



Colac Otway  
SHIRE

*Naturally Progressive*



developing our **future together**



**annual report**  
2007/08

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colac otway shire

## naturally progressive

Colac Otway Shire is situated within a two hour drive of Melbourne and is a vibrant and progressive rural, residential and resort area.

Colac is thought to be named after the Coladjin Aboriginal tribe that once lived in the area and Cape Otway was named by Lieutenant Grant in 1801 after a Captain Otway.

The Shire has some of the most picturesque scenery in the State. A large proportion is State Forest and National Park, including beaches, coastline, rainforests, waterfalls, volcanic lakes and craters.

In the northern hinterland much of the rural area is used for timber and agriculture, with farming, cropping and dairying being the main agricultural activities. A drive south through Colac leads to the Otway Ranges, home to one of Australia's most significant cool climate rainforest areas. The Otways are important to the Shire and the wider region for tourism, timber and water harvesting, with tourism being especially important in the southern section along the Great Ocean Road.

The Shire has two main townships, the largest being Colac, the major service town where most community support and health services, retail trade and manufacturing businesses are located. The other major township is Apollo Bay, which serves as the major tourism centre. Dotted throughout the Shire are many small and historic towns with active community associations.

### THE SHIRE AT A GLANCE

Population at 30 June 2006:	20,294
0 – 4 years:	5.9%
5 – 17 years:	18.9%
18 – 64 years:	58.1%
over 65 years:	17.0%

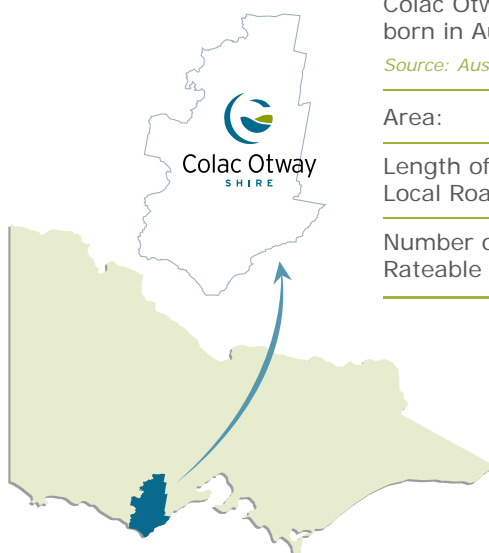
Colac Otway residents born in Australia:	87.3%
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*Source: Australian Bureau of Statistics Census 2006*

Area:	3,427 sq kilometres
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Length of Local Roads:	1,700 kilometres
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Number of Rateable Properties:	14,229
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## about this annual report

The Council Plan 2005-2009 articulates Council's Vision, Mission, Values and key directions.

This report enables Council to document its performance during 2007/08 against the Council Plan and the 2007/08 Budget. The report highlights achievements and challenges in key operational areas, provides comprehensive corporate governance information as well as detailed audited financial statements.

Transparent reporting and accountability are core values of this Council and a rigorous assessment of Council's performance ensures these values are upheld.

## readership

This report caters for a wide readership including the general community, ratepayers, local businesses, visitors, investors, government agencies and other interested parties. The report also provides Council staff with an overall picture of the way we have performed and how they have contributed to the community during the year.

To obtain a copy of this report, please contact Council's Customer Service Centre on (03) 5232 9400 or view a copy online at: [www.colacotway.vic.gov.au](http://www.colacotway.vic.gov.au)

## feedback

The annual report's content is reviewed each year and is guided by local government requirements.

Your feedback is invited via email: [inq@colacotway.vic.gov.au](mailto:inq@colacotway.vic.gov.au) or by letter to:  
**Chief Executive Officer**  
PO Box 283  
Colac Vic 3250

# our vision

Colac Otway Shire is naturally progressive and strives to achieve the best possible social, economic and environmental outcomes to create a vibrant, liveable community.

# our mission

Colac Otway operates according to good governance principles and emphasises the importance of service, people and business in:

- Providing community development and support services
- Managing Council's infrastructure and the natural environment
- Facilitating strategic economic development

The purpose of providing these services and activities is to enhance the quality of life of our residents and visitors, now and in the future.

# our values

## PARTNERSHIP

We will work in partnership with the community to achieve agreed goals.

## CONSULTATION

We will undertake genuine consultation on key issues as part of our decision-making processes to improve the quality, accountability and transparency of those decisions.

## SERVICE

We will promote a culture in which our services respond to community needs and aspirations.

# the year in review

**strong leadership** - for more information see page 29

### Highlights

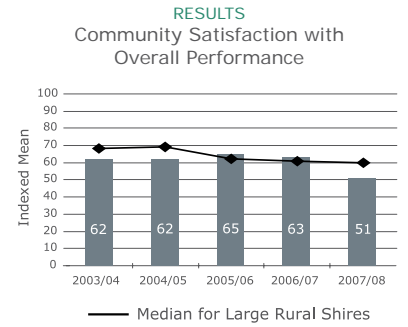
- Improved financial position
- Representation on the new Drug and Alcohol Prevention Council
- New Guidelines for an environmentally friendly fleet
- Funds committed for duplication of Princes Highway West

### Challenges

- Community satisfaction survey results most likely impacted by controversial issues including dismissal of Councillors (3), and the proposed development on the flood plains at Apollo Bay

### The Year Ahead

- Development of a Community Plan and a new Council Plan
- Council Elections (new Council)
- Implementation of the ICT Strategic Plan



**roads & infrastructure** - for more information see page 39

### Highlights

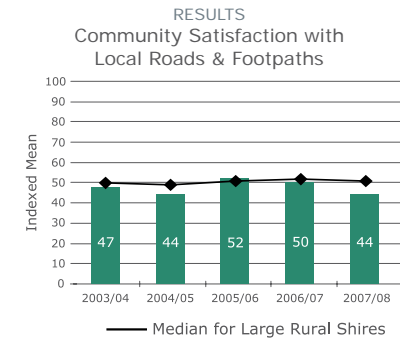
- Completion of the Building Renewal Program
- Apollo Bay Harbour Marina project completed

### Challenges

- Unexpected site conditions and contractor availability slowed progress on a number of construction projects

### The Year Ahead

- Development of the 10 year Capital Works program
- Continued development of Council's Asset Management systems
- Completion of the Federal Government's Auslink Strategic Roads Program



**planning & development** - for more information see page 46

### Highlights

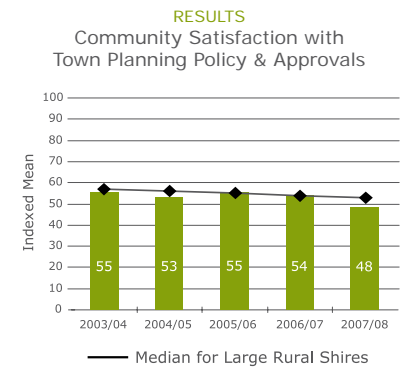
- Implementation of Planning Scheme Review and Strategic Studies (Amendment C55)
- Completion of the Rural Land Strategy
- Introduction of Heritage Overlay controls (Amendment C27)

### Challenges

- Improving the quality of planning permit applications to reduce the overall processing time

### The Year Ahead

- Commence a Rural Living Strategy
- Increase the number of inspections relating to essential safety measures in Council buildings and private businesses as required by the Building Act

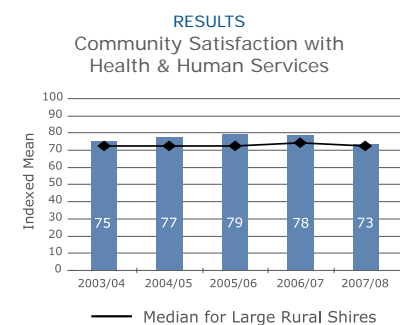


**health, recreation & community services**

- for more information see page 51

### Highlights

- Secured significant funding for the Joint-Use Library
- 28 Events staged throughout the Shire
- Held Youth Expo - 'CTRL-ALT-DELETE'
- Implementation of the first 18 months of actions from the 2007-2011 Arts & Culture Strategy
- Parenting information sessions held for the Sudanese community
- Liberty Swing for users in wheelchairs installed at Botanic Gardens
- Rural Access staff and volunteers received an award for recognition of achievements





### Challenges

- Reduced audience numbers for COPACC due to factors impacting on our predominantly rural Shire
- Public health education program not as extensive as initially planned

### The Year Ahead

- Construction to commence on the Global Connector including the Joint-Use Library
- Improvement works to the Central Reserve multi-purpose sports fields
- Continue development of the Positive Aging Strategy
- Provision of a service in Colac for women experiencing post natal depression
- Develop a Colac Otway Shire Disability Action Plan
- Develop a Transport Needs Analysis

## economic development - for more information see page 62

### Highlights

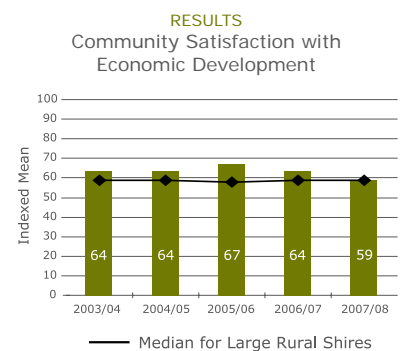
- 150 attended the Business Training and Development sessions
- Implemented the Colac Marketing Strategy
- Completion of the Commercial Feasibility Study

### Challenges

- Local tourism operators slower than expected in adopting the Book Victoria web-based accommodation booking system

### The Year Ahead

- Review of the Economic Development Strategy
- Introduction of a Community Planning process to direct Council priorities for the next 10 years
- Completion of the Apollo Bay Harbour Precinct Master Plan



