

Commenced: 15 April 2024



Lenny Jenner

- Master of Arts (Social Policy)
- Bachelor of Education
- Bachelor of Arts (Recreation)

Commenced: 19 January 2024

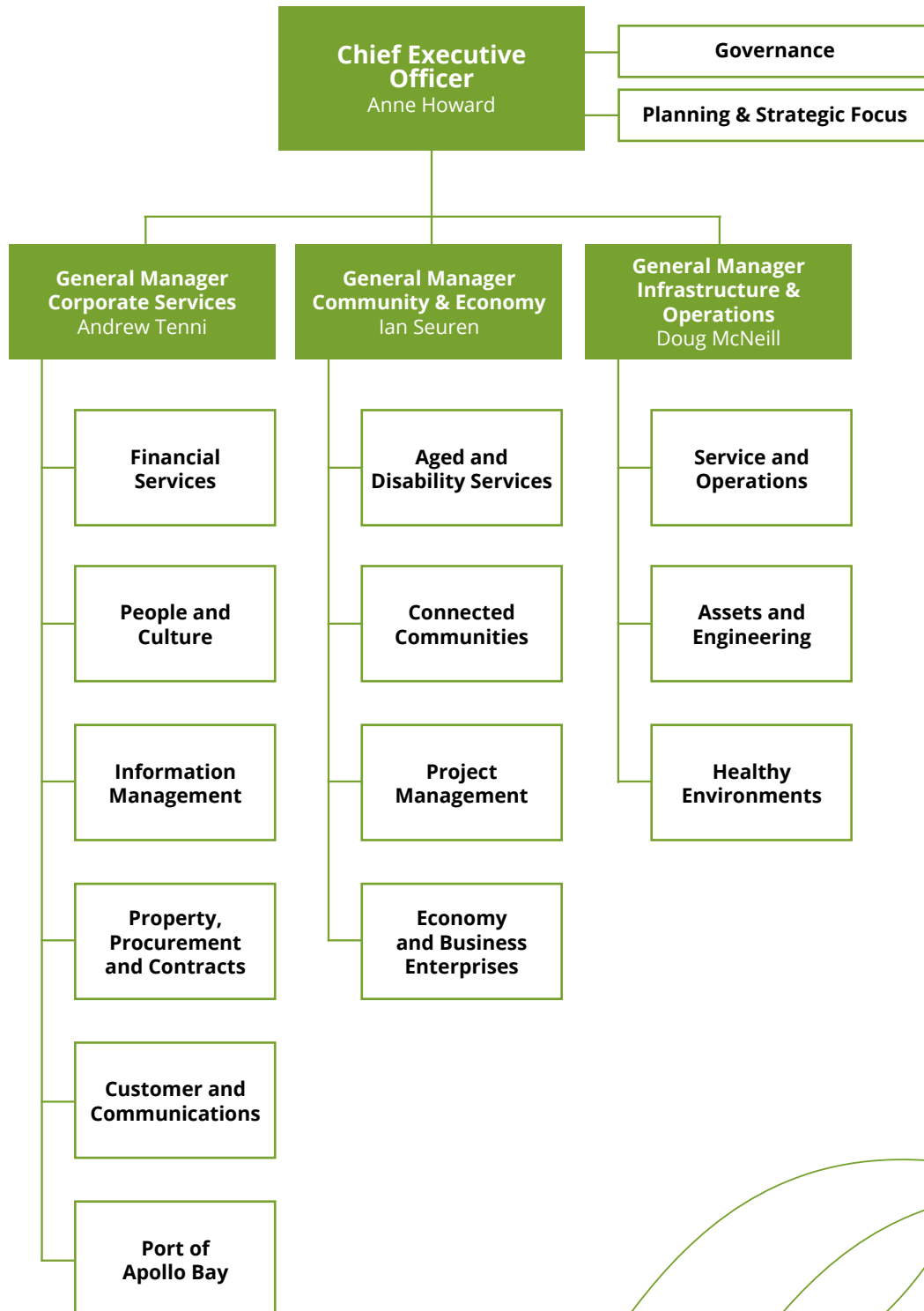
Two members of the Executive Management Team departed in 2023-24.

Heath Chasemore held the position of General Manager Infrastructure and Operations from 25 July 2022 until replaced by Doug McNeill.

Marlo Emmett held the position of Manager Governance from 14 January 2021 until replaced by Lenny Jenner.

Organisational Structure

(as at 30 June 2023)



Our People

Staff by employment type

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

Employee Type/Gender	Executive	Corporate Services	Infrastructure and Operations	Community and Economy	Total
Permanent FT – F	14	17	13	24	67
Permanent FT – M	4	17	75	9	105
Permanent PT – F	2	3	7	39	51
Permanent PT – M	1	2	4	5	11
Casual – F	0	4	1	5	10
Casual - M	1	0	0	2	3
Total	21	42	101	84	248

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

Recruitment

During 2023-24, Council advertised 119 positions, attracting 915 applications. Vacancies ranged across nearly all departments of the organisation, including Finance, Community Care, Governance, Health Protection, Project Delivery and Services and Operations.

We also implemented a new Recruitment and Onboarding platform, which provides us with a proactive approach to recruiting that involves identifying and engaging with potential candidates for vacant roles. The platform also provides for a seamless and streamlined approach to recruitment and onboarding for both candidates and our organisation.

Student Work Placements

Council recognises the importance of supporting young people’s careers. We continue to work with schools and universities to provide opportunities for students to gain experience in a workplace setting and to provide them with insight into the important role local government plays in developing and supporting local communities.

This year the following work placements were supported within the organisation:

- One nursing student obtained experience in the practice of immunisation health with the Health Protection team.

- Our Maternal and Child Health team also hosted two nursing students.
- One student completed work experience in Tourism in Apollo Bay.
- Two students completed work experience in the Parks & Gardens & Roads teams with Services & Operations.
- One student completed work experience at Bluewater Leisure Centre
- One student completed work experience at COPACC
- One student completed work experience in the following areas: Information Management, Youth Engagement & Property, Procurement & Contracts.
- Two students completed placements at Bluewater Leisure Centre with one gaining casual employment as a Gym Instructor.
- One student is also undertaking a school based traineeship at Bluewater Leisure Centre.

Apprenticeships

Council is proud to support young people in obtaining employment and developing work skills and experience directly from the workplace and continues to offer opportunities to school leavers and mature age trainees and apprentices. Four apprentices worked across Council in the areas of workshop mechanics, parks and gardens/ horticulture and civil construction.

Learning and Development

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

People & Culture has focused on access and delivery of learning through our Learning Management System (LMS) known as Blueprint. We have upgraded the Blueprint system so that we can better utilise the data and monitor the progress of our learning both for eLearning opportunities and also for uploading attendance transcripts from external providers. The LMS allows self-paced learning which is useful for our compliance-based learning, allowing education and behavioural expectations as required by Council's policies.

As an organisation we have improved access to communication and learning for our outdoor workers and non-pc users. People & Culture have partnered with Information Technology to provide education in the use of computers, access to intranet and the LMS for the outdoor workers.

We have continued to invest in LMS material, for example a Safety suite through a subscription and further compliance modules through Global Vision Media.

Workplace Plus have worked with Managers and Employees delivering face to face education in a program named 'Respect & Responsibility' to prevent issues of discrimination, harassment and bullying in the workplace. The sessions were designed to give staff the knowledge and tools to understand legislation, impacts and individuals' rights, responsibilities and liabilities.

We continue rolling out courses in 'Mental Health First Aid' and were pleased to provide additional learning to our Older Persons and Support Services (OPASS) team with the 'Older Persons Mental Health First Aid'.

Health and Safety Representative Training was made available to newly elected representatives requiring the initial five (5) day training and also for existing representatives wishing to complete the refresher course.

Technical training was undertaken at OPASS, Service & Operations, Bluewater Leisure Centre, Health Protection, Infrastructure, Engineering and Assets departments, and Statutory Planning.

The Emergency Management Training included programs ensuring readiness for emergencies in our community including Introduction to Relief Centre, Relief Centre Exercise, Trauma Informed and Trauma Informed Disability Awareness.

Preferred Training Network delivered 'Dealing with Duck-hoods in Local Government'. This course equipped our customer service areas with the tools and strategies required for dealing with difficult people.

Fire Warden Training was delivered to our Emergency Warden personnel, as well as our business units at COPACC and Bluewater. This course included Operating as part of an emergency control organisation and also confine small emergencies in a facility.

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

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

Equal Employment Opportunity

Our commitment to Equal Opportunity is covered in our local Enterprise Agreement and through Council's Equal Employment Opportunity (EEO), Diversity and Inclusion and Unacceptable Workplace Behaviour Policies. We commit to compliance with EEO and anti-discrimination legislation and to promoting equality of opportunity and the elimination of discrimination in employment policies and practices. We are also committed to ensuring an inclusive workplace culture that values diversity and ensures that the workplace is free from bullying, harassment and other forms of unacceptable workplace behaviour.

We identify ourselves as an 'Equal Opportunity Employer' in all external recruitment advertisements and ensure that all new employees are made aware of our EEO, Diversity and Inclusion and Unacceptable Workplace Behaviour Policies as a mandatory component of our induction program.

We also have a formal internal grievance policy and procedure that enables staff to raise complaints. There were no EEO/discrimination related complaints raised by staff during the year.

Compliance with EEO requirements is monitored by the People and Culture Department.

All staff are required to attend mandatory Equal Opportunity/anti-discrimination and Unacceptable Workplace Behaviour refresher training at regular intervals. All staff are trained in the Staff Code of Conduct. The Code outlines the standards of behaviours expected by Council employees and supports our commitment to organisational excellence and our organisation’s values.

Diversity and Inclusion

Diversity and inclusivity in the workplace is crucial for fostering an environment where everyone feels valued, respected, and safe to share their diverse perspectives and ideas. We wholeheartedly embrace this concept, and have worked hard to create an inclusive culture to tap into a wider range of perspectives, problem-solving approaches, and innovative solutions – ultimately driving success and better outcomes for the community.

Appreciating our staff

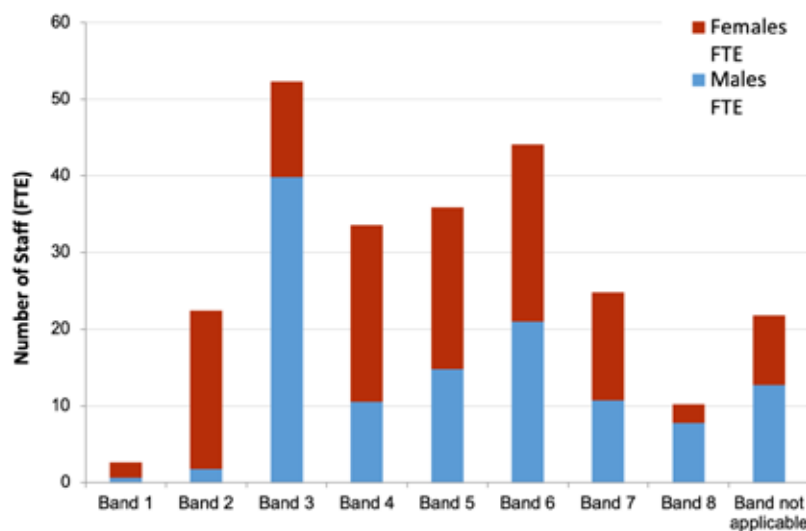
In 2023-24, Colac Otway Shire Council recognised and acknowledged the continuous service of 36 employees from across the organisation. An event was held to acknowledge and highlight the valuable contributions our staff bring to the organisation and community and show appreciation for the work they do. Councillors, employees and guests of recognised employees attended the event to show their appreciation.

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

Staff by Employment Classification and Gender

Structure Classification	Band 1 FTE	Band 2 FTE	Band 3 FTE	Band 4 FTE	Band 5 FTE	Band 6 FTE	Band 7 FTE	Band 8 FTE	Other FTE	Total FTE
Permanent FT - F	0.00	0.00	2.62	8.20	15.41	22.20	11.98	1.92	4.55	66.88
Permanent FT - M	0.00	0.00	33.53	9.18	12.89	20.13	10.74	7.52	11.38	105.38
Permanent PT - F	1.63	19.66	3.12	13.86	5.25	0.94	2.07	0.58	3.68	50.79
Permanent PT - M	0.64	1.71	5.02	1.00	1.90	0.63	0.00	0.22	0.22	11.35
Casual - F	0.36	1.00	6.72	1.00	0.40	0.00	0.05	0.00	0.84	10.38
Casual - M	0.00	0.04	1.26	0.33	0.00	0.19	0.00	0.00	1.10	2.93
TOTAL	2.65	22.40	52.27	33.56	35.85	44.09	24.84	10.25	21.78	247.70

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



Gender Equity

The *Gender Equality Act 2020* commenced in March 2021 to improve workplace gender equality. Local Government plays an important role in progressing gender equality in the workplace and the community. Council continues to work towards achieving the actions in our Gender Equality Action Plan (GEAP) which outlines Council's commitment to take positive action on gender equality.

Council actively promotes gender equality in policies, programs and services by completing ongoing Gender Impact Assessments, and reporting to the Gender Equity Commissioner on its progress towards workplace gender equality.

Council completed the People Matters Survey in February 2024 and there was a measurable improvement in relation to a number of key workplace matters including bullying, discrimination and sexual harassment with the survey respondents reporting less incidence of these unacceptable behaviours when compared to the 2021 survey results.

Occupational Health, Safety and Wellbeing

Council recently developed an OHS Framework, OHS Manual and updated OHS Policy. These documents were developed to complement applicable legislation and related policies, guidelines, and strategies to provide a framework for decisions about Council OHS management arrangements. The OHS Manual standardises safety procedures, and provides guidelines for employee operations, training and emergency response. The OHS Manual supports a culture of safety by fostering clear communication, involving employees in safety practices, and ensuring consistent implementation, it also outlines incident reporting and response protocols, facilitating continuous improvement and proactive risk management.

At the core of these documents is the intention of maximising the community benefit and public value from the management of Council's human capital with a consistent, equitable and transparent approach to occupational health and safety reflecting best practice.

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

Our staff (and their immediate families) have access to an extensive range of support services through our employee assistance and manager assist programs. Staff can discretely and confidentially access a range of health and wellbeing services including confidential counselling sessions consisting of care models; legal, family, financial, nutrition and lifestyle and career assist. These services are available online and through the provider app. During the 2023 year council's utilisation rate for these services was 6.5 per cent, which is slightly below the industry average of 7.2%. This statistic shows that the service is a vital resource that staff can access for both personal and work issues.

A range of health and wellbeing activities were held during the year including: celebrating Harmony Week by hosting a "Taste of Harmony" morning tea, IDAHOBIT Day, RUOK? Day, Superannuation information sessions, and free skin checks for our outdoor workers. The development and implementation of a strategic Health and Wellbeing plan with a focus on wellness self-reflection will be launched by the People and Culture team in 2024 and continue through 2025.

Our Performance

Our Planning and Accountability Framework

Theme 1: Strong and Resilient Economy

Theme 2: Valuing the Natural and Built Environment

Theme 3: Healthy and Inclusive Community

Theme 4: Strong Leadership and Management

Sustainability Report





Our Planning and Accountability Framework

The *Local Government Act 2020* requires councils to design, implement and monitor a suite of strategic documents underpinned by a deliberative engagement process. These plans must be integrated and be able to demonstrably contribute to the achievement of a long-term community vision.

Council Plan 2021-2025

Council adopted its Council Plan, Incorporating the Health and Wellbeing Plan 2021-25 on 27 October 2021. The Council Plan sets out Council's strategic direction until 2024. It describes the goals we have for the term of the current Council and provides a road map for how we will achieve these goals.

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

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

Annual budget

Council prepares an annual budget each financial year that seeks to meet important demands for services and infrastructure, yet remain affordable for our community. It outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The Budget Report 2023-24 (along with Quarterly Reports) is available on our website.

Annual report

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

This information sits alongside prescribed performance measures and other commentary to present an open and accurate account of our performance during 2023-24.

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




Annual Plan

The 2023-24 Annual Plan outlines courses of action and deliverables intended to contribute to the achievement of each Council Plan priority.

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

- Key service descriptions and service statistics
- Progress in relation to initiatives and actions in the Annual Plan
- Progress towards the strategic objectives/outcomes in the Council Plan as per the indicators in the Council Plan that are able to be measured or relate directly to the 2023-24 Annual Plan.

Consistent with the Council Plan, Annual Plan actions that contribute to the achievement of priority health and wellbeing areas are colour coded as outlined below.

Code	Health and Wellbeing themes
	Preventing all forms of violence
	Improving mental health and wellbeing
	Increasing active living
	Gender equity
	Tackling climate change and its impact on health
	Panel recommendation

Major Initiatives

Council listed four Major Initiatives to be achieved in 2023-24 that implement the goals of the Council Plan 2021-25. One of the four Major Initiatives was achieved with the other three all well progressed.

Major Initiative	Strategic Theme	Result
<p>Forrest Caravan Park, Wastewater</p> <p>Construct a new wastewater system to ensure this facility can grow and support the Forrest economy.</p>	Strong and Resilient Economy	Progressing: Council paused the delivery of this project for much of the year following the announcement by Barwon Water that it had plans to establish a township wastewater system. Due to uncertainty about timing, Council proceeded with putting this project to market for construction the 2024-25 year.
<p>Kennett River Wetland</p> <p>Remove sediment from the wetlands to ensure that it operates appropriately and the natural environment is protected</p>	Valuing the Natural and Built Environment	Progressing: Council decided to undertake further testing of the sediment prior to removing it from the wetlands to ensure that the area would be properly protected and disposal needs were understood. Works are scheduled for the first quarter of 2024-25.
<p>Small Halls Renewal Program</p> <p>Undertake a series of asset renewal projects at these important local facilities across the Shire.</p>	Healthy and Inclusive Communities	Progressing: Council completed a series of projects at halls including painting, roofing and replacement of fittings and fixtures. Consultation with committees and users has been essential and as a result of this the program will be completed in 2025..
<p>ICT Critical Infrastructure</p> <p>Replacement of end of life infrastructure to ensure business performance, capacity requirements and security are maintained.</p>	Strong Leadership and Management	Achieved: Council reviewed its infrastructure requirements and has will take strategic approach and invest in moving from physical infrastructure to a cloud-based service, providing enhanced redundancy, disaster recovery and back-up capability.

Theme 1

Strong and Resilient Economy

We are committed to expanding our diverse industries, vibrant arts community, world-renowned tourism, and professional health services. A healthy, growing economy will provide sustainable industries and jobs, and opportunities for all ages.

The strategic objectives aligned to this theme are:

- Affordable and available housing will support a growing community and economy
- Attract, retain and grow business in the Shire
- Key infrastructure investments supports the economy and liveability
- Colac Otway Shire is a destination to visit
- Grow the Colac Otway Shire's permanent population by at least 1.5 per cent.















Performance of Services Funded in the Budget

The following statement provides information in relation to Theme 1 services funded in the 2023-24/23 Budget and the people or sections of the community that are provided the service.

Service	Description of Service	Actual 2023-24 (\$'000's)	
Apollo Bay Harbour	The State Government has appointed Council to operate the Port of Apollo Bay to support the fishing industry and to manage the Apollo Bay Harbour for the enjoyment of the community	Exp Rev Net	\$4,040 (\$3,586) (\$455)
Colac Livestock Selling Centre	This service provides a vital link in our rural infrastructure by providing a marketplace for buying and selling livestock.	Exp Rev Net	\$394 (\$557) (\$163)
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.	Exp Rev Net	\$1,174 (\$187) \$986
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.	Exp Rev Net	\$765 (\$117) \$588
Events	This service provides for active community involvement in the provisioning of management and support for community entertainment and events.	Exp Rev Net	\$109 (\$6) \$103
Arts and Culture	This service is responsible for running the Colac Otway Performing Arts and Cultural Centre, plus providing support to the arts via events, grants and space provision.	Exp Rev Net	\$973 (\$493) \$480
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.	Exp Rev Net	\$1,521 (\$465) \$1,056
Strategic Planning	This service ensures that land use planning is undertaken to meet the sustainable long term needs of current and future generations.	Exp Rev Net	\$753 (\$437) \$316

Annual Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2023-24 Budget for the year.

Initiative	Progress
Commence Birregurra structure plan review 	Completed: The Community Reference Group had been appointed and has commenced meeting. A background report reviewing the current structure plan has been completed and made available on Council's website
Commence Northern Towns Growth Plan projects 	Completed: Work has commenced on the background and issues report.
Prepare information for Council to consider funding this as a 2024-25 project	Completed: The review of Apollo Bay Structure Plan has been included in the 2024/25 budget and will be commenced early in 2025.
Continue to work with Developers to promote greater diversity in housing stock, particularly developers of Great Ocean Road subdivision at Apollo Bay, Bruce Street in Colac and the two sites being rezoned at Elliminyt in Irrewillipe Road and Harris Road/Colac Lavers Hill Road  	Completed: Council is progressing work with developers at Colac West, Bruce Street (subdivision permit approved), the Hillview Estate and Elliminyt on development plans that will increase and diversify the residential land supply for Colac.
Continue to progress the Deans Creek Precinct Structure Plan  	Completed: The Deans Creek Precinct Structure Plan is progressing well and remains on track. Phase one technical assessments have been completed for Biodiversity, Post Contact Heritage, Retail and Employment Land, Arboricultural, and Landscape and Visual Assessments, Aboriginal Cultural Heritage and Impact assessment, Aboriginal Cultural Values assessment, Land Capability and Soils assessment. Work is progressing on technical reports for the Integrated Water Management and Stormwater Assessment, Community Infrastructure Plan and development contributions.
Finalise the Colac West Development Plan  	Progressing: All documents have been submitted and are being reviewed in preparation for the advertising of the Development Plan in August 2024.
Progress Planning Scheme Amendments for rezoning land to residential in Colac  	Completed: Planning Scheme amendment C24cola has been approved, supporting the development of 65 lots at 154 Sinclair Street, Colac, This follows the approval of planning scheme amendments C123cola and C127cola late in 2024 rezoning land to provide for 900 residential lots.
Continue to work with Homes Victoria to advocate for social housing projects in the Shire	Completed: Officers have further meetings scheduled with Homes Victoria to support the progress of potential public housing projects at Pound Road, Colac and in Apollo Bay.
Commence Stage 1 exploration of Key Worker Housing Feasibility on Council owned land at Nelson Street Apollo Bay  	Progressing: Funding application to the Commonwealth Government successful for a project to investigate potential for key worker housing on sites at Apollo Bay and Colac.
Continue to advocate to State and Federal Government for funding support towards provision of key worker accommodation	Completed: Discussions are ongoing with the State Government to maintain an awareness of local housing issues and identify potential funding streams. The rPPP funding announcement also supports this initiative.
Prepare targeted accommodation investment prospectus for Colac and present to industry stakeholders	Progressing: Awaiting outcome of funding application to undertake accommodation feasibility/concept designs as part of the development of Colac Cultural and Tourism Precinct (CCTP).
Support GORCAPA's delivery of Great Ocean Road City Deal projects  	Completed: City Deal governance structure includes Council representation on the Project Steering Committee and Project Working Groups for the Apollo Bay Harbour and Kennett River Tourism Infrastructure Improvements.

Initiative	Progress
Complete Memorial Square Toilets project 	Completed: Memorial Square Toilets project completed, including New Changing Places toilet. Demolition of former toilets has also been completed. Toilets now open to public.
Finalise the Colac Civic Precinct Master Plan	Progressing: A final draft plan is being completed for public exhibition mid 2024 and will be completed in September 2024. This will guide future redevelopment options for the precinct including the upgrade of streetscapes and car parking.
Seek grant funding to upgrade Mooleric Road	Completed: Funding application under the Federal Government's Heavy Vehicle Safety and Productivity Program was unsuccessful
Support efforts by Barwon Water to introduce reticulated wastewater to Forrest 	Completed: Officers are working with Barwon Water staff to support their efforts in scoping the sewerage reticulation project, including the identification of a site for sewerage treatment which has now been purchased
Engage with arts groups as the Civic Precinct Plan progresses 	Progressing: Further engagement with Arts groups will be undertaken if Council's funding application is successful for the feasibility/concept designs as part of the development of Colac Cultural and Tourism Precinct (CCTP).
Continue to participate with GORRT promotions 	Completed: Participated in all relevant GORRT promotions, campaigns and workshops. Actively engaged 17 new Colac businesses as members of GORRT enabling increased participation in GORRT promotions.
Forrest Mountain Bike trails 	Completed: Launch event for newly completed trails held and all trails opened in Q2.
Consult with community stakeholders to complete the visitor servicing review 	Completed: Two rounds of consultation occurred. Community and business survey undertaken in October to understand community perception of visitor servicing. Community and business submissions process to provide feedback on the Discussion Paper – Colac Visitor Servicing Review was completed in June.

Service Performance Indicators relevant to 2023-24

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

Outcomes and Indicators	Results 2023-24	Contribution/Influence 2023-24
Increase land supply by 200 new lots annually	151 lots created	Timing of rezonings is difficult to predict due to the complex processes and reliance on external stakeholders and approval bodies.
Number of residential lots approved by planning permits	76	Timing of permit applications is in the hand of private developers, and the economic climate will be a significant determinant of pace of development.
Community satisfaction with business and tourism increases annually from current result of 60	48	This score is a decline of 3 from the prior year.
Number of commercial and industrial lots approved by planning permits for Use and Development	15	Timing of permit applications is in the hand of private developers, and the economic climate will be a significant determinant of pace of development.
1.5% annual population growth achieved	0.34%	The Estimated Resident Population for 2023 is 22,273 which is a modest growth after a number of years of being static or in decline.



Theme 2

Valuing the Natural and Built Environment

We will protect our natural environment and communities, by maintaining and providing resilient infrastructure, and being leaders in sustainable living, modelling innovation and best practice.

The strategic objectives aligned to this theme are:

- We mitigate impacts to people and property arising from climate change
- We operate sustainably with a reduced carbon footprint
- Protect and enhance the natural environment
- We will satisfy the community's reasonable expectations to reduce waste going to landfill, increase resource recovery and minimise waste charges
- Provide and maintain an attractive and safe built environment.



Performance of Services Funded in the Budget

The following statement provides information in relation to Theme 2 services funded in the 2023-24 Budget and the people or sections of the community that are provided the service.

Service	Description of Service	Actual 2023-24 (\$'000's)	
Building Services	These services support maintaining a safe built environment by overseeing compliance with building development controls.	Exp	\$1,631
		Rev	(\$134)
		Net	\$1,498
Emergency Management	This service provides for the necessary support for the community in the case of an emergency event occurring.	Exp	\$328
		Rev	(\$13)
		Net	\$316
Environment Sustainability	This service provides for management of our natural environment to the betterment and enjoyment of all members of our community.	Exp	\$1,040
		Rev	(\$88)
		Net	\$951
Civil infrastructure and building maintenance	The civil works team is responsible for the construction, maintenance and day-to-day operation of Council's sealed and unsealed road, bridges, drainage and pathways.	Exp	\$7,479
	The Building maintenance team is responsible for a wide range of Council facilities and associated infrastructure (e.g. indoor sports facilities, recreation, early years, public toilets, community halls).	Rev	(\$453)
		Net	\$7,025
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.	Exp	\$5,491
		Rev	(\$4,107)
		Net	\$1,385

Annual Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2023-24 Budget for the year.

Initiative	Progress
Finalise the Climate Change Action Plan for Council Adoption 	Completed: Climate Change Action Plan formally adopted by Council at October 2023 Council Meeting.
Deliver Council's Street Tree planting program to identified candidate streets 	Progressing: The 2023-24 program was 85% delivered in the financial year. This was due to seasonal conditions and contractor and staff availability. Remaining trees in the 2023-24 program are to be delivered in July and August.
Complete the Colac Botanic Gardens Master Plan 	Progressing: The Draft Master Plan was reported Council in June 2024 and placed on public exhibition. It is expected that the final plan will be considered by Council in August 2024.
Finalise the Climate Change Action Plan for Council Adoption 	Completed: Climate Change Action Plan formally adopted by Council at the October 2023 Council meeting.
Investigate further the electrification of heat pumps and other plant at Bluewater Leisure Centre including exploration of external funding programs 	Completed: The Bluewater Heat Pump Concept Report 2021 was updated for 2024 prices and technology. Site investigations regarding key project risk of electrical supply capacity and land access carried out with Powercor and the Department of Education. A funding opportunity through the Community Energy Upgrade Fund presented to Council.
Progress actions prioritised in the adopted Climate Change Action Plan (duplicate of action against priority 2.1.1) – will be subject to funding 	Completed: A mapping project has been completed plotting the percentage tree coverage within the towns of the Shire with the intention of providing base line data to measure the success of future urban greening projects. Other projects have been completed through the Geelong Sustainability Electric Homes Program.
Support community initiated environmental projects through the Colac Otway Shire Grant Program	Completed: For the 2023-24 financial year, Council's community grants program funded approximately \$65,000 for a number of environmental, sustainability and climate change related programs and projects.
Finalise and adopt an Environmental Sustainability Strategy 2023-2033 	Completed: An Environmental Sustainability Strategy was adopted at the October 2023 Council meeting.
Support the roll out of the Victorian Government reforms including the Container Deposit Scheme	Completed: Victorian Government reform- Container Deposit Scheme was successful rolled out in November 2023
Finalise the Events in a Public Place Policy	Completed: The Events in a Public Policy was adopted by Council in November 2023.
Update Buildings AMP based on new condition data	Completed: A building condition assessment has been completed for all Council buildings, including updated building valuations.
Consider the principles of the Safer Design Guidelines for Victoria and other relevant guidance documents when assessing planning application for new developments	Completed: Guidelines considered when assessing planning applications as appropriate.

Service Performance Indicators

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

Outcomes and Indicators	Results 2023-24	Contribution/Influence 2023-24
Climate Change Action Plan completed by 2022	Achieved	Climate Change Action Plan adopted in October 2023
Number of trees planted in public spaces (open space and streetscape)	220	The Street Tree planting program was again delivered to the townships of <ul style="list-style-type: none"> • Colac • Birregurrra, • Apollo Bay • Cressy • Beeac
Community satisfaction with emergency and disaster management increases annually from the current result of 73 points	65	This score is an improvement of 3 on the previous year.
Maintain Council's net zero carbon emissions and reduce dependence on carbon offsets through implementation of emission reduction projects	Not achieved	Council determined not to maintain net zero carbon emissions.
Reduction in CO2 emissions for Colac Otway	Not achieved	Council's total emissions increased by approx. 0.9% compared to the prior through fleet/plant emissions.
Reduced waste to landfill, emissions and water usage in the community	4,828	Below is a breakdown of kerbside material diverted from landfill: Organic: 3,178t (37.6%) Recycling: 1,308t (15.5%) Glass: 342t (4.0%)
Number of community activities and education initiatives that promote stewardship of the natural environment	14 community based events held	Events were constrained to available resources and the adoption of the Ecnrivoenl Sustainability Strategy and Climate Cage action Plan were major projects in the ear.
Community satisfaction survey (waste management components) (Score of 69 points in 2021)	65	The result of 65 points is one point higher than the result for 2023 and the same as the result for Large Rural Councils.
Community satisfaction with sealed roads increases annually from current result of 53 points	40	The result is one point higher than the result of 39 in 2023, and higher than the 2024 result for large rural councils of 38 points.
Community satisfaction with unsealed roads increases annually from current result of 44	31	The result is one point lower than the 2023 result, but similar to the 2024 result for large rural councils of 34 points.
Road Management Plan compliance 100 per cent	Not achieved	82% of planned inspections were completed due to staff shortages.



GO ELECTRIC. GO ANYWHERE

FAST CHARGER

Theme 3

Healthy and Inclusive Community

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

The strategic objectives aligned to this theme are:

- All people have the opportunity to achieve and thrive in the shire
- People are active and socially connected through engaging quality spaces and places
- We are a safe, equitable and inclusive community.











Performance of Services Funded in the Budget

The following statement provides information in relation to Theme 3 services funded in the 2023-24 Budget and the people or sections of the community that are provided the service.

Service	Description of Service	Actual 2023-24 (\$'000's)	
Parks gardens and reserves	The parks and gardens team cares for and manages the maintenance of landscaping in streetscapes and open space areas for the enjoyment of all community members, including the Colac Botanical Gardens.	Exp Rev Net	\$2,861 (\$5) \$2,856
Children and Family Services	This service provides support to our children, families and youth to encourage and nurture their growth and development. Council's early years' service delivery has a focus on kindergartens, family day care and maternal and child health services, and continues to support young people through delivery of state-funded programs.	Exp Rev Net	\$1,048 (\$698) \$350
Older Persons & Disability	This service provides support to older persons and people with disabilities to with services and support that helps people to live independently in their own home for as long as possible.	Exp Rev Net	\$5,282 (\$5,925) (\$644)
Recreation services	This service provides support to older persons and people with disabilities to with services and support that helps people to live independently in their own home for as long as possible.	Exp Rev Net	\$287 (\$0) \$287
Leisure centre	This service provides for active community involvement and the promotion of healthy lifestyles by providing for suitable sporting and recreational facilities.	Exp Rev Net	\$2,250 (\$1,463) \$788
Connected communities	This service provides the delivery of high quality, sustainable community health and wellbeing services that lead to a healthier and more active community.	Exp Rev Net	\$421 (\$144) \$277
Library Services	This service provides the delivery of high quality, sustainable community health and wellbeing services that lead to a healthier and more active community.	Exp Rev Net	\$826 (\$) \$826
Local Laws and Animals	This service provides the delivery of high quality, sustainable community health and wellbeing services that lead to a healthier and more active community wellbeing. The work of the team is supported by Council's Local Laws that control general amenity matters. The team also undertakes animal management, helping lost pets be returned to their families and lost stock to be returned to farmers.	Exp Rev Net	\$911 (\$437) \$474
Environmental Health	This service promotes a healthy and safe lifestyle by actively promoting and policing public health issues.	Exp Rev Net	\$631 (\$482) \$150

Annual Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2023-24 Budget for the year.

Initiative	Progress
Continue to work towards securing long-term childcare solutions for Apollo Bay and Colac 	Completed: Advocacy through 2023-24 continued with a particular focus on trying to secure state-managed provision of childcare through the Best Start, Best Life program. While that advocacy was not successful the community is better placed with the confirmation that the current provider has secured another five year lease.
Complete Early Years Infrastructure Plan to guide facility maintenance and investment decisions across the shire 	Progressing: Data projections have been captured and awaiting guidance from State Government as to the methodology to capture information in the Kindergarten Infrastructure Services Plan.
Complete Community Care Best Value Review	Progressing: This review was largely complete in 2023-24 with Council resolving in May 2024 not to exit the provision of aged care services.
Complete Birregurra Play Space redevelopment project 	Progressing: Stage 1 of works will update existing components of the play equipment, scheduled for August 2024. Stage 2 works to be confirmed following Stage 1.
Complete Donaldson's Play Space renewal works 	Progressing: Awaiting the outcome of the Sport and Recreation Victoria application for a contribution to this project from State Government.
Undertake Birregurra Hall and streetscape works 	Progressing: The Birregurra Hall has been painted and streetscape works are carried forward for completion in 2024-25.
Undertake Kitchen renewal at Colac Central Bowling Club 	Completed: The kitchen refurbishment was completed and ready for use in 2023-24.
Undertake key renewal works at Lavers Hill Hall 	Progressing: The works for Lavers Hill Hall has been scoped in 2023-24 and will be completed in 2024-25.
Report GEAP implementation to Gender Equality Commissioner 	Completed: Council undertook the People Matters Survey in February 2024 and reported progress against its Gender Equality Action Pal to the commission as required by legislation.
Install Ceremonial/ Recognition Flagpole at Civic Precinct Colac 	Completed: The Community Flagpole was installed in COPACC gardens and first flew a flag on IDAHOBIT Day 2024. The use of the flagpole is supported by a new policy.
Complete General Local Law review 	Completed: The General Local Law was completed and adopted by Council on 23 August 2023. Implementation is supported by Guidelines to the Local Law.

Service Performance Indicators

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

Outcomes and Indicators	Results 2023-24	Contribution/Influence 2023-24
Community satisfaction for Family Support Services increases annually from current result of 70 points	60	This score was a reduction of 4 points and lower amongst coastal communities, possibly reflecting the childcare challenges experienced in those communities that may not realise Council doesn't provide childcare.
Participation rates in Maternal and Child Health checks	76.38%	This rate is very consistent with the prior year.
Community satisfaction for recreation facilities increases annually from current result of 72 points	61	This is decline on the previous year and lower amongst coastal residents which may reflect the uncertainty about the GORCAPA-managed recreation reserve in Apollo Bay and the foreshore skate park.
Community satisfaction for appearance of public spaces increases annually from current result of 69 points	59	No influence has been identified that explains the reduction of 4 points as Council's practices have been unchanged from previous years. The Colac East entrance managed by Department of Transport was a matter of concern while the survey was occurring and may have influenced this score.
Increased visitation and memberships at Bluewater Leisure Centre and Apollo Bay Aquatic Centre	Total visitation of 143,501 at Bluewater Leisure Centre (excluding stadium usage).	Apollo Bay Aquatic Centre data not provided to date.
Community satisfaction for enforcement and local laws increases annually from current result of 67 points	59	No change in service delivery has occurred to explain this decline of 2 points.
Local Law reviewed by 2023	Achieved	Local Laws adopted in September 2023 following an extensive review.
Road Management Plan compliance 100 per cent	Not achieved	82% of planned inspections were completed due to staff shortages.



EST. 1864

**BOOTMAKERS
COTTAGE**
ACCOMMODATION
& FUNCTIONS

a little birdie
told me so

THE
ANTHONY
RESTAURANT

Theme 4 Strong Leadership and Management

We will be leaders in good governance, transparency and strive for ongoing improvement.

The strategic objectives aligned to this theme are:

- We commit to a program of best practice and continuous improvement
- We are a financially robust organisation
- We provide exceptional customer service
- We support and invest in people.

Performance of Services Funded in the Budget

The following statement provides information in relation to Theme 4 services funded in the 2023-24 Budget and the people or sections of the community that are provided the service.

Service	Description of Service	Actual 2023-24	
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.	Exp Rev Net	\$2,560 (\$10) \$2,550
Procurement and Contract Management	This service provides oversight and governance on contractual and procurement services undertaken by Council.	Exp Rev Net	\$357 (\$0) \$356
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.	Exp Rev Net	\$2,955 (\$4,362) (\$1,406)
Information Services	This service provides management and governance of information flows, storage and retrieval within the organisation in accordance with appropriate legislation and standards.	Exp Rev Net	\$2,376 (\$0) \$2,376
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.	Exp Rev Net	\$756 (\$16) \$739
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.	Exp Rev Net	\$605 (\$1) \$604
People and Culture	This service provides and develops a culture of high performance, productivity and accountability across the organisation.	Exp Rev Net	\$1,053 (\$0) \$1,053
Risk management	This service has the responsibility to identify, record and manage all business risk associated with Council's activities. This service manages Council's insurance portfolio.	Exp Rev Net	\$901 (\$254) \$647

Annual Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2023-24 Budget for the year.