## environmental sustainability - for more information see page 66

### Highlights

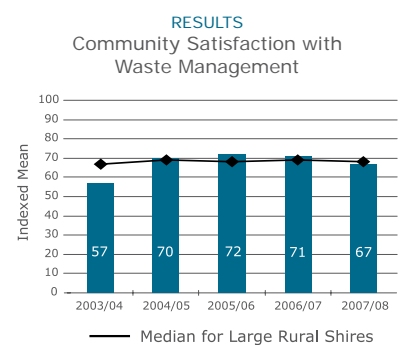
- Concept Design approved for sewerage in Wye River and Separation Creek
- Removal of over 100 tonnes of Carp from Lake Colac and Barongarook Creek
- Successful rehabilitation of Beeac and Cressy landfill sites
- New Fire Prevention Plan approved

### Challenges

- Contamination levels in organic waste continue to fluctuate
- Number of unclaimed animals above satisfactory levels
- Delays in commencing the Forestry Audit due to extensive planning required to set up the auditing process

### The Year Ahead

- Ensure a comprehensive strategic direction for Environmental Management throughout all levels of Council operations
- Maintaining and ensuring compliance with the Code of Practice for Timber Production for Forestry Operators operating within the Shire
- Monitoring trends and directions to manage and mitigate against impacts from climate change and the impacts on Council and Community
- Local Laws staff to undertake training in Certificate IV Government Statutory compliance and Certificate IV in Animal Control & Regulation
- Carry out Fire Danger Period inspection process



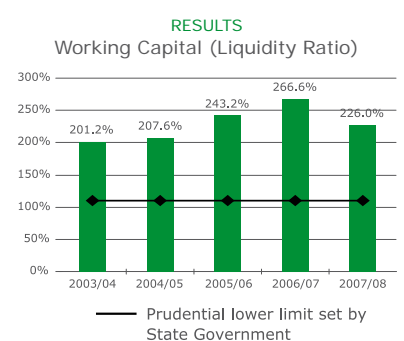
## financial sustainability - for more information see page 74

### Highlights

- Addressed the asset renewal gap for the year
- For the 4th consecutive year Council did not undertake any new loan borrowings. Loan liability reduced to \$2.98M in 2007/08
- 96% of Rates collected by year end

### The Year Ahead

- Implementation of a new corporate and financial IT system
- Implementation of actions identified in the Customer Services and Property & Rates Best Value review
- Review of services provided and policies administered



colac otway shire

## message from the mayor

It is my pleasure to present the Annual Report of the Colac Otway Shire for 2007/08. It is a key document in reporting Council's initiatives during the year and discloses important information.



The four year Council Plan, which was adopted in 2005, has continued to guide our decision-making during the year. The objectives and actions under each of our seven community priorities have guided the Council in the directions it has taken. We have made a strong commitment to roads and infrastructure and are well progressed on our environmental planning, financial, health and recreation projects.

We have worked in partnership with the community to present a number of exciting projects and strategies as part of our commitment to planning for a strong and vibrant future for our Shire.

### **PRINCES HIGHWAY WEST DUPLICATION**

I welcome the Federal Government's commitment to fund \$110M towards the duplication of the Princes Highway West and to recognise the road as nationally significant. I also applaud the State Government's allocation of \$110M in the 2008/09 Budget for the duplication. Council is delighted that both spheres of Government have recognised the importance of this upgrade and have allocated the funds.

As Chairperson of the Princes Highway West Alliance, I've seen firsthand the commitment of the people in the region from Greater Geelong through to Mount Gambier, and the relentless work they have undertaken in their campaign to see this road upgraded.

The commitments from the Federal and State Governments will see the implementation of the duplication through to Winchelsea occur in the coming years. This is thanks to the strong case made by the Princes Highway West Alliance. We will continue working to see that the remaining goals of the Alliance are achieved. The upgrade will begin to see the campaign's motto realised – save lives and grow the economy.

### **GREAT OCEAN GREEN DEVELOPMENT (Amendment C29)**

Council voted to approve the Great Ocean Green Development (Amendment C29) in April subject to Ministerial approval and a range of stringent planning controls being met. The Amendment was a point of great debate within the community, and Council has worked diligently to ensure that the community's

concerns were heard and considered before making a decision on the matter. The development will deliver a new 18-hole championship golf course, clubhouse, public open space, associated tourist facilities and 537 residential lots to Apollo Bay. The golf course and the public open space will make up 68% of the development site.

The proposal is for houses to be built on land well above the flood levels, even accounting for climate change, so that they are sited above the highest floodwaters predicted for at least the next 100 years, including predicted rises in sea levels. Again, Council has sought and considered the best possible advice from this nation's leading experts, including the CSIRO and the Future Coasts project team.

### **MINISTER FOR LOCAL GOVERNMENT DISMISSES THREE COUNCILLORS**

On 7 December 2007 the Minister for Local Government, Richard Wynne, removed Councillors Brian Crook, Stuart Hart and Geoff Higgins from Colac Otway Shire Council for failing to remain at a Call of the Council meeting regarding Amendment C29 to the Colac Otway Shire Planning Scheme.

It is important to understand that the issue was one of governance and not a planning matter. The Local Government Act has very clear requirements that a Councillor's role is to represent the community and to vote, either for or against an issue, and that they must fully participate in and attend a Call of the Council meeting.



As a Council we understand Minister Wynne's decision in light of the ramifications for the Local Government Sector. Whilst no Council wishes any of their Councillors to be dismissed, Councillors are ultimately responsible for their own actions.

### **BEECHY PRECINCT AND GLOBAL CONNECTOR, INCLUDING JOINT-USE LIBRARY**

The Beechy Precinct will be Colac Otway Shire's new education, recreation and community precinct. The Global Connector, which will be part of the precinct, will be a state of the art facility for the entire community. It will encompass a broad range of programs, services and joint-use facilities that will provide recreation, employment, economic and life long learning opportunities for everyone in the community. There are so many who have been involved in shaping the precinct, people with a sense of vision and hope for the future and what we can provide together for our community.

The Beechy Precinct is shaped by our community, for our community and will grow our community for the future. Community input into the final design has been so important. We held nine public forums in the Shire, and have taken a workshop approach to ensure that all members of the community have had input, not only to the facility design, but also to give everyone an ongoing understanding of the project's development. A range of community groups have had enormous input into the design of the precinct, including U3A, Friends of the Colac Library, Colac Toy Library, Neighbourhood Renewal, Skills Connection, Gordon TAFE, Central Reserve Advisory Committee, Bluewater Fitness Centre user groups, just to name a few.

We acknowledge that some members of the community are not happy about the joint-use library concept and have voiced their opposition to the project; however we will work with these people with the aim of ensuring a good library experience into the future.

### **OUR FINANCIAL POSITION**

Over the last three years Council has implemented strong action to turn around a concerning financial position that had accumulated over the last ten years. The last three budgets have seen debt significantly reduced and we have tackled the \$5M infrastructure renewal gap we had three years ago. This places us in a positive position going forward but we must remain vigilant.

2007/08 presented a number of challenges for Council and some difficult and important decisions have been made. We still need to manage our finances carefully to continue the positive trend that has been put in place over the last three years.

### **COMMUNITY SATISFACTION SURVEY**

At the time the survey was conducted it had been a difficult time for Council and the results of the survey clearly reflect that point in time. The dismissal of three of our Councillors by the Minister for Local Government and the resulting count back and by-election to replace them created a period of uncertainty. We also had to deal with some very controversial decisions and as always, there are those happy and those unhappy with the outcome; however I feel that we have handled these difficult situations as well as possible.

We are very positive about what the future brings and continue to work hard. We have improved our finances; we delivered a wide range of services to our community, kept rates at a moderate level and we have a very strong commitment to listening to and understanding the needs of our community.

### **LAKE COLAC**

Over the past year we have witnessed a further reduction in lake water levels with the real potential of a dry lake this coming summer. There is a heightened community interest in what opportunities may be possible as a result of the low levels. I have appreciated the opportunity to Chair the Lake Colac Coordinating Committee and to work with representatives of the community and controlling bodies to see the work progress towards improving Colac's greatest natural asset. Let's continue to work together in making the Lake our 'front yard' focal point for Colac.

I would like to thank the Colac Otway community and my fellow Councillors for the support they have shown me in my time as Mayor. Thank you also to all the Colac Otway Shire staff for their excellent work and dedication to the Shire. Finally, thank you to all those unsung heroes of our community – the volunteers who give their time so selflessly in an effort to make our Shire a better place, and to our wonderful youth who are our inspiration for the future.

**Chris Smith**  
Mayor



colac otway shire

# chief executive officer's report

Our Annual Report is an opportunity to reflect on the year's achievements and challenges and compare Council's performance with the Council Plan and Budget initiatives.



This Annual Report highlights the significant diversity of services provided to our community. These range from maternal and child health services, building inspections, planning permits, recreation facilities, road works and waste water improvement projects.

In addition to providing services we also advocate on behalf of our community at regional and state-wide forums. I have been pleased to coordinate the Princes Highway West Alliance's campaign "Fix It Now – Save Lives Grow the Economy" which culminated in funding commitments from both Federal and State Government. I have also welcomed the opportunity to become a member of the Government's Victorian Alcohol and Drug Advisory Council to bring both a rural and local government perspective.

Colac Otway Shire actively participates in regional projects. For example, we lead the Regional Trails project which is developing a master plan of current and potential walking and cycling trails throughout the Barwon South West Region. Working with our regional partners is a smart use of resources. Our two main networks – The G21 Alliance and The Great South Coast Municipalities Group – provide important opportunities to progress our priorities on a broader scale. This has been invaluable with the Princes Highway West, Regional Trails, Climate Change and Apollo Bay Harbour projects.