Initiative	Progress
Undertake an internal audit relating to cybersecurity controls	Completed: Council undertook an internal assessment against the Essential 8 framework and then followed with an externally-delivered Internal Audit.
Undertake service specific feedback activity to identify opportunities to improve community perception (for Building and Planning customers)	Completed: Survey responses from planning permit applicants are being used to provide a more genuine indicator of service satisfaction levels and opportunities for improvement. Due to difficulties filling vacant planning roles processing time targets have not been achieved with 58% of planning applications being processed within 60 days and 74% of Vicsmart applications being processed within the statutory timeframe
Complete Best Value Review of Community Care Review	Progressing: The Best Value Review was essentially complete, pending a final decision by Councillors to be made shortly after end of financial year.
Complete a service review of Colac Regional Saleyards	Progressing: Final review to be presented at the August 2024 Council meeting.
Complete a service review of Services and Operations	Progressing: Light fleet management is the first area to be reviewed from Service and Operations. A draft report has been prepared.
Complete visitor servicing review	Progressing: The review was complete upon publishing a discussion paper in May which summarised the reviews findings. The review along with submissions on the discussion paper to be considered by Council in August 2024.
Implement Asset Management Strategy actions _	Completed: Condition assessment cycles and valuation of assets has been formalised. A Building Condition assessment has been completed for Council buildings.
Implement Internal Audit into Procurement	Completed: This internal audit was completed and reported to Audit and Risk Committee and Council.
Undertake strategic fee review for COPACC and Bluewater	Completed: Bluewater and COPACC fees were reviewed during the 2024-25 budget development.
Develop Statutory and Discretionary Reserve Policy	Not started: unable to progress due to other priorities.
Review Council's Borrowing Policy	Not started: unable to progress due to other priorities.
Review Council's Investment Policy	Progressing: The revised Investment Policy was presented to the Audit and Risk Committee for review and discussed at a briefing session in 2023-24, preparing for adoption in 2024-25.
Establish Customer Experience improvement program	Progressing: Monthly Customer Experience reports to EMT continue to track responsiveness and opportunities for improvement. A Customer Experience Strategy is being developed.
Review Complaints Policy	Progressing: A revised Complaints Policy was publicly exhibited in May 2024 and ready for adoption at the July 2024 meeting. Complaints Procedure training is being undertaken for all staff across the organisation in preparedness for the policy update.
Develop action plan based on People Matters Survey results 	Completed: The key actions focused on comprehensive workshops which were conducted across the organisation to educate employees on recognizing, preventing, and addressing sexual harassment, bullying and discrimination in the workplace. To complement the face-to-face training, eLearning modules were developed and made accessible to all employees.

Initiative	Progress
Implement actions from Internal Audit into WHS systems 	Completed: As a direct outcome of the audit, a new OHS system has been introduced. To support the new OHS system, e-learning modules have been developed and made accessible to all staff. A comprehensive health and well-being strategy has been launched.
Develop an organisation wide training program for mandatory and compliance training 	Completed: The implementation of organisation-wide training programs and e-learning modules has been successful in ensuring compliance with legal requirements. The combination of in-person and online training has provided a flexible and comprehensive approach to employee education, fostering a culture of compliance and ethical behaviour within the organisation.
Conduct two 'community conversations' in small towns	Completed: Community Conversation sessions took place in Forrest, Gellibrand, Cororooke and Laves Hill.
Review decisions made in closed Council meetings and develop further guidance to maximise public decision-making	Not started: Not started due to resource challenges.

Service Performance Indicators

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

Outcomes and Indicators	Results 2023-24	Contribution/Influence 2023-24
Community satisfaction for Council's overall performance increases annually from current result of 63 points	48	The decline of 2 points was also experienced across Large Rural Shires group and State-wide for the sector.
Community satisfaction for Planning and Building services greater than 50 points by 2025	29	Community satisfaction with these services improved to 29, up from 27 in 2023, but remains lower than the average of 41 points for large rural councils and surveys indicate that time and complexity of applications are issues that contribute to this result. Surveys of applicants generally indicate a more positive customer response than the satisfaction survey results suggest.
85 per cent of planning applications, and 100 per cent of VicSmart applications determined in 60 days	Not achieved	58% of applications were determined within 60 Statutory Days, reflecting the higher complexity of applications as well as the resourcing challenges where planning did not have a full team. 74% of VicSmart applications determined within 10 Business Days, also reflecting resourcing challenges.
Reduced subsidy ratio for Council businesses (airports, saleyards, COPACC, Bluewater and Visitor Information Centres)	Achieved	Subsidies for all nominated businesses reduced with respect to operating costs. Council has not introduced a model for accounting for corporate overheads and asset costs in its standard financial reporting, however these are not in the direct control of the management of these businesses.
Community satisfaction for Customer Service increases annually from current result of 69 points	64	The result of 64 points is lower than the result of 66 in the previous year and similar to the average result in 2024 for large rural shires of 65 points.
Number of traineeships/ apprenticeships	4	4 apprentices were employed across various business areas.
Community satisfaction for Consultation and Engagement increases annually from current result of 60 points	48	This score was a small improvement on the previous year, with highest scores amongst people aged 18-34 years, possibly reflecting the increased investment in Council's youth team.
Community satisfaction for Council's community decision making increases annually from 58 point	45	No change from prior year.

Sustainability Report

Organisational Emissions for 2023-24

Organisational emissions have remained relatively steady with an increase of 0.9% overall in 2023-24 compared with the previous year. This increase was mainly due to service requirements for heavy machinery as a result of extreme weather events. Several emissions categories have seen decreases achieved through ongoing sustainability initiatives and improvements, particularly in relation to buildings, street lighting and gas. Council has achieved overall large emissions reductions from pre-COVID levels (2018-19) – netting a reduction of 55% overall.

On 1 July 2022 Colac Otway Shire Council became one of 51 Victorian Councils who have joined the Victorian Energy Collaboration (VECO), which is the largest emissions reduction project ever undertaken by the local government sector in Australia. VECO utilises renewable energy generated from wind farms in western Victoria, and this energy is used to power council-owned infrastructure, such as halls, sports grounds, community venues, leisure centres and streetlights. The collective emissions reduction by participating Councils is saving 260,000 tonnes of carbon emissions from entering the atmosphere – the same as taking 90,000 cars off the road each year.

Total COS Greenhouse Emissions (CO2-e tonnes)					
Financial Year	Buildings	Gas	Street/Public Lighting	Fleet	Total
2010-11	1,999	311	1,181	2,114	5,605
2011-12	1,916	290	1,202	1,727	5,135
2012-13	1,879	323	1,182	1,698	5,082
2013-14	1,484	186	1,014	1,523	4,207
2014-15	1,356	3	872	1,530	3,761
2015-16	1,846	282	436	1,269	3,833
2016-17	1,881	478	412	1,560	4,331
2017-18	1,887	488	406	1,329	4,110
2018-19	1,747	470	406	1,263	3,886
2019-20	1,389	466	417	1,333	3,605
2020-21	0* (1,121)	412	0* (368)	1,108	1,520 (3,009)
2021-22	0* (1,254)	431	0* (327)	1,276	1,707 (3,288)
2022-23	0* (1,128)	446	0* (321)	1,273	1,719 (3,168)
2023-24	0* (1,106)	383	0* (248)	1,353	1,734 (3,090)

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

Note: Emissions figures for 2020/21, 2021/22, 2022/23 and 2023/24 have been revised to reflect the emissions boundary set by Council as part of its carbon emissions inventory verification in line with the National Climate Active Carbon Neutral Standard.

Colac Otway Shire Carbon Neutral Target

Council has significantly reduced its annual carbon emissions (by 69% since 2010) and shown strong leadership in implementing initiatives to progress the transition towards zero corporate greenhouse gas emissions. Council has invested heavily in energy efficiency measures, renewable energy and emissions reduction work – an investment upwards of \$1.5 million (which includes \$500,000 of government grants). This investment has been

fully paid back through ongoing savings which have resulted from the upgrades, and Council has continued to explore and pursue opportunities to further increase the efficiency of its operations and the savings that come with it.

Current residual carbon emissions will continue to be reduced by future emissions reduction projects focusing on Council's gas and transport fuel usage over the next ten years. This is embedded in Council's Environmental Sustainability Strategy 2023-2033

and Climate Change Action Plan, both of which were adopted during the 2023-24 year. It is not currently feasible to eliminate all residual emissions, but rapidly evolving technology and market forces will facilitate emissions reduction possibilities during this decade. During 2023-24 Council resolved to allocate \$25,000 to the purchase of nature-based offsets – the planting of native, biodiverse forests in Australia and New Zealand – from Greenfleet for the 2021-2022 and 2022-2023 financial years as a contribution towards lessening Council’s residual emissions.

Buildings

Council’s ongoing commitment to purchasing 100% clean renewable electricity continues to provide emissions-free electricity for buildings. The 1.95% decrease in consumption is attributable to multiple factors, such as energy efficiency upgrades to heating and ventilation systems, solar installations and to ongoing flexible work arrangements that mean some staff work from home part of the time. Ongoing energy efficiency gains through upgrades to IT and other equipment has also contributed to this.

The 14% decrease in gas consumption is largely due to Council transitioning its facilities away from gas. The particular focus has been on installations of energy efficient equipment, predominantly electric hot water heat pumps, particularly on public facilities, including community, child maternal health and visitor centres. Council’s achievements in this space amount to a 18.5% decrease in gas consumption since pre-COVID levels.

Streetlights

VECO also provides emissions-free, clean renewable electricity for street and public lighting. Consumption has decreased by 22.7%, attributable to ongoing replacement of old street lights with energy efficient LED lights as part of maintenance and renewal works.

Fleet

Fleet and equipment related fuel emissions saw an increase of 6% in the 2023-24 financial year. This is largely due to the multiple storm events experienced throughout the shire and therefore the need for Council to use heavy plant to conduct extensive clean-up, repair and maintenance works. However, Council has continued to move towards gradually electrifying its fleet, hybrid and electric

vehicles and equipment. This will continue to be prioritised during fleet renewal and as new and emerging technology becomes available.

Water Usage for Council Facilities

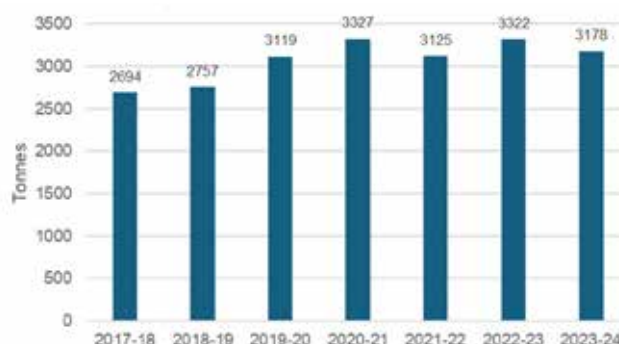
Water use has remained relatively stable, with an increase of just 1%. This can be attributed to the ongoing increasing use of Council’s sporting and recreational facilities and the drier climatic conditions in 2024.

Year	Water Usage (kilolitres)
2016-17	80,887
2017-18	92,787
2018-19	92,935
2019-20	91,058
2020-21	67,333
2021-22	82,727
2022-23	89,950
2023-24	90,868

Waste

Organic Waste Diverted from Landfill

Council has again recorded high levels of diversion of organic waste from going to landfill although marginally less than the previous year (see below graph). This is important not only because the organics material can be processed for return to the carbon cycle as soil enhancer or compost, but also because diversion can reduce the levels of future methane produced in landfills, which is better for the global climate.



Our Governance

Democratic Governance

Corporate Governance

Statutory Information

Governance and Management Checklist





WFG
LIVING PLANTS

Democratic Governance

Statutory responsibility for local government lies with each Australian state or territory. An Act of each State Parliament specifies local government powers, duties and functions.

In Victoria, the legal basis for councils is established under the *Constitution Act 1975*, the *Local Government Act 1989* and the *Local Government Act 2020*.

Councillor Code of Conduct

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

Decision-Making Process

Council is authorised to make decisions in only one of two ways:

By resolution at Council meetings and Delegated Committees of Council; or

By Council officers under delegated authority. The Chief Executive Officer is authorised under the Act to manage the day-to-day operations of the organisation. The CEO has the power to delegate decisions on operational matters to officers. There are certain powers that Council cannot delegate.

Council meetings

Open Council meetings are generally held on the fourth Wednesday of every month. Agendas for these meetings are published on Council's website prior to the meeting and the community is welcome to attend in person or watch via live streaming. Council meeting minutes are also posted on the website following the meeting.

Council Committees

A Council may by instrument of delegation, delegate to members of a delegated committee any of its powers, duties or functions, under the Local Government Act 2020 or any other Act (with exceptions).

Planning Committee

Colac Otway Shire has a Planning Committee comprised solely of all seven councillors, which considers and determines all matters referred to it pursuant to its instrument of delegation, including matters relating to strategic issues, and other matters referred to the Committee. Planning Committee meetings are generally held on the second Wednesday of the month, as required.

Community Asset Committees

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

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

- Alvie Recreation Reserve
- Apollo Bay Senior Citizens Centre
- Barongarook Hall and Tennis (not operational)
- Beech Forest Hall
- Beech Forest Recreation Reserve
- Birregurra Public Hall
- Carlisle River Recreation Reserve
- Chapple Vale Public Hall
- Cororooke Public Hall
- Cressy Hall
- Eurack Public Hall and Tennis Reserve
- Irrewillipe Hall and Reserve
- Kennett River Tennis Reserve
- Larpent Hall
- Lavers Hill Hall
- Pirron Yallock Recreation Reserve
- Stonyford Hall
- Swan Marsh Hall and Tennis Reserve
- Warncoort Tennis Reserve
- Warrion Public Hall
- Yeo Recreation Reserve (not in operation).

Officer Delegations

Colac Otway Shire Council's powers under the Local Government Act 2020 or any other Act may also be delegated to the Chief Executive Officer or individual staff, or sub-delegated to a Colac Otway Shire Council officer by the Chief Executive Officer.

Conflict of Interest

Councillors are elected by their communities to make decisions in the best interests of the municipality. To ensure the public interest is served at all times, Councillors are required to separate their private interests from their public duties, which may mean stepping aside from a decision where a conflict of interest arises.

During 2023-24, Councillors disclosed eleven conflicts of interest during Council meetings and three conflicts of interest at Planning Committee meetings.



Councillor Attendance at meetings

Councillor	Council Meetings (Scheduled & Unscheduled)	Planning Committee	Submissions Committee	Chief Executive Officer Employment Matters Committee	Audit and Risk Committee
Margaret White (Mayor for 8 months)	17	7	8	2	4 of 5
Max Arnott	16	7	9	1	3 of 3
Graham Costin	16	7	8	1	Not a member
Tosh-Jake Finnigan	17	7	9	2	Not a member
Kate Hanson	17	7	9	2	1 of 2
Stephen Hart	17	6	8	2	Not a member
Chris Potter (Mayor for 4 months)	17	7	8	2	Not a member

Councillor Support and Remuneration

The Council Expenses Policy provides a broad overview of how the Council assists and supports the Mayor and Councillors in carrying out their roles and official duties. A copy of the Policy is available for inspection on Council's website under Council policies. In line with the Policy, support is provided to the Mayor in the form of a council vehicle. Information and communication technology is available to all Councillors. The Council Expenses Policy contains provisions for reimbursement of expenses for training, registration fees for conferences and functions, travel and child-care.

The following table sets out the allowance paid to Councillors and councillor expenses for the reporting period 2023-34.

Councillor	Allowances (including super)	Travel Expenses	Remote Area Allowance	Childcare Expenses	Technology and Tools	Conferences and Training	Total
Margaret White (Mayor for 8 months)	\$77,156.87	\$621.41	-	-	\$582.00	\$841.00	\$79,101.28
Max Arnott	\$32,549.12	-	-	-	\$606.00	\$2,840.00	\$35,995.12
Graham Costin	\$32,549.12	\$4,858.79	\$1,927.80	-	\$719.00	\$52.00	\$40,106.71
Tosh-Jake Finnigan	\$32,549.12	-	-	-	\$1,810.00	\$507.00	\$34,866.12
Kate Hanson	\$31,587.53	\$1,167.45	\$183.60	-	\$444.00	\$156.00	\$33,538.58
Stephen Hart	\$32,253.64	\$3,712.92	\$1,055.70	-	\$386.00	\$1,003.00	\$38,411.26
Chris Potter (Mayor for 4 months)	\$58,138.07	\$358.98	-	-	\$771.00	\$262.00	\$59,530.05
	\$296,683.47	\$10,719.55	\$3,167.10	\$0.00	\$5,318.00	\$5,661.00	\$321,549.12

Corporate Governance

Having strong governance and management frameworks leads to better decision making by Council. The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations.

Audit and Risk Committee

The Audit and Risk Committee is an advisory committee of Council and its purpose is to provide a structured, systematic oversight of Council's governance, risk management and internal control practices. The Audit and Risk Committee assists the Council and management by providing advice and guidance on the adequacy of initiatives for:

- Governance structure
- Risk management
- Internal control framework
- Oversight of the internal audit activity, external auditors and other providers of assurance
- Financial and performance statements and public accountability reporting.

The Audit and Risk Committee Charter was reviewed and adopted by Council on 28 September 2022.

Audit and Risk Committee members

The Audit and Risk Committee comprises two Councillors and three independent members.

The maximum term of an independent member is three terms of three years, or nine years. Councillor appointments to the Audit and Risk Committee are reviewed in November each year.

In 2023-24, the independent members were:

- Brian Keane (Chair)
- Melissa Field.(Chair)
- Richard Trigg
- John Gavens
- John Sutherland

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

Over 40 years' experience in Banking, Finance and Information Services, including over 25 years in executive management roles in both private and public sector companies. Now focused on providing expertise in these areas, especially in strategic risk and governance. Leadership roles

in many transformation initiatives have provided experiences that assist in identifying good business practice and strategic opportunities.

Richard Trigg appointed from December 2020

Richard has more 40 years involvement with the Accounting profession in tax, business management and audit, including as partner of a large chartered accounting firm so he is well equipped to contribute to the leadership and governance of Council through the Audit and Risk Committee. Richard also spent 15 years in Local Government including positions as Finance Manager, Director Corporate Services and Acting CEO, providing valuable insight into the role that the Audit and Risk Committee plays in local government.

Melissa Field, B. Comm, MBA, CA appointed from December 2021 and Chair from October 2023

Over 30 years commercial and financial experience, including 15 years in Big 4 Chartered Accounting firms. Melissa is an established independent governance professional. She has held Independent Non-Executive Director and Chair roles in multiple organisations and industries including privately held and publicly held multinational IT services, national Not for Profit organisations and state government bodies. She is also an experienced Audit and Risk Committee Chair, having held this role in private company, public company, not for profit and local government settings. Her passion is using the levers of governance to add value to all stakeholders.

John Gavens, B Comm, MA (Accounting), AICD, FCA. Appointed December 2023

Experienced director in public sector agencies and independent member of Audit and Risk Committees including local government. Over 30 years experience in professional services specialising in audit, assurance and risk management services in local government and public sector agencies.

'John Sutherland Chartered Accountant Diploma of Business Studies Appointed December 2023

John has held several Board and Board Committee positions in the health, engineering, construction, maintenance, community services and electricity industries. For over 30 years held the position of Chief Financial Officer in a variety of industries including construction, health, manufacturing and electricity. Many years experience in finance, audit, risk management and strategy.

Audit and Risk Committee meetings

The Audit and Risk Committee meets five times in an annual cycle and has consisted of the following members over the financial year:

Attendee	Role	16 Aug 23	13 Sep 23	6 Dec 23	14 Mar 24	6 June 24
Brian Keane	Chairperson. <i>(Reappointed December 2022)</i>	✓	✓	Not a member	Not a member	Not a member
Melissa Field	Chairperson <i>(Appointed October 2023)</i> Independent member	✓	✓	✓	✓	✓
Richard Trigg	Independent member	✓	✓	✓	✓	✓
John Gavens	Independent member	Not a member	Not a member	✓	✓	✓
John Sutherland	Independent member	Not a member	Not a member	✓	✓	✓
Cr Margaret White	Councillor representative	✓	✓	✓	✓	✗
Cr Kate Hanson	Councillor representative	✓	✗	Not a member	Not a member	Not a member
Cr Max Arnott	Councillor representative	Not a member	Not a member	✓	✓	✓

Internal Audit

Council’s internal audit service assists in maintaining robust, relevant and effective internal controls. On 26 June 2023, Council appointed Findex Australia Pty Ltd to deliver internal audit services for an initial term of three years, with two one-year options to extend.

External Audit

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

Risk management

Council is committed to risk management and to creating an organisational culture that ensures that effective risk management is embedded in all activities and business processes. Throughout 2023-24, the Audit and Risk Committee and officers commenced an extensive review of Council’s risk management framework.

This review aims to formalise an approach to risk that provides for the effective identification, analysis, management and escalation of risk, enhanced decision making, and visibility to council and the community that risks are being managed effectively. This approach was formalised through the adoption of the Risk Management Framework in October 2023.

Business Continuity

After an independent review of its business continuity framework in 2020, Council took the opportunity to capture and apply learnings from the COVID-19 pandemic to further mature its response to business disruption. Council’s approach towards this project has been a collaborative one, combining business continuity planning with various aspects of emergency management planning to develop a cohesive, interlinked plan across the organisation, including the resourcing of key staff during an emergency.

In addition to the ongoing work required to maintain accurate and effective business continuity practices and critical function response plans within each business unit, work will continue into 2024-25 to finalise this project and embed a strong foundation for continuous improvement.

Policies, Strategies and Plans

The following policies, strategies and key plans were reviewed, endorsed and/or adopted by Council during 2023-24:

- Risk Management Framework
- Fraud and Corruption Framework
- Chief Executive Officer Employment and Remuneration Policy
- Audit and Risk Committee Charter
- Internal Audit Control Policy
- Investment Policy
- Councillor Expenses Policy
- Equal employment opportunity and diversity
- Governance Rules

Statutory Information

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

Beneficial Enterprises

Some parts of Council's role are better performed in partnership with others, and Council has therefore resolved to participate in the following beneficial enterprises:

SouthWest Victoria Alliance (Council resolved to join on 20 April 2022)

Barwon Southwest Climate Alliance (Council resolved to join on 27 April 2022).

Council complied with section 110 of the Local Government Act 2020 when it joined these organisations.

Through 2023-24 both organisations have performed their role in accordance with their corporate requirements. No financial or non-financial risks arising from the operations have been identified.

Documents available for inspection

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

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

Council records

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

Local Laws

- No. 1 General Local Law 2023
- No. 4 Governance Local Law 2020

Policies, strategies and reports

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

Organisational Chart

Councillors

- Contact details

Council elections

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

Grant programs

Planning

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

Businesses

- Awarded tenders

Council Operations

Events information

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

Registers

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

Domestic Management Animal Plan (DAMP)

In accordance with section 68A of the Domestic Animals Act 1994, Council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the annual report.

Council adopted the Domestic Animal Management Plan 2021-25 in December 2021. The new Plan was developed in consultation with various departments and was exhibited for a six week public consultation period from 27 September 2021.

Food Act Ministerial Directions

In accordance with section 7E of the Food Act 1984, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report. No Ministerial Directions were received by Council during 2023-24.

Freedom of Information

The Freedom of Information Act 1982 (FOI Act) provides the community with the right to request access to information held by Council. Access to certain types of documents may be limited by exemptions outlined in the FOI Act.

Documents can be requested as detailed in section 17 of the FOI Act. To be valid, an application must:

- be in writing;
- provide as much information about the documents being sought as practicable, so an officer of Council can identify the documents being requested; and
- accompanied by an application fee.

Council received 24 Freedom of Information applications in 2023-24.

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

Privacy and Data Protection Act 2014

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

No complaints from regulatory bodies were received in 2023-24.

Public Interest Disclosure Act 2012

The Colac Otway Shire is committed to the aims and objectives of the Public Interest Disclosures Act 2012. Council has established guidelines for responding to public interest disclosures. Reports of improper conduct, corrupt conduct, criminal offences, serious professional misconduct, conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety by Colac Otway Shire or its employees, can be made to the nominated Council staff or the independent Broad-based Anti-Corruption Commission.

Disclosures may be made by any person including a member, officer or employee of Colac Otway Shire.

A copy of the Public Interest Disclosures Policy is available from Council's website.

During 2023-24 no disclosures were notified to the Independent Broad-based Anti-Corruption Commission.

Road Management Act Ministerial Direction

Council, as a road authority, is required under Section 22 of the Act to publish a copy or summary of any direction received from the Minister in its annual report.

No Ministerial Directions were received during 2023-24.

Infrastructure and Development Contributions

In accordance with section 46GM and 46QD of the Planning and Environment Act 1987, a council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions, including levies and works in kind.

The report must be published in the Council's Annual Report. Council does not have any development contribution plans recognised under the planning scheme, therefore no contributions were received in 2023-24.

Customer Complaints

During the 2023-24 year, 197 complaints were recorded in the Complaints register. 190 of these were resolved, with 7 remaining open.

The average time to resolve complaints was 25 days. Council's target for resolving complaints is within 28 days.

- 41 per cent were upheld, 20 per cent were partially upheld, and 26 per cent were not upheld.
- 9 recommendations for improvement in service delivery were initiated during the year, with further 5 recommendations made based on analysis of annual results.
- Two complaints proceeded to an internal review

Governance and Management Checklist 2023-24

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

Governance and management items	Assessment	
Community engagement policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act. Date of adoption: 29 June 2022	✓
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation. Date of adoption: 3 February 2021	✓
Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next ten financial years)	Adopted in accordance with section 91 of the Act. Date of adoption: 27 October 2021	✓
Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act. Date of adoption: 29 June 2022	✓
Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act. Date of adoption: 24 June 2021	✓
Annual budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 94 of the Act. Date of adoption: 26 June 2024	✓
Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Date of commencement of current policy: 25 October 2023	✓
Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Date of commencement of current policy: 25 October 2023	✓
Municipal emergency management planning (participation in meetings of the Municipal Emergency Management Planning Committee)	Three MEMPC meetings were attended by one or more representatives of Council (other than the chairperson of the MEMPC) during the previous financial year on the following dates: •4 December 2023 •4 March 2024 •17 June 2024	✓

Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Date of commencement of current policy: 24 July 2024	✓
Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Date of commencement of current plan: September 2022	✓
Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Date of commencement of current plan: November 2022	✓
Complaints policy (policy under section 107 of the Act outlining Council's commitment and approach to managing complaints)	Developed in accordance with section 107 of the Act Date of commencement of current policy: 24 July 2024	✓
Workforce plan (plan under section 46 of the Act outlining Council's commitment and approach to planning for current and future workforce requirements)	Developed in accordance with section 46 of the Act Date of commencement of current plan: 23 Dec 2021	✓
Payment of rates and charges hardship policy (policy outlining Council's commitment and approach to assisting ratepayers who are experiencing financial hardship or difficulty paying their rates)	Assistance to Rates Debtors Policy Date of commencement of current policy: 24 July 2020	✓
Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Date of commencement of current framework: 25 October 2023	✓
Audit and Risk Committee (advisory committee of Council under section 53 and 54 of the Act)	Established in accordance with section 53 of the Act. Date of establishment: 26 August 2020	✓
Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Date of engagement of current provider: 1 August 2022	✓
Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989)	Current framework in operation: 28 July 2014	✓
Council Plan report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Dates reports presented: Q1. 22 November 2023 Q2. 27 March 2024 Q3. 22 May 2024	✓
Quarterly budget reports (quarterly reports to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)	Dates reports presented: Q1. 22 November 2023 Q2. 27 March 2024 Q3. 22 May 2024	✓
Risk reports (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Date of reports: 28 June 2023 28 February 2024	✓

Performance reports (6-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Date of reports: 13 December 2023 22 May 2024	✓
Annual report (annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements)	Presented at a meeting of the Council in accordance with section 100 of the Act Date of presentation: 25 October 2023	✓
Performance reporting (six-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Local Government Act 2020)	Presented at a meeting of the Council: Date of presentation: 14 March 2024	✓
Annual report (annual report under sections 98, 99 and 100 of the Local Government Act 2020 containing a report of operations and audited financial and performance statements)	Presented at a meeting of the Council in accordance with section 100 of the Act. Date presented: 26 October 2022	✓
Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters.)	Adopted in accordance with section 139 of the Act. Date reviewed and adopted: 27 April 2022	✓
Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act. Dates of most recent reviews: Council to CEO - 24 June 2021 Council to Planning Committee - 27 October 2021 Council to members of staff - 29 March 2023	✓
Meeting procedures (Governance rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act. Date reviewed and adopted: 28 September 2022	✓

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



Anne Howard
Chief Executive Officer
Dated: 09/10/2024



Cr Margaret White
Mayor
Dated: 09/10/2024



Performance and Financial Statements





**FORREST
MOUNTAIN
BIKE TRAILS**

Independent Auditor’s Report

To the Councillors of Colac Otway Shire Council

Opinion	<p>I have audited the financial report of Colac Otway Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2024 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including material accounting policy information • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors’ responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
23 September 2024



Travis Derricott
as delegate for the Auditor-General of Victoria

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

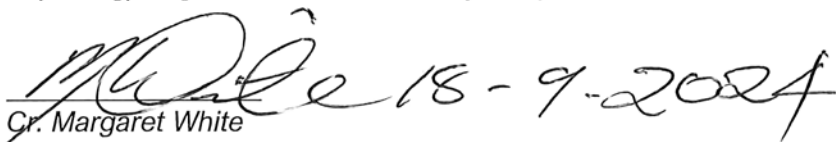


Xavier Flanagan CPA
Principal Accounting Officer
Dated: (Date) 18/9/24

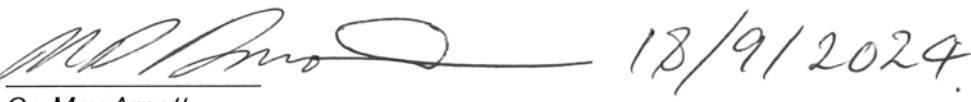
In our opinion, the accompanying performance statement of the (*council name*) for the year ended 30 June 2024 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity. At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify this performance statement in its final form.



Cr. Margaret White
Councillor
Dated:



Cr. Max Arnott
Councillor
Dated:



Anne Howard
Chief Executive Officer
Dated: 18 - 9 - 24

Section 1. Description of municipality

Colac Otway Shire is situated about 160 kilometres south-west of the Melbourne CBD and approximately an hour's drive to the large regional cities of Geelong to the east, Ballarat to the north and Warrnambool to the west.

Colac Otway Shire has a unique and precious natural environment containing some of the most picturesque scenery in the State. A large proportion is Forest Park and National Park but it also includes beaches, rugged coastline, rainforests, waterfalls, volcanic lakes and craters.

The municipality offers a great lifestyle, being ideally located for those looking for a rural idyll within a comfortable commuting distance to major centres.

The five major industry sectors include:

- Manufacturing
- Healthcare and Social Assistance
- Agriculture, Forestry and Fishing
- Retail Trade
- Tourism.

Colac Otway Shire Council provides many high-quality services and facilities across a wide range of areas from, community services, environmental management, customer services, health and wellbeing, family and children's services, open spaces, waste management, tourism, parks and gardens; to business development, planning for appropriate development and ensuring accountability for Council' budget.

Section 2. Service performance indicators

For the year ended 30 June 2024

Results

Service / Indicator / Measure [Formula]	2021	2022	2023	2024		Comment
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.68	1.73	4.64	N/A	6.44	This indicator has increased due to improved tracking of visits to the aquatic centre in areas such as user group bookings and swim school attendance.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	0%	0%	N/A	0%	There were no animal management prosecutions in 2023-24.
Food Safety Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	90.00%	88.89%	100.00%	N/A	82.61%	This indicator has decreased due to the constrained ability of inspectors to follow up on notifications.

Results

	2021	2022	2023	2024	Comment
<p>Governance</p> <p>Satisfaction</p> <p><i>Satisfaction with community consultation and engagement</i></p> <p>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]</p>	60	53	47	48	On trend with last years performance.
<p>Libraries</p> <p>Participation</p> <p><i>Library membership</i></p> <p>[Number of registered library members / Population] x100</p>	#N/A	#N/A	#N/A	24.21%	New indicator for 2023-204. Apollo Bay library reported an increase in visits in 2023-24.
<p>Maternal and Child Health (MCH)</p> <p>Participation</p> <p><i>Participation in the MCH service</i></p> <p>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p>	75.83%	75.84%	76.62%	76.46%	Participation rate remains similar to previous years.

Results

	2021	2022	2023	2024	Comment
<p><i>Participation in the MCH service by Aboriginal children</i></p> <p>[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</p>	72.00%	79.63%	85.71%	N/A 84.44%	The continued participation of Aboriginal children in MCH services can be attributed, in part, to active engagement by MCH Nurses and New Beginnings Project.
<p>Roads</p> <p>Condition</p> <p><i>Sealed local roads maintained to condition standards</i></p> <p>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</p>	100.00%	96.00%	97.70%	100.00%	This result is consistent with previous years.
<p>Statutory Planning</p> <p>Service standard</p> <p><i>Planning applications decided within required time frames</i></p> <p>[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100</p>	77.19%	78.33%	76.94%	85.00%	The 2023-24 result is impacted by limited capacity to process applications within statutory requirements due to staff vacancies.

Results

	2021	2022	2023	2024	Comment
Waste Management Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	57.53%	55.44%	57.15%	63.00%	52.12%
					This indicator has decreased due to the introduction of the CDS exchanges reducing the amount of plastic and glass bottles that would normally account for a larger amount of waste diverted from landfill

Section 3. Financial performance indicators

For the year ended 30 June 2024

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Efficiency										
Expenditure level										
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,500.51	\$3,668.96	\$3,825.47	\$3,810.00	\$4,088.50	\$4,019.49	\$4,117.67	\$4,217.70	\$4,317.66	
Revenue level										
<i>Average rate per property assessment</i> [Sum of all general rates and municipal charges / Number of property assessments]	\$1,827.60	\$1,831.50	\$1,871.96	N/A	\$1,960.60	\$2,020.31	\$2,076.38	\$2,128.50	\$2,181.94	
Liquidity										
Working capital										
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	189.73%	187.14%	243.91%	256.68%	228.95%	266.75%	241.78%	225.18%	206.83%	
Unrestricted cash										
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	93.11%	-16.72%	64.42%	N/A	139.98%	169.04%	151.48%	139.84%	126.94%	
Obligations										
Loans and borrowings										
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	2.31%	1.81%	0.00%	N/A	0.00%	1.35%	0.00%	0.00%	0.00%	
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	1.06%	0.55%	1.86%	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	
Indebtedness										
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	16.12%	11.86%	10.98%	N/A	10.11%	11.40%	10.08%	9.87%	9.62%	
Asset renewal and upgrade										
<i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	97.61%	105.27%	74.11%	62.01%	75.08%	78.66%	77.14%	69.02%	70.06%	
Operating position										
Adjusted underlying result										
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	7.60%	0.91%	1.85%	N/A	-17.36%	-8.88%	-9.05%	-9.56%	-9.64%	

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Stability										
Rates concentration										
<i>Rates compared to adjusted underlying revenue</i>	53.83%	55.67%	54.10%	61.20%	63.72%	62.64%	62.94%	63.28%	63.40%	
[Rate revenue / Adjusted underlying revenue] x100										
Rates effort										
<i>Rates compared to property values</i>	0.44%	0.41%	0.29%	N/A	0.30%	0.30%	0.31%	0.31%	0.32%	
[Rate revenue / Capital improved value of rateable properties in the municipality] x100										

Section 4. Sustainable capacity indicators

For the year ended 30 June 2024

Results

	2021	2022	2023	2024	Comment
Indicator / Measure [Formula]	Actual	Actual	Actual	Actual	
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,527.05	\$2,726.33	\$2,764.44	\$2,949.31	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$15,917.69	\$17,967.21	\$19,268.12	\$20,920.40	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	13.34	13.20	13.63	13.54	
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$2,019.76	\$1,919.00	\$1,999.37	\$2,084.14	
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$557.80	\$653.40	\$674.75	\$246.89	
Disadvantage <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	3.00	3.00	3.00	3.00	
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	12.0%	23.1%	19.8%	19.4%	

Section 5. Notes to the accounts

5.1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g., Australian Bureau of Statistics or the Council's satisfaction survey provider).

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by *the Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2024-25 to 2027-28 by the council's financial plan.

The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

5.2. Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council

rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

Unaudited Service Performance Indicators

Results

Service / indicator / measure	2021	2022	2023	2024	Comments
Aquatic Facilities					
Service standard <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0.00	1.00	1.00	1.00	Council has 1 registered and operated pool (Bluewater Leisure Centre).
Service cost <i>Cost of aquatic facilities</i> [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	\$23.59	\$12.77	\$4.02	\$4.92	Increases in the expenses incurred in operating the aquatic facility has outpaced the increase in attendance and associated income.
Animal Management					
Timeliness <i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.18	1.02	1.00	The decreased time taken to action animal management requests for the 2023-24 can be attributed to an increase in staff numbers and an improved customer service process.
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100	61.14%	71.36%	49.24%	48.66%	Council delivers a responsible pet ownership campaign with the aim of reuniting collected animals with their owners as soon as possible. Council impounded 372 animals and reunited 181.
<i>Animals rehomed</i> [Number of unclaimed collected animals rehomed / Number of unclaimed collected animals] x100	23.83%	22.07%	22.08%	35.08%	The current climate, economic times and financial pressures for some owners are challenges Council has in rehoming animals, however Council was able to improve on last year and rehome 22 Dogs and 57 cats in 2023-24.

Unaudited Service Performance Indicators

Results

Service / indicator / measure	2021	2022	2023	2024	Comments
Service cost Cost of animal management service per population [Direct cost of the animal management service / Population]	\$14.69	\$14.49	\$13.28	\$15.99	Council has experienced increased costs in food and other materials associated with the animal management services.
Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100.00%	0.00%	0.00%	0.00%	There were no animal management prosecutions in 2023-24.
Food Safety					
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	0.50	2.31	3.20	2.17	Officers have developed further experience that has enabled greater output and efficiencies.
Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	49.02%	54.01%	79.49%	100.00%	The improvement in this indicator was due to council being able to develop and retain skilled and experienced staff.
Food safety samples [Number of food samples obtained / Required number of food samples] x 100	New	New	New	108.77%	Food Sampling Program - numbers as per Government Gazette were completed 100% by contractor - 57 samples.