At the local level, working with our community helps us be better informed and more innovative. Community reference groups, such as those for Lake Colac, Apollo Bay Harbour and the Beechy Precinct, have been tremendous in understanding ideas, issues and how best to resolve them. We have learned and improved on our capacity to work in partnership with our community but this continues to be an area where we want to do even better. We are currently working on a community planning proposal – watch this space – to see if it evolves into a reality for the 2008/09 financial year.

## **BUDGET**

Financial performance remains a priority and an area of positive achievement. Council's 2007/08 Budget made roads and infrastructure renewal its number one priority for the third consecutive year and saw the completion of 130 road renewal projects across the Shire.

For the first time this year's Budget saw the Shire allocate sufficient funds to address the infrastructure renewal gap. This is a significant achievement given it was underfunded by \$5M only three years ago. Infrastructure renewal will need to remain a priority for future years.

The financial results for the 2007/08 year show that we have improved our status against the Victorian Auditor General's Financial Sustainability Indicators. This improved result means that Council has achieved a 'low risk' rating against four of the five Victorian Auditor General's Indicators and a 'medium risk' for the remaining indicator on infrastructure renewal.

## **APOLLO BAY HARBOUR MASTER PLAN AND DEVELOPMENT**

The Apollo Bay Harbour redevelopment is a key priority in the Colac Otway Shire Council Plan. We are working towards a Master Plan to realise the community vision of a working harbour with great community and visitor amenities that reflect well on Apollo Bay's unique fishing village feel.

The Draft Master Plan was adopted by Council in June 2007 and since then Council has completed a Design Guidelines document that sets out exemplary design principles for the Harbour Precinct relating to roads, landscape and environment designs.





A new marina at Apollo Bay Harbour has replaced the 30 year old fixed timber marina and is safer and will accommodate an increased demand for berths in Apollo Bay. The new structure will cater for boats up to 18m in length, and will benefit commercial and recreational boat mooring conditions at the harbour.

The next step in completing the Master Plan is an 'Enquiry by Design' workshop – a community collaborative design process that provides the opportunity for community input to create broadly supported designs.

#### **PRESERVING THE PAST FOR THE FUTURE – HERITAGE OVERLAY AMENDMENT**

The Minister for Planning has approved Stage 1 of Council's Heritage Overlay Amendment which includes recommendations from the Colac Otway Heritage Study 2003. This Amendment will provide protection of heritage places and provides controls over 250 individual places that are significant to the cultural history of Colac Otway.

There are several significant sites within our Shire, such as the Birregurra Main Street and Memorial Square in Colac. It is important that they are preserved for their current aesthetic value and for future generations to recognise their importance to the region's history.

#### **GRANTS**

Colac Otway Shire received \$1,992,559 in external grants in the 2007/08 year outside of regular grants programs such as Home & Community Care and Roads to Recovery. I congratulate Council staff for their great effort in proactively applying for funding opportunities and achieving this amount.

Funds from State and Federal Governments enable Council to complete a range of projects that otherwise would need to be funded from rates. Projects have included providing the skate park for young people in Birregurra, expanding educational opportunities through the Beechy Precinct, planting trees and restoring the environment, creating access for disabled children to enjoy recreational opportunities and getting people out and about on the Lake Foreshore exercising and enjoying the natural environment.

#### **NEW LIGHT FLEET POLICY**

Colac Otway Shire's commitment to sustainability and the environment has been advanced following the development of a new environmentally friendly light fleet vehicle policy.

Vehicles purchased under the new guidelines will result in savings to Council, and therefore ratepayers, and aims to reduce the average fuel consumption by 1.7 litres per 100 km travelled. The policy also covers safety, purchasing locally and competitive vehicle changeover ratings.

#### **CHALLENGES OVER THE YEAR AND INTO THE FUTURE**

This year we achieved an even stronger rating on the annual risk/liability assessment conducted by CMP and at 87% we are ranked 21st out of the 79 Local Government Authorities. While this result confirms that our risk management systems are at comparable levels to industry best practice, issues encountered this year, such as damage to protected vegetation on a Shire roadside resulting from road works, led us to review and further strengthen our systems.

Council has faced a number of controversial decisions this year. I have been pleased with how diligently staff have researched, sourced independent experts and provided professional advice to Council to assist them in their difficult decision-making process.

It has been exciting for us to work with this Council over its four year term. The election of a new Council in November 2008 will provide the organisation with the opportunity to understand the new Council's objectives and policies and to work hard with them on the implementation of their agenda.

I would like to thank all the employees of Colac Otway Shire for their commitment to the community. We continue to invest in our staff development and I'm pleased with the level of professionalism and dedication our staff show every day in responding to the needs of the community.

I look forward to exciting projects and developments for the Shire in the coming years and thank the Council for their strong leadership and direction, making the achievements of the past year possible.

**Tracey Slatter**  
**Chief Executive Officer**



colac otway shire

# financial snapshot

The 2007/08 year has seen Council continue to progress towards its long term goal of a financially sustainable future with the ability to respond responsibly to the needs of a vibrant community. This year Council improved its viability, evidenced by the viability ratios included within the financial statements, and continued its focus on developing tools to aid in the long term financial planning so vital to the vision of our community.

## SUSTAINABLE CAPITAL EXPENDITURE

In 2007/08 the level of capital expenditure continued to deliver on the challenge of renewing the community's assets. The future sees capital expenditure at sustainable and realistic levels, assuring the Council's long term commitment to the renewal of the Shire's assets.

## CASH RESERVES

The significance of budgeting cash flows for Council is that it is one of the key factors in setting the level of rates each year.

In total, Council's cash holdings have reduced slightly during 2007/08 to \$6.4 million. However approximately \$1 million of this will be utilised to pay for capital works carried forward from 2007/08 to 2008/09 and \$0.7 million is related to Grants received in advance.

Cash levels have reduced as a result of the high rate of completion of capital works and less government grants being received in advance. However, analysis of the years ahead indicates that Council will continue to moderately build up its cash holdings. This will allow Council the flexibility to respond to future unexpected events or opportunities such as the potential to strategically acquire an asset, for example property for open space.

## DEBT LEVELS

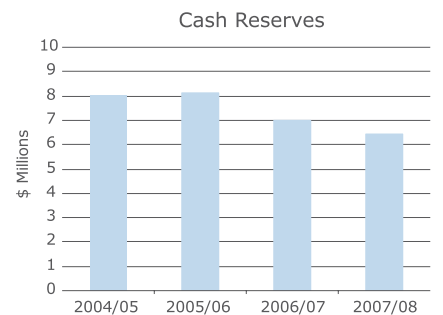
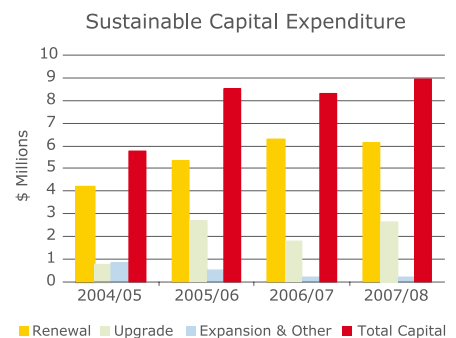
Since 2002 Council has been in a phase of debt reduction, with current debt levels falling from \$5.46 million to \$2.98 million in 2007/08. This has resulted in a reduction in debt servicing (interest) costs, but has meant that cash has been used as an alternate funding source to maintain a robust capital programme.

## FINANCIAL SUSTAINABILITY

The 2007/08 financial year sees improvement in the financial sustainability of Council. This is evidenced by the 'low' risk result in four of the Victorian Auditor General's Financial Sustainability ratios.

## CONCLUSION

The financial snapshot as at 2007/08 gives a brief overview of Council's progress in providing financial resources that enable the achievement of a number of long term community service and asset management objectives through strong and prudent financial management.





colac otway shire

# calendar of events

## **FIRST QUARTER:** **July – September**

The State Roads and Ports Minister Tim Pallas visited Colac to brief representatives from Councils, industry and stakeholder groups about the 30 priority projects the State wants considered under the AusLink National Network, which included the extension of the Princes Highway West from Geelong to the South Australian border.

Colac Otway Shire Councillors walked the streets to distribute bumper stickers and postcards promoting the Princes Highway West Alliance of Local Government's Princes Highway West Fix It Now Campaign. Councillors visited local businesses to encourage the wider community to get on board with the campaign to urge the Federal Government to include Princes Highway West in the Auslink network.

Consultation was carried out on the concept plans for the community elements of the Education, Recreation and Community Precinct, which will include a new library facility as part of the state of the art Global Connector.

## **SECOND QUARTER:** **October – December**

A community meeting was held for the Swan Marsh and District to give residents the opportunity to develop a new list of township master plan priorities. The Master Plan will provide a strategic direction for the development of infrastructure on public land in the town for the next five years.

Council's draft Volunteer Engagement Strategy was made available for public comment. The Strategy has been developed following an extensive community consultation process, and aims to build the capacity of rural volunteer groups and promote partnerships that help to sustain volunteer groups and activities.

The Minister for Local Government, Richard Wynne, removed Councillors Brian Crook, Stuart Hart and Geoff Higgins from Colac Otway Shire Council for failing to remain at a Call of the Council meeting.

Cr Chris Smith was elected Mayor making him the Council's only first term Mayor and the youngest of the seven Mayors who have served on Council since amalgamation in 1994. In accepting the role, Cr Smith paid tribute to outgoing Mayor, Cr Warren Riches who had served as Mayor for the past three years.