Unaudited Service Performance Indicators

Results

Service / indicator / measure	2021	2022	2023	2024	Comments
<p>Service cost</p> <p><i>Cost of food safety service</i></p> <p><i>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</i></p>	\$458.84	\$298.02	\$395.11	\$592.12	The 50% increase in the cost of food inspection is attributed to the use of contractors to complete Council's food inspection program during the 2023/24 financial year to address staff unavailability for this purpose and ensure Council's statutory commitments were achieved.
Governance					
<p>Transparency</p> <p><i>Council decisions made at meetings closed to the public</i></p> <p><i>[Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100</i></p>	7.64%	2.27%	4.69%	3.11%	Council has worked to improve transparency and only closes meetings to the public if absolutely necessary for confidential reasons.
<p>Consultation and engagement</p> <p><i>Satisfaction with community consultation and engagement</i></p> <p><i>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]</i></p>	60.00	53.00	47.00	48.00	On trend with last years performance.
<p>Attendance</p> <p><i>Councillor attendance at council meetings</i></p> <p><i>[The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) × (Number of Councillors elected at the last Council general election)] x100</i></p>	98.57%	98.35%	99.05%	99.16%	

Unaudited Service Performance Indicators

Results

Service / indicator / measure	2021	2022	2023	2024	Comments
Service cost <i>Cost of elected representation</i> <i>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</i>	\$47,857.87	\$45,724.81	\$50,198.36	\$65,515.00	During the 2023/24 Financial Year there were two extra council meetings and there was a corresponding increase in venue hire costs.
Libraries					
Resource currenacy <i>Recently purchased library collection</i> <i>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</i>	50.28%	59.10%	58.49%	59.84%	Items data calculated as at 30 June 2024. Regular Collection purchasing took place in 2023-24
Service cost <i>Cost of library service per population</i> <i>[Direct cost of the library service / Population]</i>	\$34.30	\$38.70	\$31.89	\$34.34	Cost per population remained steady in 2023-24.
Utilisation <i>Loans per head of population</i> <i>[Number of library collection item loans / Population]</i>	New	New	New	6.76	New indicator for 2023-204. Apollo Bay library reported an increase in visits in 2023-24.
<i>Library visits per head of population</i> <i>[Number of library visits / Population]</i>	New	New	New	3.07	New indicator for 2023-204. Apollo Bay library reported an increase in visits in 2023-24.
Maternal and Child Health (MCH)					
Service standard <i>Infant enrolments in the MCH service</i> <i>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</i>	100.00%	100.00%	100.00%	99.54%	We transferred 3 babies out of the service after receipt of birth notice to another LGA

Unaudited Service Performance Indicators

Results

Service / indicator / measure	2021	2022	2023	2024	Comments
Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$73.60	\$72.29	\$71.86	\$72.47	This remains steady compared to previous years.
Satisfaction Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100	103.35%	94.98%	94.78%	100.00%	Continue to have high engagement at 4wk KAS
Roads					
Satisfaction of use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	24.21	18.94	21.48	24.95	A small increase in the number of complaints regarding dust and request for sealing of roads to reduce amenity impacts.
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$87.30	\$128.75	\$0.00	\$169.23	Higher level of road reconstruction undertaken in 2023-24 and increased costs of construction contributed to significant increase.
Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$5.16	\$4.41	\$6.04	\$8.42	Higher cost in 2023-24 was due to an increased cost of contractors.
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	53.00	47.00	39.00	40.00	Minor improvement in customer satisfaction.

Unaudited Service Performance Indicators

Results

Service / indicator / measure	2021	2022	2023	2024	Comments
Statutory Planning					
<p>Timeliness</p> <p><i>Time taken to decide planning applications</i></p> <p><i>[The median number of days between receipt of a planning application and a decision on the application]</i></p>	74.00	78.00	91.00	99.00	Increase in time taken to determine planning applications due to challenge filling staff vacancies and reliance on contract staff, in addition to a significant number of complex applications and Development Plans for residential subdivision received during the year
<p>Service cost</p> <p><i>Cost of statutory planning service</i></p> <p><i>[Direct cost of the statutory planning service / Number of planning applications received]</i></p>	\$1,998.25	\$2,247.33	\$2,452.92	\$3,092.89	The total cost of Statutory Planning services is consistent with prior year, however, the number of planning applications is materially lower than 2022-23 and has included a greater number of complex applications.
Waste Management					
<p>Service standard</p> <p><i>Kerbside collection bins missed</i></p> <p><i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</i></p>	3.09	5.75	4.61	5.50	Whilst there has been a decrease in the number of bins missed in 2023-24, there has been a greater decrease in the number of scheduled bin lifts for the same period, leading to an overall increase in this indicator result.
<p>Service cost</p> <p><i>Cost of kerbside garbage bin collection service</i></p> <p><i>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i></p>	\$99.09	\$115.52	\$117.82	\$109.70	

Unaudited Service Performance Indicators

Results

Service / indicator / measure	2021	2022	2023	2024	Comments
Service cost <i>Cost of kerbside recyclables collection service</i> <i>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</i>	\$62.04	\$45.44	\$53.01	\$67.18	The 27% increase is attributed to the CPI rate increase which came into effect under Council's kerbside waste collection contract due to higher fuel and transport costs, as well as significantly higher State Government gate fees for the disposal of recyclable materials which increased from \$75 to \$180 per tonne.



Financial Statements

Financial Summary

Colac Otway Shire Council's performance was generally unfavourable when compared to the 2023-24 Budget and the previous financial year.

Detailed information relating to Council's financial performance is included in the Financial Report and statements included at the end of this annual report.

Influences on performance

The most significant impact on Council's financial performance, when compared to the adopted budget and the prior year result, was the late payment of Financial assistance grants which were expected to be received just before the end of financial year but were instead paid in July 2024. When taking this into account, Council's result was favourable in comparison to the adopted budget and more similar to the prior year.

Like most businesses, Council has continued to experience significant increases in the cost of services, commodities and consumables this year. In particular the cost of almost all construction activities have increased by unprecedented amounts over the last two years including 2023-24. This impacts the cost of delivery infrastructure works and also flows through asset revaluations and depreciation in Council's accounts.

Council had employee turnover rates that were again higher than pre-covid years, and similar to the prior year. Despite this, Council has been successful in recruitment and has attracted new skills and experiences that are important to Council's ongoing service delivery. Many in the workforce are now catching up on overdue leave after the disruption in recent years and this increased leave is a contributor to the higher employee costs in 2023-24.

Operating results

The 2023-24 results show that Council achieved an operating deficit of (\$5.41) million for the year, \$11.97 million less than the \$6.56 million surplus in the prior year. Financial Assistance Grants (FAGs) of

\$7.47 million where budgeted to be received in June 2024 but was instead received in July 2024. If the FAGs had been received as per the adopted budget the 2023-24 result would have been a surplus.

It is also important to note, that the operating result includes non-recurrent items which are irregular and generally project specific. Therefore any trends and timing differences of grants received need to be assessed over a longer period than year-on-year comparisons.

Council's major challenge in future years remains that of ensuring sufficient revenue is generated to fund service delivery and infrastructure renewal requirements. Council established a Financial Plan in September 2021 for a 10-year period. This plan forecasts ongoing deficits and significant challenges to Council's financial sustainability. Operational efficiencies will need to be strongly pursued but are unlikely to have a material impact on Council's overall challenges without significant intervention.

Revenue

Total revenue for 2023-24 is \$60.28 million (budgeted \$59.45 million) compared with \$67.90 million for 2022-23. The material difference between the two years arises from the timing of the FAG payment. Further detail on income can be seen in the Comprehensive Income Statement and notes 3.1 to 3.7 of the 2023-24 Financial Statements.

An analysis of Council's revenue sources highlights that 71% of income is derived from two income categories:

- i. Rates and charges 59% (2022-23: 50%)
- ii. Operating grants 12% (2022-23: 24%)

Expenditure

Total expenses for 2023-24 is \$65.69 million (budgeted \$60.88 million). Notable contributions to the higher expenditure are in the following areas:

Employee costs unfavourable variance mainly

relates to above budget costs for casuals (\$0.40) million, staff leave taken at levels greater than budget (\$0.97) million and additional salaries including allowances (\$0.72) million.

1. Materials & Services unfavourable variance mainly relates to above budget costs in consultants (\$1.93) million, Insurances (\$0.44) million and Utilities (\$0.30) million, off-set by underspend in Contractors \$0.84 million and Agency staff \$0.34 million
2. Other Expenses Additional costs for increase to the landfill rehabilitation provision movement (\$0.314) million and Auditors remuneration (\$0.083) million.

In summary, an analysis of expenses indicates that 97% were in the following three categories:

Employee costs 40% (2022-23: 40%)

- Materials and services 36% (2022-23: 35%)
- Depreciation and amortisation 22% (2022-23: 22%)

Capital Works

In 2023-24 Council's Capital Works delivery increased by \$0.50 million compared to the prior year, to a total of \$10.84 million.



Renewal of existing assets accounted for \$7.26 million, new assets accounted for \$0.11 million and upgrade to existing assets totalled \$3.47 million. Investment in capital works is a strategic approach to maintaining or renewing the community's existing assets as they age.

Activities included:

\$4.99 million on road works;

- \$0.35 million on drainage and storm water;
- \$33,000 on bridge works;
- \$1.13 million on renewal of Council's plant, machinery and equipment;
- \$0.34 million on footpaths and cycle ways;
- \$2.46 million on buildings; and

- \$1.52 million on other infrastructure.

Assets

Total assets are valued at \$567.71 million; primarily consisting of:

Property, plant, equipment and infrastructure (land, buildings, roads, bridges etc.)

- Cash assets (mainly short-term investments)

The main contributor to the overall increase in the total assets was due to the revaluation of significant asset classes. These included:

Buildings - \$19.04 million

- Land - \$12.76 million
- Other Infrastructure - \$1.69 million

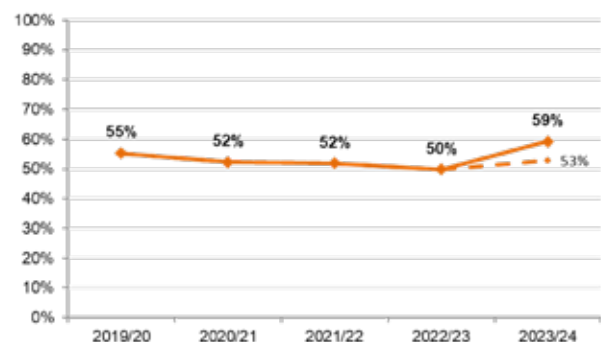
Liabilities

Total liabilities were \$19.99 million as at 30 June 2024. Liabilities include loans, lease obligations, amounts owed to suppliers, provisions for landfill rehabilitation and amounts owed to employees for leave entitlements. Liabilities decreased by \$1.04 million, in comparison with 2022-23. Unearned income has decreased from 2022-23 by \$3.63 million. This was due to amounts received in advance for specific purpose government grants for operations.

Financial Indicators

The financial indicators included in this report provide information on performance trends over time.

Revenue Ratio



The Revenue Ratio shows the level of reliance on rate revenue. It is an indication of how much total revenue comes from rates and charges. It is influenced by other revenue sources such as government grants, contributions, special charges, user fees and charges. Rate income is a secure and

predictable source of revenue. A low ratio can warn of undue reliance on other forms of revenue, which may or may not be sustainable, e.g. government grants. The preferred position is for a reliance on rates and other commercial revenue, with a low dependency on government grants. Financial Assistance Grants in the amount of \$7.47 million relating to the 2023-24 financial year was received in early July of the 2024-25 financial year. When added to the 2023-24 income the revenue ratio shifts to 53%.

Financial Sustainability

Indicators Financial sustainability is defined in a number of different ways. A generally accepted definition is whether local governments have sufficient current and prospective financial capacity (inflows) to meet their current and prospective financial requirements (outflows).

To be sustainable, councils need to have some excess capacity at any point in time to be able to manage future financial risks and shocks without having to radically adjust their current revenue or expenditure policies.

The following seven indicators are utilised and published by the Victorian Auditor General annually, to assess the financial viability of councils. The figures for the prior financial years are taken from the Victorian Auditor-General’s Office (VAGO) report that can be found at:

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

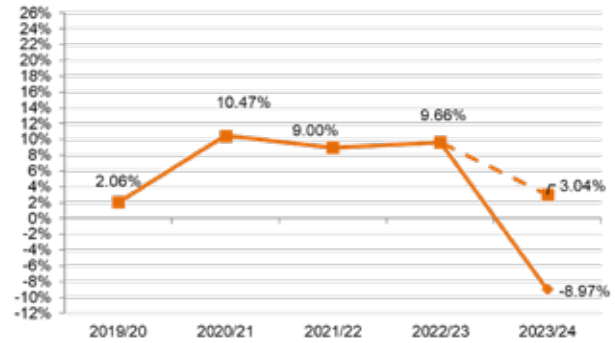
The following table summarises Colac Otway Shire Council’s result for 2023-24:

Indicators	Colac Otway Result	Risk Levels		
		High	Medium	Low
Net Result Ratio	8.97%	Less than Negative 10%	Between negative 10% and zero	Greater than zero
Adjusted underlying result	17.36%	Less than 0%	Between 0% and 5%	Greater than 5%
Liquidity Ratio	229.32%	Less than 75%	Between 75% and 100%	Greater than 100%
Indebtedness Ratio	10.11%	Greater than 60%	Between 40% and 60%	Less than 40%
Internal Financing Ratio	57.20%	Less than 75%	Between 75% and 100%	Greater than 100%
Capital Replacement	75.84%	Less than 100%	Between 100% and 150%	Greater than 150%
Renewal Gap	75.08%	Less than 50%	Between 50% and 100%	Greater than 100%

The following information provides a definition for each indicator and the five-year trend for each:

Net Result Ratio

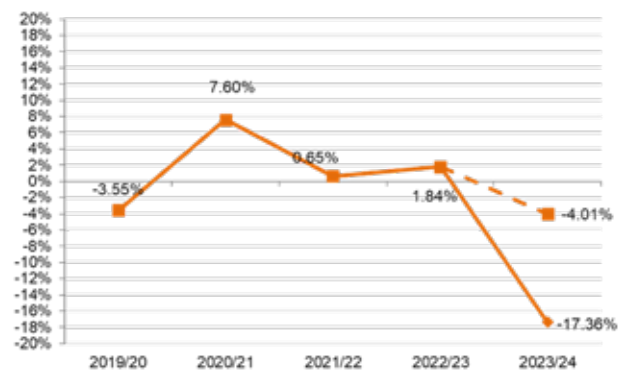
This measures how much of each dollar collected as revenue translates to net result. A positive result indicates a surplus, and the larger the percentage, the stronger the result.



This ratio includes capital grants and grants received in advance that aid in generating a surplus. This can be utilised for new assets or asset renewal. This result places Council within the ‘Medium’ risk category for financial sustainability. Slight year on year improvement in ratio driven by greater income generated, and slight improvement in surplus. Net Result with FAGs added back to the 2023-24 results shifts the indicator to 3.04%.

Adjusted Underlying Result

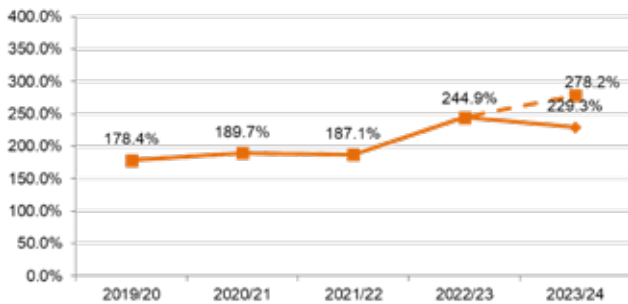
This ratio measures an entity’s ability to generate surplus, or pay for its own operations, in the ordinary course of business—excluding non-recurrent capital grants, non-monetary asset contributions, and other contributions to fund capital expenditure from the net result. A deficit suggests a reduction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



This indicator has degraded significantly, year on year, primarily due to the timing of receipt of FAGs where \$7.47 million relating to the 2023-24 financial year was received in early July of the 2024-2025 financial year. Adjusted Underlying Result with FAGs added back to the 2023-24 results shifts the indicator to -4.01%.

Working Capital Ratio

This measures an entity's ability to pay existing liabilities in the next 12 months. A ratio greater than 100% means there are more cash and liquid assets than short-term liabilities.

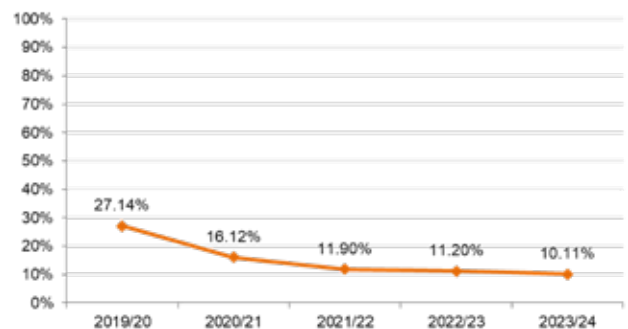


The Working Capital Ratio expresses the level of current assets, such as cash and investments, that Council has available to meet our current liabilities. This includes outstanding creditors and employee entitlements.

The current ratio of 229.3% represents a 16% year on year reduction driven in the most part by late receipt of FAGs (as mentioned above), having a \$7.47 million impact on cash held. Working Capital Ratio with FAGS added back to the 2023-24 results shifts the indicator to 278.2%.

Indebtedness Ratio

This assesses an entity's ability to pay liabilities, as and when they fall due, from the funds it generates. The lower the ratio, the less revenue the entity is required to use to repay its total debt. Own-sourced revenue is used, rather than total revenue, because it does not include grants or contributions.

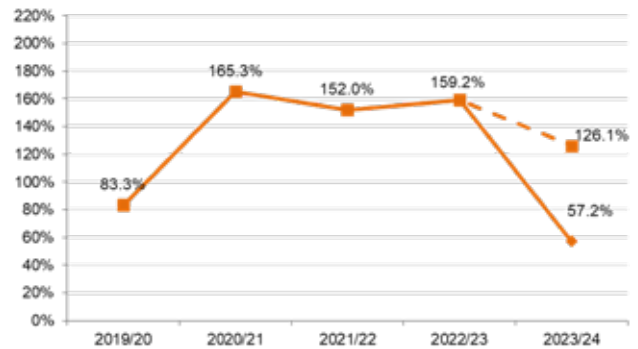


The ratio is comfortably in the low-risk category, indicating that we are generating sufficient funds to cover debt without requiring outside assistance.

This indicator has continued to reduce in 2023-24 with minor movement in non-current liabilities.

Internal Financing Ratio

This measures an entity's ability to finance capital works using cash generated by its operating cash flows. The higher the percentage, the greater the ability for the entity to finance capital works from its own funds.



The result indicates that Council's ability to generate sufficient cash from operations to fund the renewal of existing assets has reduced year on year driven in the most part by late receipt of FAGs (as mentioned above), having a \$7.47 million impact on cash held. Internal Financing Ratio with FAGS added back to the 2023-24 results shifts the indicator to 126.1%.

Capital Replacement Ratio

This compares the rate of spending on infrastructure, property, plant and equipment, and intangibles with its depreciation and amortisation. This is a long-term indicator, as capital expenditure can differ in the short term if there are insufficient funds available from operations, and borrowing is not an option. A ratio less than 100% means the spending on capital works has not kept pace with consumption of assets.



This ratio is about the overall spending on assets, both new and existing. The 2023-24 result is assessed as high risk and is impacted by the increase in carry forward of capital projects of \$22.55 million to 2024-25, and year-on-year increases in Plant and Equipment, and Infrastructure depreciation of \$0.65 million.

Renewal Gap Ratio

This compares the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation. Ratios higher than 100% indicate that spending on existing assets is faster than the depreciation rate.



This ratio is about the renewal and upgrade of our existing assets (i.e. replacing one asset with another of the same or better quality). There has been a material improvement in the 2023-24 result, which is now in the medium-risk category, driven in the most part by a \$0.63 million increase in renew and upgrade capital expenditure.

Understanding the Financial Statements

Introduction

The financial statements show Council's performance during 2023-24 and its overall financial position as at 30 June 2024. Council presents the financial report in accordance with Australian Accounting Standards. Particular terms required by the standards may not be familiar to some readers. Council's commitment is to be as transparent as possible. It is in this context that the following explanations have been developed to assist readers to understand and analyse the financial report.

Annual Financial Statement

The Annual Financial Report contains the General Purpose Financial Statements. The data throughout this report includes all entities controlled by Council. Council's financial report has two main sections, the Report and the Notes. There are five Statements and ten notes. These are prepared by Council staff, reviewed by Council and Council's Audit and Risk Committee and then given audit approval by the Victorian Auditor-General. The five statements included in the first few pages of the report are the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement Cash Flows and Statement of Capital Works. The Notes detail Council's accounting policies and give further information about the make-up of the values contained in the statements.

Comprehensive Income Statement

This statement includes all sources of income, less all operating expenses incurred in delivering Council services. It also includes depreciation of the value of buildings, roads, footpaths, drains and all other assets used to deliver Council services. These assets are depreciated over their life as they are used. Capital costs or new assets acquired or created during the year are excluded from this statement. Preparation of the statement is on an 'accrual' basis. This means that all income and costs for the year are recognised even though the income may not have been received (interest on bank deposits), or expenses not paid (invoices not received for goods and services already used). Similarly, income, such as grant revenue, that is received in advance is held

on the Balance Sheet as a current liability and not recognised as revenue until earned (i.e. the required performance obligations have been met under the funding agreement).

The key figure to look at is the underlying surplus/ (deficit) for the year. A surplus that is positive means that recurrent revenue was greater than recurrent expenses. Continual deficits (losses) may raise questions about Council's ability to be financially viable in the longer-term.

Balance Sheet

The Balance Sheet is a one-page summary of Council's financial position as at 30 June each financial year. It shows what we own (assets) and what we owe (liabilities). The bottom line of this statement is net assets or the 'net worth' of Council. The assets and liabilities are separated into current and non-current. Current means those assets or liabilities which will fall due or will be used in the next 12 months. The components of the balance sheet are described below.

Current and Non-Current Assets

- Cash and cash equivalents include cash held at bank, petty cash and term deposits with an original investment period of 90 days or less.
- Other Financial Assets include investments, such as term deposits with original investment periods greater than 90 days.
- Trade and Other Receivables are monies owed to Council by ratepayers and other customers.
- Inventories include any stock being held by Council.
- Other assets include accounts which have been prepaid.
- Investment in Associates and joint ventures is the investment in the Geelong Regional Library Corporation.
- Property, Plant and Equipment, Infrastructure is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, and other items.
- Right-of-use assets consist of leased assets, which Council has the right to use over the life of a lease.

Current and Non-Current Liabilities

- Trade and other payables include monies owed by Council as at 30 June each financial year and unearned income received in advance.
- Trust funds and deposits are monies received and held by Council.
- Provisions include landfill rehabilitation works and employee benefits, such as accrued long service and annual leave.
- Interest bearing loans and borrowings includes loans repaid over a set period of time.
- Lease liabilities are financial obligations to make the payments arising from leased assets, where control of the asset is transferred to Council.

Net Assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June each financial year. The net value of Council is also synonymous with total equity.

Total Equity

- Asset revaluation reserve is the difference between the cost of property and infrastructure assets and their current valuations.
- Other reserves are allocations of the accumulated surplus for specific funding purposes. Some are required by legislation, some are mandated under Council policy.
- Accumulated surplus is the value of all net assets accumulated over time.

Statement of Changes in Equity

The value of total equity, as set out in the balance sheet, changes during the year. The statement shows the movement in total equity and any movement between accumulate surplus and reserves. The main reasons for changes in equity are:

- The 'profit and loss' from operations, described in the Comprehensive Income Statement as the surplus/(deficit) for the year.
- The use of monies from Council's reserves and transfers to Council's reserves.
- Revaluation of assets occurs to ensure that assets are correctly valued at current replacement value.

Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. This statement is presented according to a very specific Accounting Standard and needs some care in analysis. The values may differ from those shown in the Comprehensive Income Statement because this statement is prepared on an accrual accounting basis.

The amounts disclosed in the Cash Flow Statement are cash flows generated from, and used in, three main areas:

1. *Cash Flow from Operating Activities Receipts*

All cash received into Council's bank account from ratepayers and other monies owed to Council. Receipts also include the interest assets from Council's cash investments. It does not include the costs associated with the sale of assets. Payments. All cash paid from Council's bank account to suppliers, staff and other persons. It does not include the costs associated with the creation of assets.

2. *Cash Flow from Investing Activities*

The accounting term Investing Activities relates to payments for the acquisition of assets, such as new plant, roads and other long-term revenue producing assets. It also includes the proceeds from the sale of assets, such as plant, and land.

3. *Cash Flow from Financing Activities*

This is where the receipt and repayment of borrowed funds are recorded, as well as any movement in trust funds and deposits held by Council. The bottom line of the Statement of Cash Flows is Council's total cash at the end of the financial year. The Statement of Cash Flows is important as it shows the source of Council's funds and details how they are spent.

Statement of Capital Works

The Statement of Capital Works summarises Council spending on assets for the year. The Statement of Capital Works breaks all capital expenditure incurred by Council into three broad headings – Property, Plant and Equipment, and Infrastructure, with relevant sub groups below these. The Statement of Capital Works also shows asset spending by three categories:

- New asset expenditure – spending on assets that Council has not possessed previously.
- Asset renewal expenditure – spending on renewing Council's existing assets back to their original service provision capacity.
- Asset upgrade expenditure – spending on improving the service capacity of Council's existing assets.

Notes to the Accounts

The Notes are an important and informative section of the report. The Australian Accounting Standards are not prescriptive on a lot of issues.

Apart from the accounting policies, the Notes also give details behind many of the summary figures contained in the statements. The Note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity and the Statement of Cash Flows.

Note 1 provides for a comparison between end of year actual results and Council's adopted budget, highlighting and providing explanations for major variances.

Where Council wishes to disclose other information that cannot be incorporated in the statements, then this is shown in the Notes. Other Notes include:

- The cost of the various functions of Council.
- The breakdown of expenses, revenues, reserves and other assets.
- Transactions with persons related to Council.
- Financial performance indicators.

The Notes should be read in conjunction with the other parts of the Financial Statements to get a clear picture of the accounts.

What is the Performance Statement?

The Performance Statement reports on Council's progress for the financial year against the Local Government Performance Reporting Framework indicators adopted as part of the annual budget. They include financial and non-financial data. Council's external auditors review the evidence and accuracy of the results.

Statements by Principal Accounting Officer and Councillors

The Certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council. It assures that, in her/his opinion, the financial statements have met all the statutory and professional reporting requirements.

The Certification of Councillors is made by two Councillors on behalf of Council confirming that in their opinion the financial statements are fair and not misleading. The Chief Executive also endorses and signs the certification.

Auditor General's Report

The Independent Auditor's Report provides an external opinion on the financial statements. The opinion covers statutory and professional requirements as well as addressing the fairness aspects of the financial statements.

Certification of the Financial Statements

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



Xavier Flanagan CPA
Principal Accounting Officer

Dated : 18/09/2024
Colac

In our opinion, the accompanying financial statements present fairly the financial transactions of the Colac Otway Shire Council for the year ended 30 June 2024 and the financial position of the Council as at that date.

At the date of signing, we are not aware of any circumstances that would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.



Cr Max Arnott
Councillor

Dated : 18/09/2024
Colac

Cr Margaret White
Councillor



Dated : 18/09/2024
Colac

Anne Howard
Chief Executive Officer



Dated : 18/09/2024
Colac

Comprehensive Income Statement For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income/revenue			
Rates and charges	3.1	35,720	33,815
Statutory fees and fines	3.2	964	1,083
User fees	3.3	8,191	7,007
Grants - operating	3.4	7,069	16,472
Grants - capital	3.4	4,288	4,928
Contributions - monetary	3.5	498	518
Contributions - non monetary	3.5	2,006	1,680
Net gain / (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(444)	867
Share of net profits of associates and joint ventures	6.3	71	1
Other income	3.7	1,918	1,531
Total income/revenue		60,281	67,902
Expenses			
Employee costs	4.1	25,977	24,469
Materials and services	4.2	23,412	21,685
Depreciation	4.3	14,287	13,633
Depreciation - right of use assets	4.4	101	101
Allowance for impairment losses	4.5	58	(31)
Borrowing costs	4.6	-	32
Finance costs - leases	4.7	-	1
Other expenses	4.8	1,854	1,453
Total expenses		65,689	61,343
Surplus/(deficit) for the year		(5,408)	6,559
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain	9.1	53,006	43,008
Total other comprehensive income		53,006	43,008
Total comprehensive result		47,598	49,567

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

Balance Sheet As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	15,422	21,069
Trade and other receivables	5.1	3,934	4,053
Other financial assets	5.1	14,000	13,000
Inventories	5.2	177	167
Prepayments	5.2	111	91
Non-current assets classified as held for sale	6.1	590	570
Other assets	5.2	832	626
Total current assets		35,066	39,576
Non-current assets			
Trade and other receivables	5.1	41	39
Property, infrastructure, plant and equipment	6.2	529,499	478,402
Investments in associates, joint arrangements and subsidiaries	6.3	218	148
Right-of-use assets	5.7	2,881	2,983
Total non-current assets		532,639	481,572
Total assets		567,705	521,148
Liabilities			
Current liabilities			
Trade and other payables	5.3	4,565	2,540
Trust funds and deposits	5.3	998	1,121
Contract and other liabilities	5.3	4,524	8,157
Provisions	5.4	5,195	4,335
Lease liabilities	5.7	9	8
Total current liabilities		15,291	16,161
Non-current liabilities			
Provisions	5.4	4,694	4,857
Lease liabilities	5.7	-	9
Total non-current liabilities		4,694	4,866
Total liabilities		19,985	21,027
Net assets		547,720	500,121
Equity			
Accumulated surplus		138,919	136,495
Reserves	9.1	408,801	363,626
Total Equity		547,720	500,121

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

Statement of Changes in Equity For the Year Ended 30 June 2024

2024	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		500,121	136,496	334,121	29,505
(Deficit) for the year		(5,408)	(5,408)	-	-
Net asset revaluation gain	9.1	53,006	-	53,006	-
Transfers to other reserves	9.1	-	(20,584)	-	20,584
Transfers from other reserves	9.1	-	28,415	-	(28,415)
Balance at end of the financial year		547,720	138,919	387,127	21,674

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

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows For the Year Ended 30 June 2024

	Note	2024 Inflows/ (Outflows) \$'000	2023 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		35,395	33,709
Statutory fees and fines		964	1,083
User fees		6,837	5,881
Grants - operating		5,284	14,346
Grants - capital		3,470	4,027
Contributions - monetary		498	518
Interest received		1,280	661
Trust funds and deposits (paid)		(123)	(10)
Other receipts		638	870
Net GST refund/(payment)		(592)	7
Employee costs		(25,511)	(24,383)
Materials and services		(21,942)	(20,255)
Net cash provided by operating activities	9.2	6,198	16,454
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(10,835)	(10,337)
Proceeds from sale of property, infrastructure, plant and equipment	3.6	-	2,798
Payments for investments		(2,000)	(2,000)
Proceeds from sale of investments		1,000	1,000
Net cash used in investing activities		(11,835)	(8,539)
Cash flows from financing activities			
Finance costs		-	(32)
Repayment of borrowings		-	(596)
Interest paid - lease liability		-	(1)
Repayment of lease liabilities		(8)	(25)
Net cash used in financing activities		(8)	(654)
Net increase (decrease) in cash and cash equivalents		(5,645)	7,261
Cash and cash equivalents at the beginning of the financial year		21,067	13,806
Cash and cash equivalents at the end of the financial year		15,422	21,067
Restrictions on cash assets	5.1		
Financing arrangements	5.5		

The above statement of cash flows should be read in conjunction with the accompanying notes.

Statement of Capital Works For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Property			
Land		-	245
Total land		-	245
Buildings		2,463	669
Total buildings		2,463	669
Total property		2,463	914
Plant and equipment			
Plant, machinery and equipment		847	684
Fixtures, fittings and furniture		3	3
Computers and telecommunications		284	338
Total plant and equipment		1,134	1,025
Infrastructure			
Roads		4,989	4,043
Bridges		33	1,329
Footpaths and cycleways		343	574
Drainage		353	214
Other infrastructure		1,520	2,239
Total infrastructure		7,238	8,399
Total capital works expenditure	6.2	10,835	10,338
Represented by:			
New asset expenditure		108	245
Asset renewal expenditure		7,256	7,045
Asset upgrade expenditure		3,470	3,048
Total capital works expenditure		10,835	10,338

The above statement of capital works should be read in conjunction with the accompanying notes.

Note 1 Overview

Introduction

The Colac Otway Shire Council was established by an Order of the Governor in Council on 23 September 1994 and is a body corporate. The Council's main office is located at 2-6 Rae Street Colac Victoria 3250.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Accounting policy information

(a) Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Note 1 Overview

(a) Basis of accounting (cont'd)

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.4)
- the determination of landfill provisions (refer to Note 5.4)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Note 2 Analysis of our results

2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 28 June 2023. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 Income/Revenue and expenditure

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Income/Revenue					
Rates and charges	35,365	35,720	355	1	
Statutory fees and charges	917	964	47	5	
User fees and charges	6,745	8,191	1,446	21	1
Grants - Operating	11,734	7,069	(4,665)	(40)	2
Grants - Capital	4,389	4,288	(101)	(2)	
Contributions - monetary	67	498	431	643	3
Contributions - non-monetary	-	2,006	2,006	100	4
Net (loss) on disposal of property, infrastructure, plant and equipment	-	(444)	(444)	-	5
Share of net profits (or loss) of associates and joint ventures	(100)	71	171	(171)	6
Other income	333	1,918	1,585	476	7
Total income/revenue	59,450	60,281	831		
Expenses					
Employee costs	24,271	25,977	(1,706)	(7)	8
Materials and services	20,527	23,412	(2,885)	(14)	9
Depreciation	14,493	14,287	206	1	
Depreciation - right of use assets	101	101	-	-	
Allowance for impairment losses	20	58	(38)	(190)	10
Finance costs - leases	12	-	12	100	11
Other expenses	1,457	1,854	(397)	(27)	12
Total expenses	60,881	65,689	(4,808)		
Deficit for the year	(1,431)	(5,408)	(3,977)	278	

Note 2 Analysis of our results

2.1 Performance against budget (cont'd)

2.1.1 Income/revenue and expenditure (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	User fees and charges	A higher than expected amount of user fees were recovered for Aged Care Services (\$1.20m), Infrastructure subdivision checks services (\$0.06m), Colac livestock selling centre (\$0.05m), Local Law Services (\$0.05m).
2	Grants - Operating	Additional Port of Apollo Bay operating funding (\$2.6m), Aged Care Services (\$0.86m), grants received for operating projects (\$0.78m), and Family and Children's Services (\$0.64m). Council budgeted to receive (\$8.2m) of Federal Assistance Grants in financial year 2023-24, however the Federal Assistance Grant of (\$7.5m) was received on 5 July 2024 and, therefore, not recognised in financial year 2023-24.
3	Contributions - monetary	Council received contributions from developers for public open space contributions (\$0.42m).
4	Contributions - non-monetary	Developer contributed assets were received relating to new subdivision infrastructure roads, drainage and footpath assets, not budgeted due to the difficulty in estimating the quantity and value of contributed assets Council may receive during the year.
5	Net (loss) on disposal of property, infrastructure, plant and equipment	Unfavourable variance relates to the written down value of buildings that were removed from Council's register during the review of assets as part of the revaluation process.
6	Share of net profits of associates and joint ventures	A favourable variance relates to increase in net equity of Geelong Regional Library due to surplus in its operations during 2023-24.
7	Other income	Favourable variance resulting from higher than budgeted interest on investments (\$1.30m)

Note 2 Analysis of our results

2.1 Performance against budget (cont'd)

2.1.1 Income/revenue and expenditure (cont'd)

(i) Explanation of material variations

8	Employee costs	The unfavourable variance mainly relates to above budget costs for casuals (\$0.40m), additional leave taken (\$0.97m) and additional salaries including allowances (\$0.72m). The increased expenditure on Employee costs has led to less reliance on the use of contractor services which has meant an underspend of (\$0.84m) for Contractors under Materials and Services.
9	Materials and services	Unfavourable variance mainly relates to above budget costs in consultants (\$1.93m), Insurances (\$0.44m) and Utilities (\$0.30m), off-set by underspend in Contractors (\$0.84m) and Agency staff (\$0.34m).
10	Allowance for impairment losses	Reduction in the amount of bad and doubtful debts council has had to write off during the year.
11	Finance costs - leases	Council budgeted for costs relating to loan repayments which were not required during the financial year which has resulted in a favourable variance.
12	Other expenses	Additional costs for Auditors remuneration (\$0.083m) due to non accrual in 2022-23 financial year and increase to the landfill rehabilitation provision movement (\$0.314m).

Note 2 Analysis of our results

2.1 Performance against budget (cont'd)

2.1.2 Capital works

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	-	-	-		
Buildings	1,071	2,463	1,392	130	1
Total property	1,071	2,463	1,392	130	
Plant and equipment					
Plant, machinery and equipment	800	847	47	6	2
Fixtures, fittings and furniture	20	3	(17)	(87)	
Computers and telecommunications	310	284	(26)	(8)	3
Total plant and equipment	1,130	1,134	4	0	
Infrastructure					
Roads	5,341	4,989	(352)	(7)	4
Bridges	244	33	(211)	(86)	5
Footpaths and cycleways	182	343	161	88	6
Drainage	320	353	33	10	7
Other infrastructure	1,419	1,520	101	7	8
Total infrastructure	7,506	7,238	(268)		
Total capital works expenditure	9,708	10,835	1,128		
Represented by:					
New asset expenditure	721	108	(613)		
Asset renewal expenditure	8,510	7,256	(1,254)		
Asset upgrade expenditure	477	3,470	2,993		
Total capital works expenditure	9,708	10,835	1,127		

Note 2 Analysis of our results

2.1 Performance against budget (cont'd)

2.1.2 Capital works (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Projects delayed in the 2022-23 year were completed which resulted in the extra spend in this area of (\$1.39m).
2	Plant, machinery and equipment	Additional projects were added during the year including COPACC Auditorium Equipment Upgrade and new NLIS scanner at the Colac Livestock Selling Centre while some major plant items were yet to be delivered in the 2023-24 year due to supply issues.
3	Computers and telecommunications	Due to supply issues replacement of some computers will carry over to the 2024 -25 year.
4	Roads	Most road programs from financial year 2022-23 were completed during 2023-24. Major patch road slip and Kerb and Channel programs not finalised during 2023-24.
5	Bridges	Various bridge works were programmed, the majority of which will be completed in the 2024-25 financial year due to delays in the commencement of works.
6	Footpaths and cycleways	The original footpath programme was completed as scheduled. There was additional unbudgeted funding received under the Federal Government LRCI programme relating to additional works undertaken.
7	Drainage	Projects delayed in the 2022-23 year were completed . Planned Projects were commenced.
8	Other Infrastructure	Projects delayed in the 2022-23 year were completed . Planned Projects were commenced.