Several election commitments were secured as part of the Federal Election including funding for the duplication of the Princes Highway West, Beechy Precinct, Lavers Hill – Colac Road and the Botanic Gardens.

## **THIRD QUARTER:** **January - March**

The Shire's Citizen of the Year, Les Nosedo, and Young Citizen of the Year, Kahlinda Mahoney, were announced as part of the Australia Day celebrations. Also receiving Australia Day awards were Margaret McDonald, Community Service, and Paul Brady and Norma Copeland who received Sporting Awards.

New Councillors Tony Graham, Carol Wilmink and Fran Lehmann were sworn in and all Councillors participated in a comprehensive induction process.

Sixty volunteers helped clean up Barongarook Creek, Meredith Park the southern foreshore of Lake Colac as part of the 2008 Lake Colac Clean Up. Over three 5m x 3m skips were filled at each of the sites. The community was treated to a barbeque lunch at the end of the day's activities to thank them for their efforts.

Stage 1 of the Heritage Overlay Amendment was adopted. The Amendment will provide protection of heritage places and provides controls over 241 individual places that are significant to the cultural history of Colac Otway.

Council voted to commit to a new state of the art joint-use library which will have facilities for secondary students, the general community and specific learning groups such as TAFE students, U3A and the Colac Toy Library.

## **FOURTH QUARTER:** **April - June**

Council voted to approve the Great Ocean Green Development (Amendment C29) in Apollo Bay subject to Ministerial approval and a range of stringent planning controls being met. The development will deliver a new 18-hole championship golf course, clubhouse, associated tourist facilities and 537 residential lots to Apollo Bay.

The State Government allocated \$110 million in the 2008/09 Budget for the Princes Highway West duplication delighting the Princes Highway West Alliance of 17 Councils, as the duplication will save lives and is critical to the economic success of the region.

Colac Otway Shire was awarded the 2006/07 Best Annual Report award in its category at the Municipal Association of Victoria Annual Report Awards. Council was also awarded the Best Financial Overview section within the report.

colac otway shire  
**our council**



**Cr Chris Smith**  
**MAYOR**

(from December 2007)

**Colac Ward**

First elected 2004

Cr Chris Smith, in his first term on Council, is the seventh Mayor of Colac Otway Shire and the youngest ever to serve in the role. Chris is a dedicated family man, dairy farmer and Pastor of the South West Family Church in Colac. He is committed to working with the community and business to achieve the best possible outcomes for the Shire in both the short and long term.



**Cr Fran Lehmann**

**Colac Ward**

Elected (count back) 24 Dec 2007  
(Oath of Office – 16 Jan 2008)\*

Cr Fran Lehmann finds the Shire to be an amazingly beautiful and productive place and envisages achieving a balance between progress and growth, whilst still keeping the unique features of this area for all to enjoy. Cr Lehmann believes the key is for

all Councillors to work together to ensure that Council is seen as one that business feels confident to operate in or relocate to, that visitors feel welcomed and looked after, that the community has a voice and is consulted, that families have the services they require and that Council looks to the future and not the past. These are some of the reasons that Fran personally believes will enable us as a Shire to be prepared for a future of which we can be proud.



**Cr Tony Graham**

**Colac Ward**

Elected (count back) 24 Dec 2007  
(Oath of Office - 16 Jan 2008)\*

Cr Tony Graham brings to this role considerable experience in governance and community service through a number of representative roles at a local and state level. Tony has a strong commitment to Councillors consulting and communicating with

community, acknowledging this as being critical in a local government approach to its legislative and statutory accountabilities. He also believes good governance can be achieved by model leadership in representation to and advocacy on behalf of the ratepayers of the Colac Otway Shire. Cr Graham's current professional role is the Community Services Manager in the School of Global Studies, Social Science and Planning at RMIT University.



**Cr Carol Wilmink**

**Otway Ward**

First elected 1999-2002  
Elected (by-election) 15 March 2008  
(Oath of Office - 20 March 2008)\*

Cr Carol Wilmink is currently involved with the Apollo Bay News, local Historical Society, Friends of Otway National Park, and Landcare. Cr Wilmink's previous experience as a Councillor was in the

Otway Shire from 1985 until 1993, where she served as Shire President in 1989, and then in the Colac Otway Shire from 1999 until March 2002. Carol is vitally interested in 'bottom up' community planning influencing the Colac Otway Shire; this vibrant area in which all have chosen to live, work and find enjoyable recreational activities.



**Cr Joe Di Cecco**

**Otway Ward**

First elected 2004

Cr Joe Di Cecco has lived in Apollo Bay for most of his life and is committed to the long-term preservation of its coastline. He is married with four children and is passionate about Rugby Union, skin diving and surfing.

Cr Di Cecco brings 10 years experience as a Municipal Engineer in Local Government to his first term on Council. He has also been self-employed for twenty years as a Civil Engineer and Development Consultant. Joe has a strong motivation to ensure the future preservation of our natural resources, balanced with sustainable tourism and economic activity. He is also committed to the youth and the aged in our communities.



**Cr Peter Mercer**

**Murray Ward**

First elected 1996

Re-elected 1999, 2002, 2004

Mayor: 2000-2001, 2002-2003

Cr Peter Mercer is a farmer at Gerangamete with a passionate concern for the residents in our Shire. He has a proven commitment to the community having held office in over thirty farming, cultural, educational, sporting and environmental groups and regularly attends community meetings. Peter has served in local government most of the period since his election to the former Colac Shire in 1966 and has led Council numerous times.



**Cr Warren Riches**

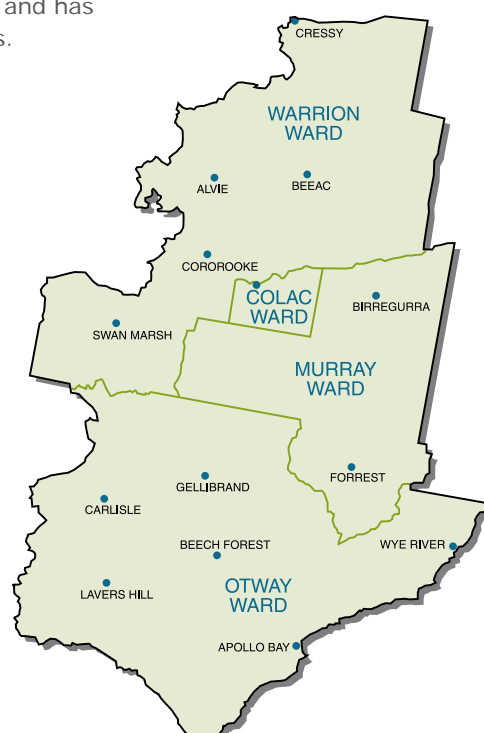
**Warrion Ward**

First elected 1996

Re-elected 1999, 2002, 2004

Mayor: 2001-2002, 2004-2007 (to December 2007)

Cr. Warren Riches has lived in the district all of his life. He is the fourth generation in his family to operate the dairy farm at Ondit. Warren has a strong interest in sport, local media and community groups both in Colac and the northern part of the Shire. He is also president of the Victorian Country Cricket League.



\*Former Councillors Brian Crook, Stuart Hart and Geoff Higgins were dismissed by the Minister for Local Government, The Hon Richard Wynne MP, on 7 December 2007 and were replaced through the election process.



colac otway shire

# our organisation

## OUR EXECUTIVE MANAGEMENT TEAM

### Tracey Slatter

Chief Executive Officer

Master of Commerce, Grad Dip Business Management, Grad Dip Applied Science (Human Services Research)

**Commenced:** 11 November 2004

**Reappointed:** May 2007

**Major Functions:** Council Governance; Councillor Support; Strategic Planning; Public Relations.



From left to right: Colin Hayman, Jack Green, Tracey Slatter and Gary Dolan

### Colin Hayman

General Manager Corporate & Community Services

Bachelor of Business in Local Government, Certificate of Business Studies – Accounting

**Commenced:** 31 January 2005

**Major Functions:** Finance and Customer Services; Recreation Arts & Culture; Information Services; Organisational Support & Development; Health & Community Services.

### Gary Dolan

General Manager Infrastructure & Services

Master of Business Administration (Technology Management), Bachelor of Engineering

**Commenced:** 11 October 1993

**Major Functions:** Infrastructure and Asset Development; Major Contracts; Waste Management; Cosworks; Colac Live Stock Selling Centre; Apollo Bay Harbour.

### Jack Green

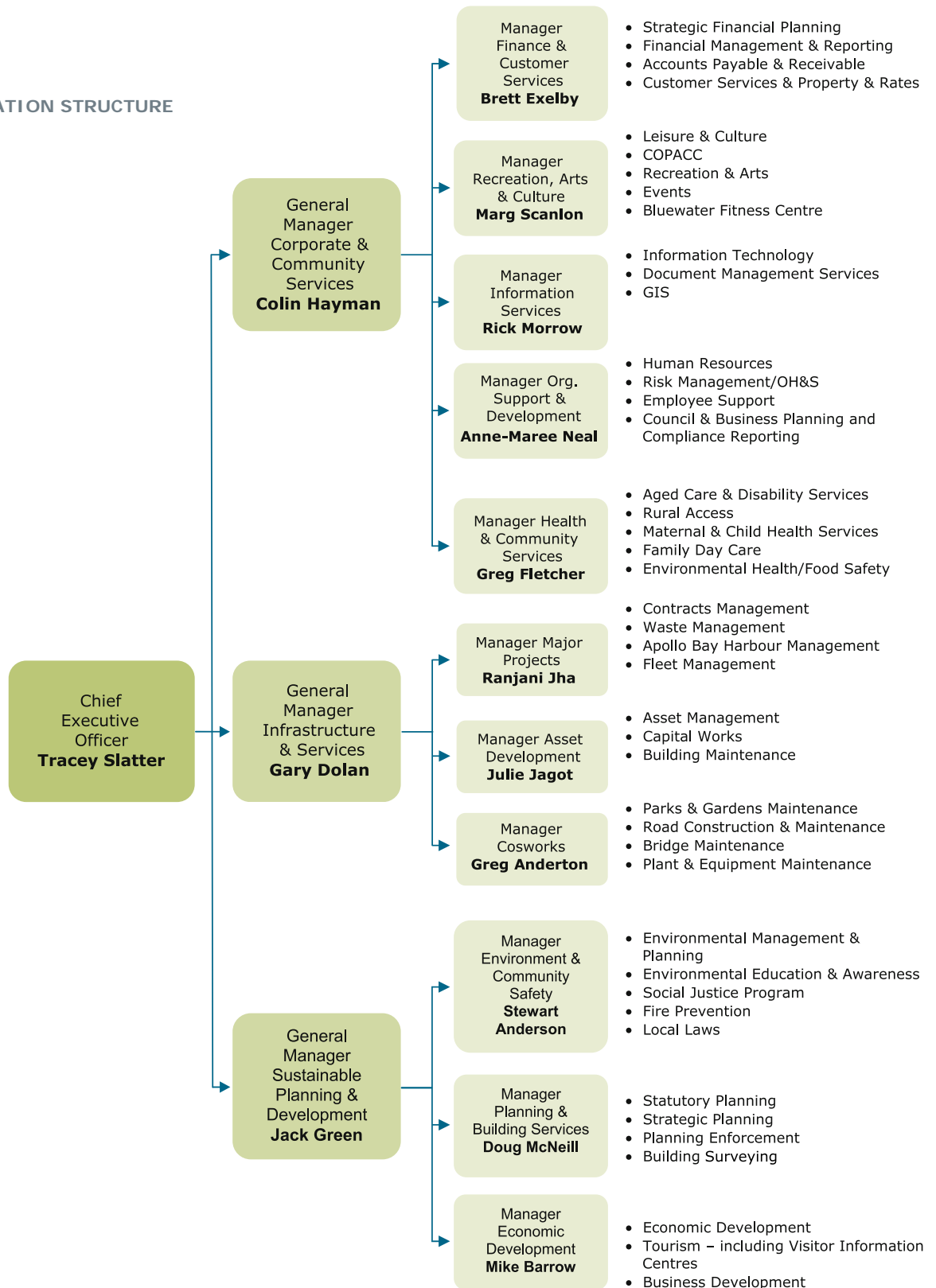
General Manager Sustainable Planning & Development

**Commenced:** 16 October 2006

**Major Functions:** Statutory Planning and Regulations; Strategic Land Use Planning; Economic Development; Environmental Management; Building Surveying; Fire Prevention; Local Laws.



OUR ORGANISATION STRUCTURE





# colac otway shire governance

Good governance requires Council to operate within the spirit and intent of the legislation outlining its powers, support open and transparent decision-making processes, establish effective frameworks for planning, monitor the efficiency and effectiveness of operations and engage with and advocate for our community as partners in the ongoing growth and development of Colac Otway Shire as the place of choice to live.

Colac Otway Shire performs this role by setting the strategic direction of the municipality, establishing and guiding policies, setting service delivery standards and monitoring the performance of the organisation on behalf of our community.

## COUNCIL'S ROLE

Colac Otway Shire as a statutory body is one of 79 Victorian Councils that derives its role, powers and functions primarily from the Local Government Act 1989.

### Under the Act:

1. A council is elected to provide leadership for the good governance of the municipal district and the local community.
2. The role of a council includes:
  - a. Acting as a representative government by taking into account the diverse needs of the local community in decision making;
  - b. Providing leadership by establishing strategic objectives and monitoring their achievement;
  - c. Maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner;
  - d. Advocating the interests of the local community to other communities and governments;
  - e. Acting as a responsible partner in government by taking into account the needs of other communities; and
  - f. Fostering community cohesion and encouraging active participation in civic life.

## COUNCIL PLAN FRAMEWORK

The key strategic document guiding the direction of the Council is the Council Plan. This is a four year Plan developed in 2004/05 by the Council, community and staff to guide the growth and development of our municipality. The Plan commenced implementation on 1 July 2005 and sets the strategic direction for the organisation up until 30 June 2009. It identifies the following seven key priority areas:

- Strong Leadership
- Roads & Infrastructure
- Planning & Development
- Health, Recreation & Community Services
- Economic Development
- Environmental Sustainability
- Financial Sustainability

The Council Plan is reviewed annually to ensure that it maintains its relevance. The results of the 2007/08 review found that no adjustments to existing objectives or any new initiatives were required.

A review of the Council Plan framework has commenced in readiness for development of the new Council Plan after Council Elections to be held in November 2008.

To view the Council Plan the following link to Council's website is provided:  
[www.colacotway.vic.gov.au/Page/page.asp?Page\\_Id=457&h=0](http://www.colacotway.vic.gov.au/Page/page.asp?Page_Id=457&h=0)







## DECISION MAKING

Council decisions are made in one of two ways:

1. By resolution at Council meetings and Special Committees of Council.
2. By Council officers under delegated authority.

Most decisions of an operational nature have been delegated to officers through the Chief Executive Officer (CEO). This system recognises the CEO's responsibility under the Local Government Act in managing the day-to-day operations of the organisation.

## LOCAL LAWS

Council has in place the following Local Laws:

Local Law	Date Adopted by Council	Date Operational
No. 1 Consumption of Liquor in Public Places	24 August 2005	24 September 2005
No. 2 General Local Law	23 September 2005	24 September 2005
No. 3 Livestock Local Law	21 November 2007	22 November 2007
No. 4 Processes of Municipal Government	24 August 2005	24 September 2005
No. 4A Processes of Municipal Government	13 December 2006	18 December 2006
No. 5 Colac Livestock Selling Centre	24 August 2005	24 September 2005

## POLICIES, STRATEGIES AND PLANS

The following policies, strategies and key plans were reviewed and/or adopted by Council during 2007/2008:

Document	Date Adopted
Rural Land Strategy	26 September 2007
Municipal Fire Prevention Plan	26 September 2007
Municipal Public Health Plan 2007-2009	24 October 2007
Colac Otway Regional Cricket Plan	24 October 2007
Audio Recording of Council Meetings Policy	21 November 2007
Strategic Plan 2008-2012 Volunteer Engagement and Sustainability	30 January 2008
Kennett River, Wye River & Separation Structure Plans	26 February 2008
Bridge Asset Management Plan	22 April 2008
Sale and Exchange of Council Land Policy (Revised)	27 May 2008
Event Road Closure Consultation and Communication Policy	27 May 2008



## ELECTED REPRESENTATIVES

### Code of Conduct

Council has a Code of Conduct, adopted in January 2006, which aims to embrace the principles of good governance, guide Councillors' behaviour, accountability and dispute resolution between Councillors. Copies of the Code are available on Council's website at [www.colacotway.vic.gov.au/Page/page.asp?Page\\_Id=457&h=0](http://www.colacotway.vic.gov.au/Page/page.asp?Page_Id=457&h=0)

### Council Meetings

Council conducts its business in open and publicly advertised meetings. Ordinary Council Meetings are usually held on the fourth Tuesday of each month. Council meets in Apollo Bay in April and November. On occasions, Special Council Meetings are called to consider specific matters. Minutes of the Council Meetings are available on Council's website at [www.colacotway.vic.gov.au/Page/page.asp?Page\\_Id=265&h=0](http://www.colacotway.vic.gov.au/Page/page.asp?Page_Id=265&h=0)

Council provides the opportunity for members of the public to ask questions on issues in which Council has a direct interest or responsibility. Question time is held at the start of each Council meeting.

Meetings are conducted in accordance with the meetings procedure provisions of Local Law 4. Reports are prepared independently by staff for both the decision and information of the Council.

Councillors are required to disclose any conflict of interest in any item to be discussed at Council meetings, and are subsequently precluded from voting on an item if a conflict of interest exists.

## COUNCILLOR ATTENDANCE AT MEETINGS

	Number of Council and Statutory Meetings		Number of Special Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Cr Chris Smith (Mayor)	13	13	3	3
Cr Warren Riches	13	13	3	3
Cr Peter Mercer	13	13	3	3
Cr Joe Di Cecco	13	13	3	1
Cr Fran Lehmann	6	6	2	2
Cr Tony Graham	6	6	2	2
Cr Carol Wilmink	4	4	2	2
Brian Crook	5	5	1	1
Stuart Hart	5	5	1	1
Geoff Higgins	5	5	1	1

Former Councillors, Brian Crook, Stuart Hart and Geoff Higgins were dismissed by the Minister for Local Government on 7 December 2007 and were replaced through the election process.

The statutory meeting, including the election of Mayor, was held on Wednesday, 19 December 2007.



## Councillor Support and Remuneration

A Councillor Support Policy, adopted in March 2007, provides a broad overview of how the Council provides assistance and support to the Mayor and Councillors in carrying out their roles and official duties.

Support is provided in the form of a Council vehicle for the Mayor. Reimbursement of expenses is available for all Councillors for training, registration fees for conferences and functions, communication and computer equipment, meeting room/office, travel and child care.