Note 2 Analysis of our results

2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Chief Executive Office

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

Corporate Services

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

Community and Economy

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

Infrastructure and Operations

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

Note 2 Analysis of our results

2.2.2 Summary of income/revenue, expenses, assets and capital expenses by program

	Income/ revenue	Expenses	Surplus/ (Deficit)	Grants included in income/ revenue	Total assets
2024	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Office	1,167	5,587	(4,420)	-	2,851
Corporate Services	40,370	22,665	17,705	425	48,771
Community and Economy	9,679	13,902	(4,223)	2,922	26,374
Infrastructure and Operations	9,065	23,535	(14,470)	8,010	489,708
	60,281	65,689	(5,408)	11,357	567,705

	Income/ revenue	Expenses	Surplus/ (Deficit)	Grants included in income/ revenue	Total assets
2023	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Office	978	5,435	(4,457)	-	1,889
Corporate Services	50,150	21,120	29,030	10,707	49,695
Community and Economy	8,953	13,666	(4,713)	2,395	17,471
Infrastructure and Operations	7,821	21,122	(13,301)	8,298	452,093
	67,902	61,343	6,559	21,400	521,149

Note 3 Funding for the delivery of our services	2024	2023
3.1 Rates and charges	\$'000	\$'000

Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its value of the land plus buildings and other improvements.

The valuation base used to calculate general rates for 2023/24 was \$11,778 million (2022/23 \$10,342 million).

General rates residential	18,611	17,964
General rates farm / rural	6,795	6,263
General rates commercial / industrial	2,974	2,792
Municipal charge	3,121	2,981
Garbage charge	3,750	3,371
Interest on rates and charges	166	183
Special rates and charges	52	22
Revenue in lieu of rates	251	239
Total rates and charges	35,720	33,815

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

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

3.2 Statutory fees and fines

Town planning fees	448	490
Health regulations	239	245
Building permits	111	125
Infringements and costs	90	92
Engineering fees	39	97
Land information certificates	36	34
Freedom of information	1	-
Total statutory fees and fines	964	1,083

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

Note 3 Funding for the delivery of our services (cont'd)	2024	2023
3.3 User fees	\$'000	\$'000
Aged services fees	4,558	3,647
Leisure centre fees	1,441	1,213
Colac livestock selling centre fees	554	471
Parking, animal control and local laws fees	287	288
Visitor information centre fees	176	196
Waste disposal fees	352	319
Council properties fees and rental	256	272
Other fees and charges	365	488
Apollo bay harbour fees	151	61
Childrens programs	51	52
Total user fees	8,191	7,007
User fees by timing of revenue recognition		
User fees recognised over time	52	25
User fees recognised at a point in time	8,139	6,982
Total user fees	8,191	7,007

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

3.4 Funding from other levels of government

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	3,725	14,968
State funded grants	7,632	6,432
Total grants received	11,357	21,400

Note 3 Funding for the delivery of our services (cont'd)	2024	2023
3.4 Funding from other levels of government (cont'd)	\$'000	\$'000
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial assistance grant - untied base grant	227	6,638
Financial assistance grant - local roads	147	4,068
Family and community services	235	188
Aged and disability services	98	83
Public health	4	4
<i>Recurrent - State Government</i>		
Aged and disability services	1,266	1,243
Port management	878	878
Maternal and child health	397	446
Corporate Services	51	-
School crossing supervisors	-	66
Public health	25	30
Environment and protection services	-	21
Economic development	68	-
Recreation and culture	118	11
Total recurrent operating grants	3,514	13,676
<i>Non-recurrent - Commonwealth Government</i>		
City deal	-	744
Family and community services	4	34
Recreation and culture	-	10
<i>Non-recurrent - State Government</i>		
Aged and disability services	3	-
Port management	2,567	919
Economic development	150	613
Family and community services	11	156
Strategic planning	429	157
Emergency management	-	26
Public health	157	25
Recreation and culture	175	8
Waste management	5	104
Environment	54	-
Total non-recurrent operating grants	3,555	2,796
Total operating grants	7,069	16,472

Note 3 Funding for the delivery of our services (cont'd)	2024	2023
3.4 Funding from other levels of government (cont'd)	\$'000	\$'000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	1,985	1,288
Total recurrent capital grants	1,985	1,288
Non-recurrent - Commonwealth Government		
Roads	148	1,791
Bridges	-	75
Aerodromes	-	45
Recreation and culture	61	-
Buildings	504	-
Environment and protection services	312	-
Non-recurrent - State Government		
Recreation and culture	369	1,724
Roads	27	5
Buildings	642	-
Drainage	6	-
Footpaths and cycleways	60	-
Plant and equipment	174	-
Total non-recurrent capital grants	2,303	3,640
Total capital grants	4,288	4,928

(c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 Revenue from Contracts with Customers. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the point in time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income of Not-for-Profit Entities*.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

Note 3 Funding for the delivery of our services (cont'd)	2024	2023
3.4 Funding from other levels of government (cont'd)	\$'000	\$'000
(c) Recognition of grant income (cont'd)		
Income recognised under AASB 1058 Income of Not-for-Profit Entities		
General purpose	374	11,994
Specific purpose grants to acquire non-financial assets	1,985	3,640
Other specific purpose grants	3,331	2,970
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	5,667	2,796
	11,357	21,400
(d) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	4,475	5,675
Received during the financial year and remained unspent at balance date	406	4,475
Received in prior years and spent during the financial year	(3,221)	(5,675)
Balance at year end	1,660	4,475
Capital		
Balance at start of year	3,682	4,583
Received during the financial year and remained unspent at balance date	779	3,682
Received in prior years and spent during the financial year	(1,597)	(4,583)
Balance at year end	2,864	3,682
Unspent grants are determined and disclosed on a cash basis.		
3.5 Contributions		
Monetary	498	518
Non-monetary	2,006	1,680
Total contributions	2,504	2,198
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Drainage	849	856
Roads	900	675
Footpath	256	149
Total non-monetary contributions	2,006	1,680

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

Note 3 Funding for the delivery of our services	2024	2023
3.6 Net gain / (or loss) on disposal of property, infrastructure, plant and equipment	\$'000	\$'000
Proceeds of sale	-	2,798
Written down value of assets disposed	(444)	(1,931)
Total net gain / (or loss) on disposal of property, infrastructure, plant and equipment	(444)	867

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

3.7 Other income

Interest	1,278	659
Other income	575	560
Reimbursements	55	108
Rates legal costs recovered	8	202
Scheme interest received	2	2
Total other income	1,918	1,531

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services	2024	2023
4.1 (a) Employee costs	\$'000	\$'000
Wages and salaries	18,328	17,234
Employee leave	2,587	2,093
Superannuation	2,330	2,166
Casual staff	1,125	1,520
Sick leave	598	622
WorkCover	616	533
Fringe benefits tax	208	153
Other employee benefits	185	148
Total employee costs	25,977	24,469

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

95	102
95	102

Employer contributions payable at reporting date.

-	12
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

1,160	1,004
1,420	1,217
2,580	2,221

Employer contributions - other funds

Employer contributions payable at reporting date.

192	188
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Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

Note 4 The cost of delivering services (cont'd)	2024	2023
4.2 Materials and services	\$'000	\$'000
Contract Payments	12,168	9,995
Materials	4,144	4,176
Subscriptions and memberships	2,454	2,449
Consultants	872	1,029
Utilities	990	974
Agency staff	996	1,569
Plant and equipment maintenance	187	403
Insurances	689	661
Legal costs	568	154
Training costs	322	283
Other	7	3
Hire costs	14	(12)
Permits	1	1
Total materials and services	23,412	21,685

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

4.3 Depreciation

Property	1,866	1,676
Plant and equipment	1,810	1,560
Infrastructure	10,611	10,397
Total depreciation	14,287	13,633
Intangible assets	-	-
Total depreciation	14,287	13,633

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

4.4 Depreciation - Right of use assets

Land and Buildings	82	83
Plant and Equipment	19	18
Total Depreciation - Right of use assets	101	101

Refer to note 5.7 for further information relating to depreciation - right of use assets.

Note 4 The cost of delivering services (cont'd)	2024	2023
4.5 Allowance for impairment losses	\$'000	\$'000
Other debtors	58	(31)
Total allowance for impairment losses	58	(31)

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	36	71
New allowances recognised during the year	84	30
Amounts already allowed for and written off as uncollectible	(2)	(65)
Amounts allowed for but recovered during the year	(26)	-
Balance at end of year	92	36

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

4.6 Borrowing costs

Interest - Borrowings	-	32
Total borrowing costs	-	32

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

4.7 Finance Costs - Leases

Interest - Lease Liabilities	-	1
Total finance costs	-	1

Refer to note 5.7 for further information relating to finance costs - leases.

4.8 Other expenses

Community grants and donations	617	622
Councillors' allowances	311	288
Landfill rehabilitation provision movement (Note 5.4)	553	229
Other	157	118
Rates and charges written off	58	47
Fire services levy	70	66
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	61	52
Animal registration levy	23	23
Royalties and commissions	4	8
Total other expenses	1,854	1,453

Note 5 Investing in and financing our operations	2024	2023
5.1 Financial assets	\$'000	\$'000
(a) Cash and cash equivalents		
Cash on hand	5	5
Cash at bank	11,951	17,600
At Call Deposit	3,466	3,464
Total cash and cash equivalents	15,422	21,069
(b) Other financial assets		
Current		
Term deposits	14,000	13,000
Total current other financial assets	14,000	13,000
Non-current		
Term deposits	-	-
Total non-current other financial assets	-	-
Total other financial assets	14,000	13,000
Total cash and cash equivalents and other financial assets	29,422	34,069

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

Note 5 Our financial position	2024	2023
5.1 Financial assets (cont'd)	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates Debtor	2,585	2,260
Government operating grants	245	1,275
Net GST receivable	290	(302)
Parking infringement debtor	101	91
Other infringements	155	152
Allowance for expected credit loss - infringements	(19)	(16)
<i>Non-statutory receivables</i>		
Other debtors	650	613
Allowance for expected credit loss - other debtors	(73)	(20)
Total current trade and other receivables	<u>3,934</u>	<u>4,053</u>
Non-current		
<i>Statutory receivables</i>		
Special Charge Scheme Debtor	41	39
Total non-current trade and other receivables	<u>41</u>	<u>39</u>
Total trade and other receivables	<u>3,975</u>	<u>4,092</u>

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

(d) Ageing of Receivables

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

Current (not yet due)	151	176
Past due by up to 30 days	113	101
Past due between 31 and 180 days	208	259
Past due between 181 and 365 days	79	29
Past due by more than 1 year	99	28
Total trade and other receivables	<u>650</u>	<u>593</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$73,166.05 (2023: \$20,177) were impaired. The amount of the allowance raised against these debtors was \$73,166.05 (2023: \$20,177). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	39	-
Past due by up to 30 days	9	-
Past due between 31 and 180 days	11	-
Past due between 181 and 365 days	6	-
Past due by more than 1 year	27	20
Total trade & other receivables	<u>92</u>	<u>20</u>

Note 5 Our financial position	2024	2023
5.2 Non-financial assets	\$'000	\$'000
(a) Inventories		
Inventories held for distribution	39	16
Inventories held for sale	138	151
Total inventories	177	167

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

(b) Other assets

Prepayments	111	91
Accrued income	832	626
Total other assets	943	717

5.3 Payables, trust funds and deposits and contract and other liabilities

(a) Trade and other payables

Current

Non-statutory payables

Trade payables	4,032	1,898
Accrued expenses	533	641
Total current trade and other payables	4,565	2,539

(b) Trust funds and deposits

Current

Refundable deposits	543	674
Fire services levy	363	376
Retention amounts	92	71
Total current trust funds and deposits	998	1,121

(c) Contract and other liabilities

Contract liabilities

Current

Grants received in advance - operating	1,660	4,475
Grants received in advance - capital	2,864	3,682
Total contract liabilities	4,524	8,157

Contract and other liabilities (referred to, in prior years as 'Unearned income/revenue') represents contract liabilities and reflect consideration received in advance from customers in respect of specific purpose government grants and user fees received in advance.

Note 5 Our financial position (cont'd)

5.3 Payables, trust funds and deposits and contract and other liabilities (cont'd)

Trust funds and deposits

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

Contract liabilities

Contract liabilities reflect consideration received in advance from customers in respect of grants received in advance. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Purpose and nature of items

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

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

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

5.4 Provisions

	Employee	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000
2024			
Balance at beginning of the financial year	4,581	4,609	9,190
Additional provisions	1,348	641	1,989
Amounts used	(1,558)	(239)	(1,797)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	595	(88)	507
Balance at the end of the financial year	4,966	4,923	9,889
<i>Provisions - current</i>	4,378	817	5,195
<i>Provisions - non-current</i>	588	4,106	4,694
2023			
Balance at beginning of the financial year	4,545	4,561	9,106
Additional provisions	1,572	156	1,728
Amounts used	(1,530)	(181)	(1,711)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(7)	73	66
Balance at the end of the financial year	4,581	4,609	9,190
<i>Provisions - current</i>	4,183	150	4,333
<i>Provisions - non-current</i>	397	4,460	4,857

Note 5 Our financial position (cont'd)	2024	2023
5.4 Provisions (cont'd)	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,288	1,287
Long service leave	214	215
Time in lieu	118	98
	1,620	1,600
Current provisions expected to be wholly settled after 12 months		
Annual leave	482	422
Long service leave	2,277	2,161
	2,759	2,583
Total current employee provisions	4,378	4,183
Non-current		
Long service leave	588	397
Total non-current employee provisions	588	397
Aggregate carrying amount of employee provisions:		
Current	4,378	4,183
Non-current	588	397
Total aggregate carrying amount of employee	4,966	4,580

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months.
- present value if the Council does not expect to wholly settle within 12 months.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

Key assumptions:

- discount rate	4.35%	4.37%
- index rate	4.45%	2.75%

Note 5 Our financial position (cont'd)	2024	2023
5.4 Provisions (cont'd)	\$'000	\$'000
(b) Landfill restoration		
Current	817	150
Non-current	4,106	4,460
	4,923	4,610

Council is obligated to restore various landfill sites to a particular standard, including Alvie, Birregurra, Barwon Downs, Forrest, Gellibrand, Colac (Wilson Street and Bruce Street), Beeac, Cressy and Marengo. The forecast life of the sites are based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:

- discount rate	4.73%	5.16%
- index rate	3.80%	6.25%

Note 5 Our financial position (cont'd)	2024	2023
5.5 Financing arrangements	\$'000	\$'000
The Council has the following funding arrangements in place as at 30 June 2024.		
Business Card Facility (balance cleared monthly)	50	50
Total facilities	50	50
Used facilities	-	-
Unused facilities	50	50

5.6 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

(a) Commitments for expenditure

2024	Not later	Later than 1	Later than 2	Later than 5	Total
	than 1 year	year and	years and		
	\$'000	not later	not later	\$'000	\$'000
		than 2 years	than 5 years		
		\$'000	\$'000		
Operating					
Garbage collection	4,880	5,056	1,809	-	11,744
Consultancies	521	-	-	-	521
Total	5,401	5,056	1,809	-	12,265
Capital					
Civil works	3,368	-	-	-	3,368
Total	3,368	-	-	-	3,368

2023	Not later	Later than 1	Later than 2	Later than 5	Total
	than 1 year	year and	years and		
	\$'000	not later	not later	\$'000	\$'000
		than 2 years	than 5 years		
		\$'000	\$'000		
Operating					
Garbage collection	4,733	4,880	1,298	-	10,911
Consultancies	67	-	-	-	67
Total	4,800	4,880	1,298	-	10,978
Capital					
Civil Works	189	-	-	-	189
Total	189	-	-	-	189

Note 5 Our financial position (cont'd)

5.7 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- Council has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- Council has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

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

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

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

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

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

Note 5 Our financial position (cont'd)

5.7 Leases (cont'd)

Right-of-Use Assets	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
Balance at 1 July 2023	2,918	65	2,983
Additions	-	-	-
Depreciation charge	(82)	(19)	(101)
Balance at 30 June 2024	2,836	46	2,881

The Colac Regional Library facility was reclassified at 1 July 2021 from land and buildings to a right-of-use asset and amortised following a review of the joint user agreement between Council and the Minister for Education.

Lease Liabilities	2024 \$'000	2023 \$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	9	9
One to five years	-	9
More than five years	-	-
Total undiscounted lease liabilities as at 30 June:	9	18
Lease liabilities included in the Balance Sheet at 30 June:		
Current	9	8
Non-current	-	9
Total lease liabilities	9	17

Short-term and low value leases

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

Expenses relating to:

Short-term leases	-	1
Total	-	1

Note 6 Assets we manage

6.1 Non-current assets classified as held for sale

Land acquisition	590	570
Total Non-current assets classified as held for sale	590	570

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

Note 6 Assets we manage

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

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

	Depreciation Period	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Land		
land	-	-
land under roads	-	-
land improvements	-	5
Buildings		
heritage buildings	90 - 180 years	5
buildings	10 - 120 years	5
shelters	10 - 90 years	5
building improvements	10 - 180 years	5
leasehold improvements	10 - 180 years	5
<u>Plant and Equipment</u>		
Furniture		
art work	0 - 100 years	4
indoor furniture	5 - 30 years	4
playground equipment	10 - 40 years	4
Plant		
heritage plant and equipment	-	10
fixed plant, machinery and equipment	3 - 50 years	10
fleet (vehicles)	3 - 30 years	10
major plant	3 - 50 years	10
minor plant	3 - 10 years	4

Note 6 Assets we manage

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

	Depreciation Period	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Equipment		
appliances	3 - 60 years	4
fixed equipment / fixtures and fittings	5 - 55 years	4
computers and telecommunications	3 - 21 years	4
leased plant and equipment	-	4
<u>Infrastructure</u>		
Roads		
road and tarmac formation and earthworks	-	10
road and tarmac pavements	10 - 100 years	10
road and tarmac seals	10 - 80 years	10
road and tarmac kerb, channel and minor culverts	45 - 80 years	2.5
footpaths and cycleways	15 - 50 years	2.5
Bridges		
bridges deck	10 - 90 years	10
bridges substructure	10 - 90 years	10
bridges major culverts	50 - 90 years	10
Drainage		
open drainage network	10 - 100 years	10
pit and pipe network	40 - 100 years	10
water retention structures	80 - 100 years	10
Other Infrastructure		
gardens and landscaping	5 - 25 years	10
playing surfaces	10 - 70 years	10
retaining structures	10 - 45 years	10
off street car parks	25 - 100 years	10
aerodromes	25 - 100 years	10
<u>Intangible assets</u>		
software	5 years	4

Note 6 Assets we manage

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of land and buildings

Valuation of land was undertaken 2023 - 2024 by a qualified independent valuer Mr Julian Wilson – Certified Practising Valuer – API Member No. 85682 of Preston Paterson Rowe, Geelong. Valuation of buildings were undertaken 2023 - 2024 by a qualified independent valuer Mr Antonio Blefari – Certified Practising Valuer – API Member No. PE0008367 of Knowledge AMS P/L. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

A valuation of land under roads was undertaken as at 31 March 2024 utilising an average indexation in line with the land asset class be applied from the revaluation process from that year consider to be a reasonable basis for its fair value.

Specialised land is valued at fair value using site values adjusted for engloba (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The asset revaluation conducted on Buildings in the 2023-2024 financial year, was performed using a different methodology from prior years. This revised methodology, being compliant with accounting standards, was based on the Fair Value for the component parts of each building and their observed condition.

Note 6 Assets we manage

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

The asset revaluations undertaken through 2023-2024 had the impact of increasing the valuation of the Land asset class by \$12.76 million, the Buildings asset class by \$39.52 million, and the Other Infrastructure asset class by \$0.71 million. This increase in asset values increased Depreciation in the 2023-2024 financial year by \$540,000, represented by an increase of \$422,000 in Buildings and \$118,000 in Other Infrastructure. Depreciation is not applied to Land assets.

The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year for specialised land under Roads, this valuation was based on an average indexation in line with the land asset class from the revaluation process and is considered to be a reasonable basis for its fair value.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land	-	50,874	-	31/03/2024	Full
Specialised land / land under roads	-	-	12,666	31/03/2024	Indexed
Buildings	-	26,929	53,309	31/03/2024	Full
Total	-	77,803	65,975		

Valuation of infrastructure

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

The date and type of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, this valuation was based on an indexation amount of +14.60%. This amount represents the average change in the non residential building construction index (Class 3020 ABS, Victoria) and the Road and Bridge Construction index (Class 3101 ABS, Victoria) between the last indexation in June 2022 to this revaluation as of 30/03/2024. A full data recollection and condition review of Other Infrastructure is planned for 2024-25 to enable a more detailed revaluation and data recollection of this asset category.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	258,147	30/06/2023	Full
Bridges	-	-	26,726	30/06/2021	Full
Footpaths and cycleways	-	-	33,450	30/06/2023	Full
Drainage	-	-	42,897	30/06/2023	Full
Other infrastructure	-	-	5,482	31/03/2024	Index
Total	-	-	366,702		

Note 6 Assets we manage

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

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$200 to \$11,700 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 years to 180 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets have not been determined during this indexation process. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2024	2023
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	521	423
Parks and reserves	12,145	6,109
Total specialised land	12,666	6,532

Note 6 Assets we manage	2024	2023
6.3. Investments in associates, joint arrangements and subsidiaries	\$'000	\$'000

(a) Investments in associates

Investments in associates accounted for by the equity method are:

- Geelong Regional Library Corporation

Geelong Regional Library Corporation

Background

At the 1 July 2021 the Council transitioned to the Geelong Regional Library Corporation by agreement with five (5) member councils, the results of this are shown below.

The Geelong Regional Library Corporation is a corporation owned by five (5) councils: Borough of Queenscliff, City of Greater Geelong, Colac Otway Shire, Golden Plains Shire and Surf Coast Shire. Colac Otway Shire has a 1.36% equity interest.

Fair value of Council's investment in Geelong Regional Library	147	147
Council's share of accumulated deficit		
Council's share of accumulated deficit at start of year	(1)	-
Reported deficit for year	-	(1)
Transfers (to) from reserves	-	-
Council's share of accumulated deficit at end of year	(1)	(1)
Movement in carrying value of specific investment		
Carrying value of investment at start of year	147	147
Change in equity share due to population change	71	1
Carrying value of investment at end of year	218	147

Significant restrictions

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

Note 6 Assets we manage	2024	2023
6.3. Investments in associates, joint arrangements and subsidiaries	\$'000	\$'000

(b) Investments in joint ventures

Colac Community Library and Learning Centre

Background

The Colac Community Library and Learning Centre is a joint venture between the Colac Otway Shire and Victorian Department of Education and Early Childhood Development and the Colac Secondary College, which results in Colac Otway Shire legally contributing 50% of the assets.

The venture's purpose is to construct and operate a joint use library facility.

Council's commitment to the venture is limited to providing a contribution to the construction and fitout costs.

Council's share is 50% of costs.

Council accounts for its interests in the joint venture by applying the proportionate consolidation method and by combining Council's share of each of the assets, liabilities, incomes and expenses of the jointly controlled entity with similar items line by line in council's financial statements.

Council's share of accumulated surplus/(deficit)

Council is not entitled to a share of any accumulated surplus or deficit.

Council's share of reserves

Council is not entitled to a share of any reserves

Movement in carrying value of specific investment

Carrying value of investment at start of year	2,610	2,685
Depreciation/Amortisation	(75)	(75)
Carrying value of investment at end of year	<u>2,535</u>	<u>2,610</u>

Council's share of expenditure commitments

Council is not exposed to any further expenditure commitments.

Council's share of contingent liabilities and contingent assets

There are no known contingencies outstanding as at 30 June 2024.

Significant restrictions

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

Note 7 People and relationships	2024	2023
7.1 Council and key management remuneration	No.	No.

(a) Related Parties

Parent entity

Colac Otway Shire Council is the parent entity.

Associates

Interests in associates are detailed in Note 6.3.

(b) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Colac Otway Shire Council. The Councillors, Chief Executive Officer and General Managers are deemed KMP.

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors	Councillor Margaret White - Mayor (01/07/23 to 30/06/24)
	Councillor Chris Potter (01/07/23 to 30/06/24)
	Councillor Stephen Hart (01/07/23 to 30/06/24)
	Councillor Graham Costin (01/07/23 to 30/06/24)
	Councillor Kate Hanson (01/07/23 to 30/06/24)
	Councillor Max Arnott (01/07/23 to 30/06/24)
	Councillor Tosh-Jake Finnigan (01/07/23 to 30/06/24)

Chief Executive Officer and other Key Management Personnel

Chief Executive Officer - Anne Howard
General Manager Corporate Services - Andrew Tenni
General Manager Infrastructure and Operations - Doug McNeill (from 31/10/2023)
General Manager Infrastructure and Operations - Heath Chasemore (up to 01/12/23)
General Manager Community and Economy - Ian Seuren

Total Number of Councillors	7	9
Total of Chief Executive Officer and other Key Management Personnel	5	4
Total Number of Key Management Personnel	<u>12</u>	<u>13</u>

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

Note 7 People and relationships	2024	2023
7.1 Council and key management remuneration (cont'd)	\$'000	\$'000

Total remuneration of Key Management Personnel was as follows:

Short-term employee benefits	1,293	1,162
Other long-term employee benefits	21	53
Post-employment benefits	149	124
Termination benefits	76	32
Total	1,539	1,370

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

\$0 - \$9,999	-	1
\$10,000 - \$19,999	-	3
\$30,000 - \$39,999	4	1
\$40,000 - \$49,999	1	3
\$50,000 - \$59,999	1	-
\$70,000 - \$79,999	2	1
\$210,000 - \$219,999	1	-
\$220,000 - \$229,999	-	2
\$230,000 - \$239,999	1	-
\$240,000 - \$249,999	1	1
\$300,000 - \$300,999	-	1
\$310,000 - \$319,999	1	-
	12	13

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$170,000 and who report directly to a member of the KMP.

Total remuneration of other senior staff was as follows:

Short-term employee benefits	1,121	1,130
Other long-term employee benefits	48	20
Post-employment benefits	114	113
Total	1,283	1,263

Note 7 People and relationships

7.1 Council and key management remuneration (cont'd)

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

	2024	2023
Income Range:	No.	No.
\$170,000 - \$179,999	3	3
\$180,000 - \$189,999	3	1
\$190,000 - \$199,999	-	2
\$200,000 - \$209,999	1	-
	<u>7</u>	<u>7</u>
	\$'000	\$'000

7.2 Related party disclosure

(a) Transactions with related parties

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

Payments made to Geelong Regional Library Corporation	836	829
---	-----	-----

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

(b) Outstanding balances with related parties

At the end of period, Council had no outstanding balances with related parties.

(c) Loans to/from related parties

There are no loans in existence at balance date that have been made, guaranteed or secured by the Council to any related parties.

(d) Commitments to/from related parties

There are no commitments in existence at balance date that have been made, guaranteed or secured by the Council to a related party.

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

(a) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Older Persons & Ability Support Services

In September of 2021 the method by which the Federal government funds Council's Older Persons & Ability Support Services (OPASS) changed from an instalment in advance model to that of monthly reimbursement of individual plans. At the time of change to the funding method, several OPASS accounts were in surplus. This surplus is reported to the Federal Government on a monthly basis and has reduced over time as participating members draw down on their funds or leave the scheme. At balance date, these unspent funds were \$427,000.

Landfill

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

The provision for landfill restoration in Note 5.4(b) has been calculated based on the present value of the expected cost of works to be undertaken, as provided by the waste consultants at the time of compiling financial information. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. However, Council has engaged consultants to review the reinstatement costs (expected to be completed in 2024-25), which may increase the provision for landfill rehabilitation in financial statements for 2024-25.

(b) Guarantees for loans to other entities

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

Note 8 Managing uncertainties (cont'd)

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council assesses the impact of these new standards.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities to modify AASB 13 Fair Value Measurement. AASB 2022-10 amends AASB 13 Fair Value Measurement for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The AASB 13 modifications:

- are applicable only to not-for-profit public sector entities;
- are limited to fair value measurements of non-financial assets not held primarily for their ability to generate net cash inflows;
- are to be applied prospectively for annual periods beginning on or after 1 January 2024;
- would not necessarily change practice for some not-for-profit public sector entities; and
- do not indicate that entities changing practice in how they measure relevant assets made an error in applying the existing requirements of AASB 13.

Council will assess any impact of the modifications to AASB 13 ahead of the 2024-25 reporting period.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants. AASB 2022-6 amends AASB 101 Presentation of Financial Statements to improve the information an entity provides in its financial statements about long-term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The amendments in AASB 2022-6 are effective for annual periods beginning on or after 1 January 2024. Council will assess any impact of the modifications to AASB 101 ahead of the 2024-25 reporting period.

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Note 8 Managing uncertainties (cont'd)

8.3 Financial instruments (cont'd)

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any allowance for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

Note 8 Managing uncertainties (cont'd)

8.3 Financial instruments (cont'd)

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 2.50% and -2.50% in market interest rates (AUD) from year-end rates of 4.55%.
- These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Note 8 Managing uncertainties (cont'd)

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced Council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Note 8 Managing uncertainties

8.4 Fair value measurement (cont'd)

Asset class	Revaluation frequency
Land	1 to 3 years
Buildings	1 to 3 years
Roads	1 to 3 years
Footpaths and cycleways	1 to 3 years
Bridges	1 to 3 years
Drainage	1 to 3 years
Other infrastructure	1 to 3 years

Where the assets are revalued, the revaluation increases are credited directly to the asset revaluation reserve except to the extent that an increase reverses a prior year decrease for that class of asset that had been recognised as an expense in which case the increase is recognised as revenue up to the amount of the expense. Revaluation decreases are recognised as an expense except where prior increases are included in the asset revaluation reserve for that class of asset in which case the decrease is taken to the reserve to the extent of the remaining increases. Within the same class of assets, revaluation increases and decreases within the year are offset.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

Subsequent to 30 June 2024, Council has ceased as a manager of the Port of Apollo Bay (the Port), and transferred all operations to the Great Ocean Road Coast and Parks Authority. Given this transfer of management, for the purposes of Council's operational involvement, the Port will no longer be a going concern. Council has consolidated the operations of the Port into its 2023-24 financial statements, however, due to the transfer of management, Port operations will not be consolidated in future years.

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

Note 9 Other matters

9.1 Reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Share of increase (decrease) on revaluation of by an associate	Balance at end of reporting period \$'000
(a) Asset revaluation reserves				
2024				
Property				
Land	43,261	12,776	-	56,037
Buildings	13,345	39,521	-	52,866
	56,606	52,297		108,903
Plant and Equipment				
Fixed plant, furniture and equipment	293	-	-	293
	293	-	-	293
Infrastructure				
Roads	199,232	-	-	199,232
Bridges	21,649	-	-	21,649
Footpaths and cycleways	21,058	-	-	21,058
Kerb and channelling	11,619	-	-	11,619
Other Infrastructure	1,000	709	-	1,709
Drainage	22,664	-	-	22,664
	277,222	709	-	277,932
Total asset revaluation reserves	334,122	53,006	-	387,127
2023				
Property				
Land	43,261	-	-	43,261
Buildings	13,375	(30)	-	13,345
	56,637	(30)		56,606
Plant and Equipment				
Fixed plant, furniture and equipment	293	-	-	293
	293	-	-	293
Infrastructure				
Roads	155,386	43,846	-	199,232
Bridges	21,649	-	-	21,649
Footpaths and cycleways	8,903	12,155	-	21,058
Kerb and channelling	11,619	-	-	11,619
Other Infrastructure	1,000	-	-	1,000
Drainage	35,627	(12,963)	-	22,664
	234,184	43,038	-	277,222
Total asset revaluation reserves	291,114	43,008	-	334,122

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

Note 9

Other matters (cont'd)

9.1 Reserves (cont'd)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(b) Other reserves				
2024				
Carried Forward Projects	3,623	7,048	(3,624)	7,047
Port of Apollo Bay	3,889	3,846	(6,916)	819
Waste Management	2,175	3,766	(4,237)	1,704
Long Service Leave	3,013	3,079	(3,158)	2,934
Landfill rehabilitation (Alvie)	1,151	-	(173)	978
Recreational lands	1,408	422	-	1,830
Colac livestock selling centre	-	632	(533)	99
Rehabilitation	1,190	-	(75)	1,115
Plant replacement	1,683	1,721	(652)	2,752
Tirrengower Drainage Scheme	81	52	(58)	75
Water Saving Urban Design	67	18	-	85
Strategic Projects	2,804	-	(568)	2,236
Financial Assistance Grants received in advance	8,421	-	(8,421)	-
Total Other reserves	29,505	20,584	(28,415)	21,674
2023				
Carried Forward Projects	5,270	3,624	(5,271)	3,623
Port of Apollo Bay	4,137	2,102	(2,350)	3,889
Waste Management	2,748	3,389	(3,962)	2,175
Long Service Leave	2,983	3,013	(2,983)	3,013
Landfill rehabilitation (Alvie)	1,094	57	-	1,151
Recreational lands	1,160	438	(190)	1,408
Rehabilitation	1,112	143	(65)	1,190
Plant replacement	1,269	1,092	(678)	1,683
Tirrengower Drainage Scheme	55	45	(19)	81
Water Saving Urban Design	58	9	-	67
Strategic Projects	647	2,422	(265)	2,804
Financial Assistance Grants received in advance	5,535	8,421	(5,535)	8,421
Disaster Recovery	6	-	(6)	-
Total Other reserves	26,074	24,755	(21,324)	29,505

Note 9

Other matters (cont'd)

9.1 Reserves (cont'd)

Purposes for Reserves

Carried forward projects reserve

This reserve is to recognise the funds allocated and received in prior financial periods that are committed to unfinished projects. This includes grants received in advance for specific projects and funds allocated from prior financial years for projects that are still incomplete at the end of the current financial year.

Port of Apollo Bay reserve

These funds are bound by an agreement with the Department of Transport concerning the operations of the Port of Apollo Bay and are the value of cash assets owed.

Waste Management reserve

This reserve was set up as a source of funding the replacement of kerbside bins. All funds in this reserve are collected from the waste collection service charge and are to be used only in connection with the waste collection service.

Long service leave reserve

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

Landfill rehabilitation (Alvie) reserve

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

Recreational lands reserve

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

Colac livestock selling centre reserve

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

Rehabilitation reserve

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

Plant replacement reserve

This reserve is to fund the replacement of Council's plant at the end of their useful lives. Inflows to the reserve accrue out of any plant operating surplus with the funds then being used for the changeover of plant.

Tirrengower Drainage Scheme reserve

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

Water Saving Urban Design reserve

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

Note 9 Other matters (cont'd)	2024	2023
9.1 Reserves (cont'd)	\$'000	\$'000

Strategic Projects Reserve

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

Financial Assistance Grants received in advance

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

Disaster Recovery reserve

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

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

Surplus/(deficit) for the year	(5,408)	6,559
Non-cash adjustments:		
Landfill rehabilitation present value movement	553	229
Depreciation/amortisation	14,388	13,734
Finance costs	-	33
Share of net profits of associate	(71)	(1)
Profit/(loss) on disposal of property, infrastructure, plant and equipment	444	(867)
Contributions - non monetary assets	(2,006)	(1,680)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	121	(958)
(Increase)/decrease in prepayments	(20)	52
(Increase)/decrease in accrued income	(206)	(360)
(Decrease)/increase in trade and other payables	1,786	1,801
(Decrease)/increase in contract and other liabilities	(3,633)	(2,101)
(Increase)/decrease in inventories	(10)	(11)
(Increase)/decrease in trust funds & deposits	(123)	(10)
(Decrease)/increase in provisions	383	34
Net cash provided by operating activities	6,198	16,454

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2024, this was 11.0% as required under Superannuation Guarantee (SG) legislation (2023: 10.5%)).

Note 9

Other matters (cont'd)

9.3 Superannuation (cont'd)

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Colac Otway Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding Arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial investigation for the Defined Benefit category as at 30 June 2023 was conducted and completed by 31 December 2023. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2023 was 104.1%. Council was notified of the 30 June 2023 VBI during August 2023. The financial assumptions used to calculate the 30 June 2023 VBI were:

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

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2023 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer Contributions

Regular Contributions

On the basis of the results of the 2023 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2024, this rate was 11.0% of members' salaries (10.5% in 2022/23). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Note 9 Other matters (cont'd)

9.3 Superannuation (cont'd)

Funding Calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024 (previously 97%).

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2023 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2023.

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

	2023	2022
	(Triennial)	(Interim)
	\$m	\$m
A VBI surplus	84.7	44.6
A total service liability surplus	123.6	105.8
A discounted accrued benefits surplus	141.9	111.9

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2023.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2023.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2023.

Note 9 Other matters (cont'd)

9.3 Superannuation (cont'd)

The 2024 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2024.

The VBI of the Defined Benefit category was 105.4% as at 30 June 2024. The financial assumptions used to calculate the 30 June 2024 VBI were:

Net investment returns	5.6% pa
Salary inflation	3.5% pa
Price inflation (CPI)	2.7% pa

Council was notified of the 30 June 2024 VBI during August 2024.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2024 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.

The 2020 triennial investigation

The last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

	2020	2023
	Triennial investigation	Triennial investigation
Net investment returns	5.6% pa	5.7% pa
Salary inflation	2.5% pa for two years and 2.75% pa thereafter	3.5% pa
Price inflation	2.0% pa	2.8% pa

Note 9 Other matters (cont'd)

9.3 Superannuation (cont'd)

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2024 are detailed below:

Scheme	Type of Scheme	Rate	2024 \$'000	2023 \$'000
Vision super	Defined benefits	11.0% (2023:10.5%)	95	102
Vision super	Accumulation	11.0% (2023:10.5%)	1,160	1004
Australian Super	Accumulation	11.0% (2023:10.5%)	314	294
Aware Super	Accumulation	11.0% (2023:10.5%)	167	88
HOSTPLUS Superannuation Fund - Industri	Accumulation	11.0% (2023:10.5%)	75	84
HESTA	Accumulation	11.0% (2023:10.5%)	64	59
REST Industry Super	Accumulation	11.0% (2023:10.5%)	82	57
Australian Retirement Trust	Accumulation	11.0% (2023:10.5%)	68	54
Cbus	Accumulation	11.0% (2023:10.5%)	54	47
MTAA Superannuation Fund	Accumulation	11.0% (2023:10.5%)	26	16
Other	Accumulation	11.0% (2023:10.5%)	570	518
			2,675	2,323

In addition to the above contributions, Council had paid unfunded liability payments to Vision Super totalling \$0 during the 2023/24 year (2022/23 \$0).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2024.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$100,000.

Note 10 Change in accounting policy

There have been no changes to accounting policies in the 2023-24 year.



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