Remuneration paid to Councillors is governed by the State Government, which categorises Councils according to their size and revenue base. For each category the maximum amount that can be paid to the Mayor and Councillors is set. Colac Otway Shire was categorised as a Category 2 Council in December 2005, which establishes a maximum of \$46,500 for the Mayor and \$15,000 for Councillors. Council resolved that the Mayoral Allowance be set at \$45,000 per annum and the Councillor Allowance be set at \$15,000.

The Local Government Act 1989 (Section 75) also provides for the reimbursement of 'necessary out of pocket expenses' incurred while performing the duties of a Councillor.

Councillor	Allowance (paid during 2007/08)	Travel	Total
Cr Chris Smith (Mayor) <sup>1</sup>	\$36,000	\$7,996	\$43,996
Cr Warren Riches <sup>1</sup>	\$26,250	\$2,546	\$28,796
Cr Peter Mercer	\$15,000	\$7,700	\$22,700
Cr Joe Di Cecco	\$15,000	\$8,264	\$23,264
Cr Fran Lehmann	\$9,333	-	\$9,333
Cr Tony Graham	\$9,333	-	\$9,333
Cr Carol Wilmlink	\$2,967	\$955	\$3,922
Brian Crook	\$4,158	-	\$4,158
Stuart Hart	\$4,158	\$11,600	\$15,758
Geoff Higgins	\$4,158	-	\$4,158
<b>Total</b>	<b>\$126,357</b>	<b>\$39,061</b>	<b>\$165,418</b>

### Notes:

1. Cr Smith elected as Mayor on 19 December 2007, taking over from Cr Riches. A Councillor vehicle is provided to the Mayor for business and private use.

Former Councillors, Brian Crook, Stuart Hart and Geoff Higgins were dismissed by the Minister for Local Government on 7 December 2007 and were replaced through the election process.



## COMMITTEES OF COUNCIL

The Local Government Act 1989 acknowledges the need for Special Committees and Advisory Committees, made up of Councillors, Council staff and other persons. The Act allows Council, by Instrument of Delegation, to delegate any of its functions, duties or powers to a Special Committee. The Committees of Council up to the next General Elections in November 2008 are detailed below:

Committee	Councillor	Meeting Frequency	Purpose/Comments
Audit Committee (Advisory Committee)	Cr Chris Smith Cr Peter Mercer (includes 2 independent members)	Quarterly, or more frequently as determined	To review financial and risk management systems and assist Council to carry out its corporate governance responsibilities. It has an independent member as the chairperson. The Chief Executive Officer (CEO) is a non-voting member.
Australia Day Committee (Advisory Committee)	Cr Warren Riches Cr Chris Smith Cr Peter Mercer Cr Joe Di Cecco	Once a year in December/January	To review nominations and select Australia Day Award winners in the various categories.
Contracts Committee (Special Committee)	Cr Chris Smith Cr Peter Mercer	As required	The purpose of this committee is to approve contracts of the value ranging from \$100,000 to \$200,000.
Festival & Events Support Scheme (Advisory Committee) (includes Events Coordinator and 2 external members)	Cr Joe Di Cecco Cr Peter Mercer Cr Chris Smith Cr Carol Wilmlink	Once a year in June, and others as required	To consider the applications received for the Festival & Events Support Scheme and make any recommendations to Council on any strategic directions for specific events or the Support Scheme.
Grants/Community Funding Committee (Advisory Committee)	Cr Warren Riches Cr Fran Lehmann Cr Peter Mercer Cr Chris Smith Cr Joe Di Cecco	Once a year in June/July	To consider the applications received for the Community Funding program and make recommendations on any strategic directions for the specific projects or funding programs.
Planning Committee (Special Committee)	All Councillors	Meets the second Wednesday of the month (except December), or more frequently as required	To consider and determine all matters referred to it pursuant to the instrument of delegation, matters relating to strategic issues, receiving regular reports on key performance indicators, and other matters referred to the Committee as seen fit.
Roads Committee (Advisory Committee)	All Councillors (includes staff and a Vic Roads representative.)	Quarterly, or more frequently as determined	To provide an effective means of communication between the community and Council in relation to its road management function and to guide Council's advocacy role in relation to strategic road issues.
Small Town Improvement Program Advisory Committee	Cr Joe Di Cecco Cr Peter Mercer Cr Warren Riches	Once a year in May	To consider the applications received for the Small Town Improvement Program.



## COUNCIL REPRESENTATION ON OTHER COMMITTEES

In addition to the previously listed committees, Councillors represented the Council on the following other committees and groups:

### Cr Chris Smith, Mayor

- Australian Local Government Association
- Barnard Trust Committee
- Botanical Gardens Playspace Committee
- Colac Affordable Housing Strategy
- Colac Otway Network of Community Centres
- Colac Roadsafe
- Dairy Training Reference Committee
- Great South Coast Municipalities Group
- Lake Colac Coordinating Committee
- Municipal Association of Victoria
- Old Beechy Line Committee
- Rural Councils Network (Vic)
- Youth Council

### Cr Warren Riches

- COPACC Trust
- Lake Colac Coordinating Committee
- Municipal Aerodrome Committee Colac
- Premier Recreation Reserve Committee
- Tirrengower Drainage Scheme Committee of Management.

### Cr Joe Di Cecco

- Apollo Bay Harbour Redevelopment Community Reference Group
- Apollo Bay Leisure Centre Committee
- Geelong Otway Tourism Board
- Otways Tourism Inc
- Port of Apollo Bay Consultative Group

### Cr Peter Mercer

- Barwon Regional Waste Management Committee
- Colac Livestock Selling Centre Advisory Committee
- Community Positive Ageing Steering Committee
- COPACC Trust
- Corangamite Regional Library Corporation
- Friends of the Botanic Gardens
- Municipal Emergency Management Planning Committee
- Municipal Fire Prevention Committee
- Ondit Quarry Consultative Committee
- Region 6 Fire Prevention Committee
- Rural Financial Counselling Service
- Timber Towns Committee
- Transport Connections Local Advisory Group
- Victoria Regional Botanic Gardens
- Network Executive and BGANZ Council
- Volunteer Engagement Project Steering Committee

### Cr Carol Wilmink

- Cliff Young and Community Recreation Centre Committee
- Geelong Otway Tourism Board
- Lavers Hill Swimming Pool Committee of Management
- Otways Tourism Inc

### Cr Fran Lehmann

- Colac Affordable Housing Strategy

## AUDIT COMMITTEE

This is an advisory committee of the Council and exists to:

- 1.1 Assist the Council in its oversight responsibilities by monitoring, reviewing and advising on:
  - The truth and fairness of the view given by the annual financial and performance statements of the Council
  - The Council's accounting policies and practices in accordance with current and emerging, accounting standards
  - The external auditor's performance
  - The independence and performance of the internal audit function
  - Compliance with legal and regulatory requirements and policies
  - Compliance with Council policy framework
  - Internal controls, the control environment and the overall efficiency and effectiveness of financial operations
  - The Council's overall risk management policy and programs
- 1.2 Provide a forum for communication between the Council, management and the internal and external auditors



The Audit Committee meets at least quarterly and consists of:

Audit Committee	Eligible to Attend	Actual Attendance
Mr Mike Said, Independent Member and Chairperson (EMES Consulting)	4	4
Ms Linda MacRae, Independent Member (Local Solutions Pty Ltd)	4	4
Cr Chris Smith (Mayor)	4	4
Cr Peter Mercer	4	4

Mr Mike Said was appointed Chairperson of the Committee in May 2007.

Cr Chris Smith and Cr Peter Mercer were reappointed at the Statutory Meeting held in December 2007. At the April 2008 Council Meeting the membership of all Council committees were reviewed and endorsed.

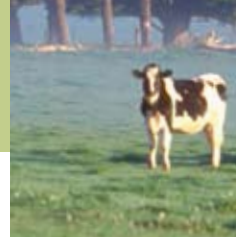
The Chief Executive Officer, General Manager Corporate & Community Services, Manager Organisational Support & Development, Manager Finance & Customer Services and the Senior Accountant attend meetings to assist with information and support.

### Outcomes

Over the financial year the Audit Committee has dealt with the following issues:

- Review and endorsement of the 2006/07 Financial Statements, Standard Statements, Performance Statement and Audit Management Letters
- Review of the 2007/08 External Audit Strategy and development of an Internal Audit two year program
- Met with the Victorian Auditor General's Director of Local Government Audit to discuss and review relevant topics and issues
- Review the adherence and compliance with Council policy framework
- Monitoring of the Risk Register developments
- Monitoring of the Governance Review Program
- Review of the 2007/08 Civic Mutual Plus Public & Professional Liability Audit and the SafetyMAP, JMAPP Property and Fidelity Insurance Audits
- Monitoring Excess Annual Leave of staff
- Review of the Shire's Strategic Information Technology Report
- Monitoring of Insurance and Workcover Claims
- Review of the Auditor General's Report to Parliament on the Local Government: Result of the 2006/07 Financial Audits including the Shire's Financial viability ratios
- Quarterly reporting of Fraud Control Program
- Review of the Half Year Financial Report and Quarterly Performance Report to Council
- Reviewed the audit scopes, reports and recommendations of internal audit projects, including Statutory Planning, Asset Management, Fleet Management, Debtor Controls and Waste Management
- Review of the Legislative Compliance Register including delegations and 'Best Value'
- Review of the Victorian Auditor General's Report of Victoria's Planning Framework for land use and development
- Review of the asset lives used for calculating depreciation of the Shire's infrastructure assets
- Review of Waste Management results
- Reviewed the External Auditor's performance

Council's External Auditor is WHK Horwath.



## RISK MANAGEMENT

Colac Otway Shire is committed to managing risk responsibly by having in place appropriate procedures to reduce the possibility of adverse effects from future events. Mechanisms are in place for the key focus areas of assets, workers, liability and financial sustainability.

Council's Risk Management Policy and Strategy were reviewed in March 2007 in line with the Australian and New Zealand Standard on Risk Management AS/NZS 4360. The Risk Management Strategy provides a systematic approach to identifying, analysing and mitigating risks. Ongoing reviews of policies, internal controls and standards against the Risk Management Strategy are reported to the Audit Committee on a quarterly basis.

Unfortunately, due to delays in a software release, the planned implementation of the risk register only commenced in the latter part of 2007/08. In the year ahead we will continue the implementation of an electronic risk register.

### Public Liability

Colac Otway Shire achieved a score of 87% for the 2007/08 Annual CMP Public Liability/Professional Liability Audit, a 4% improvement on 2006/07.

The annual audit of proactive risk management practices is conducted by Jardine Lloyd Thompson Australia (JLTA) across participating Victorian Councils. Each year the risk audit rankings and scores, along with Council's claims history, are used to determine our insurance premium levels for the next year. Improving both our claims history and Council's proactive, preventative activities help save on liability insurance costs.

The 2007/08 Audit included the following areas:

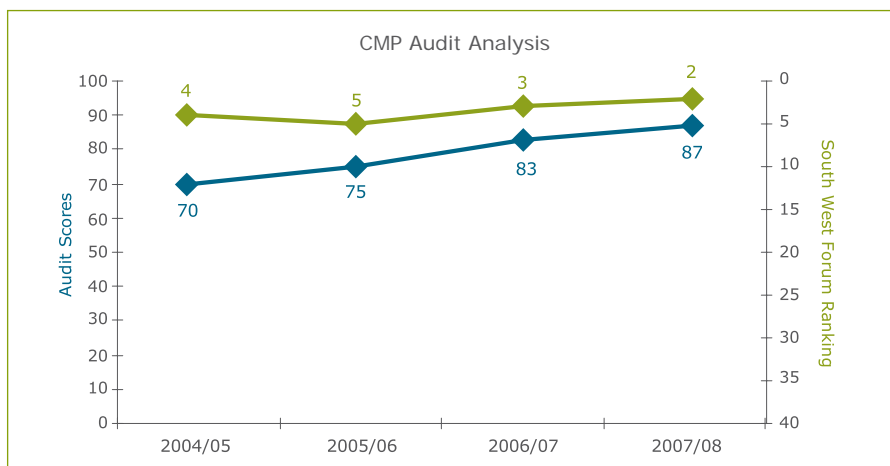
- Asset management (roads and footpaths, trees, recreation reserves, pools, bike tracks)
- Statutory and professional functions (planning and building control)
- Agreements (hall hiring, recreational facilities)
- Councils' overall risk management program (risk management policy, risk register, risk strategy, embedded risk, claims and incident processes and records)
- Food Safety (new area)
- Working with Children (new area)

The Shire scored well in the areas of Town Planning/Building (100%), Enterprise Wide Risk Management (79%), Reactive Risk Management (100%), Building/Town Planning (100%), Food Safety (100%) and Working with Children (100%).

Our ranking amongst participating Councils also improved. Of the 14 South Western Rural councils, Colac Otway Shire improved from 3rd in 2006/07 to 2nd place. Our ranking in the State also improved, moving up from 23rd to 21st out of the 79 Councils for the same period.

### Property and Fidelity Guarantee Insurance Audits

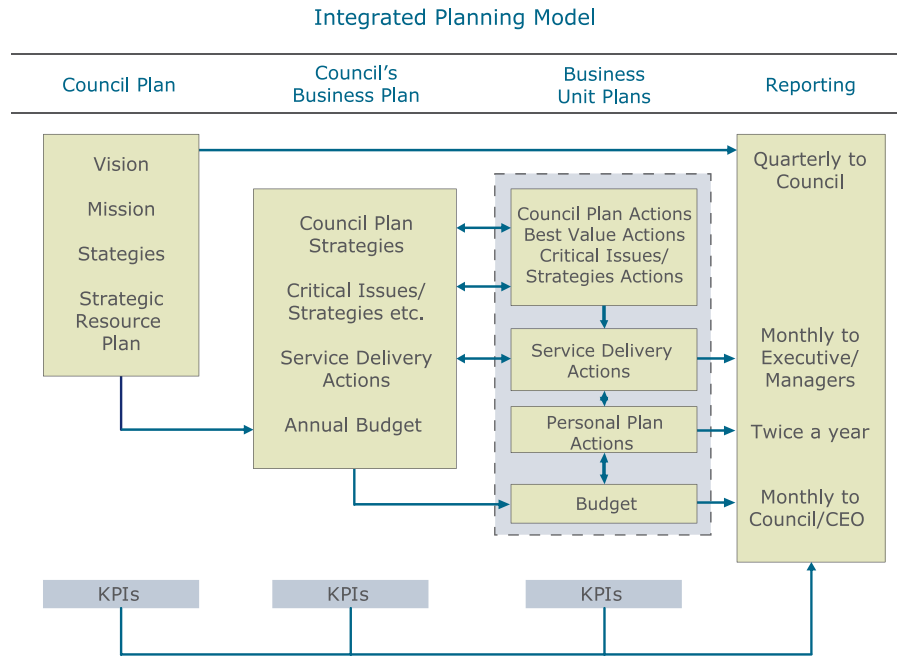
Colac Otway Shire achieved a score of 83.67% for the property and fidelity guarantee insurance audit conducted in October 2007. This was a marginal improvement in performance on the 2006/07 score of 83%. Audits are conducted annually by Council's Insurer, JLTA and involve a desktop audit of Council's property & asset procedures, plus site visits of randomly selected Council insured properties.





## BUSINESS PLANNING

This year we continued to strengthen our approach to an integrated business planning framework through the ongoing implementation of the interplan® reporting software. A key focus has been to strengthen the linkages between the Council Plan, annual Business Unit plans and employees' personal plans.



We measure our performance at four stages within the planning, measurement and reporting cycle and report at regular intervals, as shown in the following table:

Performance Report	Content	Audience	Interval
<b>Annual Report</b>	Report of operations Achievement in line with Council Plan strategies Victorian Local Government Indicators Legislative compliance Financial management	Colac Otway community, Council, State Government, businesses, partners and visitors	Annually by 30 September
<b>Financial Management</b>	Financial position	Council, CEO and General Managers	Monthly to the Executive and Council
<b>Council Plan Strategy Report</b>	Achievement in line with Council Plan strategies	Council, CEO, General Managers and Managers	Quarterly
<b>Business Unit Report</b>	Progress according to business unit actions	CEO, General Managers and Managers	Monthly
<b>Employee Personal Plans</b>	Progress against personal plan actions	Employee and their Manager	Twice a year
<b>Capital Works</b>	Progress according to implementation schedule and expenditure	Council, CEO, General Managers and Managers	Monthly to the Executive and Quarterly to Council





## **CONTINUOUS SERVICE IMPROVEMENT**

The Best Value provisions outlined in the Local Government Act require Council to review our services against the following principles:

- Specific quality and cost standards for every council service
- Responsiveness to community needs
- Accessibility and appropriately targeted services
- Continuous improvement
- Regular community consultation on all services and activities
- Frequent community reporting

In line with Council's ongoing requirement to continue to review services against the Best Value principles, a process was endorsed in June 2006 whereby the strategic direction for service delivery would be set by Council at the commencement of each service review. The revised process also provides for greater emphasis on benchmarking, community consultation and financial assessments, with the Audit Committee continuing to oversee the Best Value Review schedule.

### **Customer Services Review**

During the year an extensive Best Value Review was undertaken of Customer Services and in January 2008 Council endorsed the final review document.

The review involved consultation with key users of Customer Services and included a survey of staff. Results of the consultation, along with discussions with Customer Services staff and other internal units, were used to identify a number of service improvements that were either implemented or commenced:

- Review of template "Briefing of Event/Issue for Customer Services Unit"
- Opportunity for the Customer Services Unit to meet as a team on a regular basis
- A review of the structure including provision in the 2008/09 budget for a Customer Services Coordinator
- Review of Customer Service documentation

### **Local Laws and Property and Rates Reviews**

Reviews were also successfully completed for Local Laws and Property and Rates. Benchmarking of fees & charges were conducted with like Councils for both services, with results indicating that Colac Otway provided competitive services.

Consultation with key stakeholders and surveys of the community revealed a high level of satisfaction with existing services provided by Property & Rates. The results for Local Laws revealed some issues involving availability of longer term parking in the CBD areas of Colac and Apollo Bay and dissatisfaction with the forms being used for permit applications.

A Parking Review of the CBD areas in Colac and Apollo Bay will be undertaken by the Planning Department. The Local Laws Unit will undertake a review of permit application forms to make them easier to understand. Continuous Improvement Plans were developed for both services, with actions identified forming part of each Unit's 2008/09 business plans.

### **Apollo Bay Harbour Management Review**

A Best Value review process was undertaken during the 2007/08 financial year into the level of fees and charges that should be applicable at the harbour. Consultation with staff, the consultative group and the mooring holders indicated that there was support for a nominal increase in mooring fees based on CPI to make the fees and charges comparable to other similar ports.

Asset Development and Waste Management are well along in the review process and will be completed in 2008/09.



## LEGISLATIVE COMPLIANCE

### Equal Opportunity

Colac Otway Shire is committed to the principles of Equal Opportunity. We believe that our staff, volunteers and clients are entitled to be treated on the basis of merit and are able to work in an environment free of harassment and bullying. Accordingly, we are committed to achieving Equal Employment Opportunity and Anti-Discrimination. All staff are entitled to access employment, promotion, training and the benefits of a working environment based on merit, that is, their skills, qualifications, abilities and work performance. Staff are informed of our commitment to the principles of equal opportunity through our staff induction program, Code of Conduct, and regular awareness programs. During the year staff participated in Equal Opportunity refresher training.

### Freedom of Information Act 1982

The Act grants the community the right to access certain Council documents. This general right of access is only limited by exceptions and exemptions, which have been prescribed to protect essential public interests and the private and business affairs of people about whom Council holds information.

The Act has four principles:

1. The public has the right of access to information
2. Local governments are required to publish information on the documents they hold
3. People may request that inaccurate, incomplete, out-of-date or misleading information in their personal records be amended
4. People may appeal against a decision not to give access to the information or not to amend a personal record

Written requests for documents must be addressed to Council's Freedom of Information Officer. The request must specify the document required or if unable to do so, give sufficient detail to enable the relevant document to be located, the form of access required and include details of the applicant's contact details. Applications must be accompanied by the prescribed fee.

#### FOI Applications Recorded

2007-08	15
2006-07	12
2005-06	9
2004 05	13
2003-04	18

During the year 2007/08 staff participated in FOI refresher training.

### Whistleblowers Protection Act 2001

The Act is designed to encourage and facilitate the disclosure of information about improper conduct by Council officers or Councillors. The Act provides a framework for the investigation and correction of any improper conduct reported. It also provides protection for informants. The key objectives of the Act are to:

- Promote a culture in which people feel safe to make disclosures
- Protect these people from recrimination
- Provide a clear process for investigating allegations
- Ensure that investigative matters are dealt with properly

Council's commitment to the Act is outlined in our procedures, and can be downloaded from Council's website at [www.colacotway.vic.gov.au/Page/page.asp?Page\\_Id=1758&h=1](http://www.colacotway.vic.gov.au/Page/page.asp?Page_Id=1758&h=1) or obtained from the Colac Shire Offices.

Disclosures may be made either to the Council or directly to the Ombudsman. Disclosures may be made by members of the public, other organisations or Council employees. No disclosures were received in 2007/08.



**Information Privacy Act 2000**

Council has adopted policies relating to information privacy and health records that meet the requirements of the Information Privacy Act 2000 and the Health Records Act 2001. Both Acts include privacy principles that relate to the collection, use and disclosure of information.

At Colac Otway Shire we believe the responsible handling of personal information is a key aspect of democratic governance and we are strongly committed to protecting an individual's right to privacy. During the year 2007/08 staff participated in Privacy Legislation refresher training. No complaints were received in 2007/08.

**National Competition Policy and Compliance – 2007-2008**

**Certification by the Chief Executive Officer**

Colac Otway Shire Council has complied with the requirements of the National Competition Policy (NCP) for the period 1 July 2007 to 30 June 2008, in accordance with the requirements outlined in *National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002)*; as set out below:

<p><b>A. Trade Practices Compliance</b></p> <p><i>State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</i></p>	<b>Compliant</b>
<p><b>B. Local Laws Compliance</b></p> <p><i>State whether the Council is compliant or non-compliant. List any local laws made or remade during 2007-08 which impose a restriction on competition.</i></p>	<b>Compliant</b>
<p><b>C. Competitive Neutrality Compliance</b></p> <p><i>State whether the Council is compliant or non-compliant for all significant businesses. List any significant businesses that are non-compliant.</i></p>	<b>Compliant</b>

I certify that:

- a) this statement has been prepared in accordance with the 2007-08 National Competition Policy guidelines issued in May 2008 for reporting on National Competition Policy in accordance with National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002); and
- b) this statement presents fairly the Council's implementation of the National Competition Policy.

Signed:

(Chief Executive Officer)

Date: 15 September 2008



## GRANTS AND DONATIONS TO THE COMMUNITY

To assist the community undertake cultural, recreational, environmental and community support projects and activities, Council provides grants and donations to community groups under the Community Funding Program. In 2007/08 \$112,500 was allocated to fifty-three organisations across the Shire under three categories: Recreation Facilities, Community Projects and COPACC (Colac Otway Performing Arts and Cultural Centre).

### Community Support Grants and Donations

A five year view of the Community Support Grants and Donations indicates Council has provided a total of \$496,205 to support community groups with a variety of projects, ranging from minor maintenance to sporting clubs and arts and theatre groups.

### Major Grants and Donations

Over the past five years Council has provided \$483,264 in Major Grants and Donations to support community events and organisations.

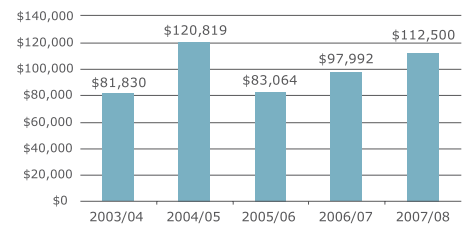
A review of the classification of Major Grants and Donations has been undertaken during the year which has resulted in a \$129,382, or a 123%, increase when compared with the 2006/07 financial year.

## COUNCIL MEMBERSHIPS

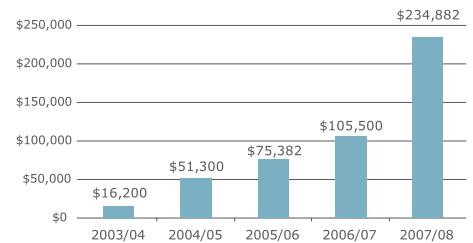
Council is a member in a number of forums including the following key memberships:

Organisation	Amount
Geelong Otway Tourism	\$70,730
Municipal Association of Victoria	\$46,091
G21 - Geelong Regional Alliance	\$40,700
Barwon Regional Waste Management Group	\$19,724
VECCI	\$4,245
Livestock Saleyards Association of Victoria	\$2,661
Timber Towns Victoria	\$2,200
Victorian Association of Performing Arts Centres	\$1,326
Australian Airports Association	\$847
Planning Institute of Australia	\$110
<b>Total</b>	<b>\$188,634</b>

Community Grants & Donations



Major Grants & Donations





## STATUTORY INFORMATION

Information available for Public Inspection

Under the Local Government Act 1989, Council is required to have the following list of documents available for public inspection. These documents can be viewed at the Colac Otway Shire Offices at 26 Rae Street, Colac from 8.30am to 5.00pm Monday to Friday.

- Details of current allowances fixed for the Mayor and Councillors
- Details of senior officer's total salary packages for the current financial year and previous year
- Details of overseas or interstate travel undertaken in an official capacity by Councillors or any Council Staff in the previous 12 months
- Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- Names of Councillors who were required to submit a return of interest during the financial year and the dates the returns were submitted
- Agendas and minutes for Ordinary and Special Council meetings held in the previous 12 months
- A list of all special committees established by the Council and the purpose for which each committee was established
- A list of all special committees established by Council which were abolished or ceased to function during the financial year
- Minutes of meetings of special committees established under Section 86 of the Act and held in the last 12 months
- A register of delegations kept under the Local Government Act
- Submissions received under Section 223 of the Act during the previous 12 months
- Agreements to establish a regional library
- Details of all property, finance and operating leases entered into by Council
- Register of authorised officers appointed under Section 224 of the Act
- A list of donations and grants made by the Council during the financial year
- A list of the names of the organisations of which the Council was a member during the financial year
- A list of contracts valued at \$100,000 or more which Council entered into during the financial year without first engaging in a competitive process and which are not contracts referred to in 186(5) of the Act





## VICTORIAN LOCAL GOVERNMENT INDICATORS

At the Council Plan level the key performance indicators address outcomes of the Council Plan strategies and actions and the following legislatively prescribed indicators (Victorian Local Government Indicators):

	2003/04	2004/05	2005/06	2006/07	2007/08
<b>Affordability</b>					
Average rates and charges per assessment	\$869	\$907	\$956	\$1,069	\$1,151
Average rates and charges per Residential assessment	\$764	\$822	\$878	\$950	\$1,090
<b>Sustainability</b>					
Average liabilities per assessment	\$698	\$885	\$818	\$698	\$619
Operating result per assessment – surplus/(deficit)	(\$115)	(\$161)	\$128	\$71	\$48
<b>Services</b>					
Average operating expenditure per assessment	\$2,261	\$2,482	\$2,142	\$2,069	\$2,246
Community Satisfaction Survey for overall performance generally of the Council	Index Mean 62	Index Mean 62	Index Mean 65	Index Mean 63	Index Mean 51
<b>Infrastructure</b>					
Average capital expenditure per assessment	\$388	\$429	\$626	\$601	\$630
<i>Renewal Gap</i> Current spending on renewal to Asset base consumed during the year	38%	42%	55%	83%	97%
<i>Renewal and Maintenance Gap</i> Current spending on renewal plus maintenance to Asset base consumed during the year, plus maintenance	51%	56%	72%	90%*	98%
<b>Governance</b>					
Community Satisfaction Survey for Council's advocacy and community representation on key local issues	Index Mean 62	Index Mean 64	Index Mean 65	Index Mean 63	Index Mean 54
Community Satisfaction Survey for Council's engagement in decision-making on key local issues	Index Mean 56	Index Mean 61	Index Mean 64	Index Mean 62	Index Mean 45

\*The figure of 121% appearing in the 2006/07 report was found to be in error



## developing our future together strong leadership

### council plan objective

Providing strong community leadership, governance and advocacy services which will benefit the community now and into the future.

- ★ 2007/08 actions completed
- ▼ 2007/08 actions behind schedule
- ⇒ deferred or delayed beyond 2007/08

#### COUNCIL PLAN COMMITMENTS

- ★ Councillors and Council Officers to advocate strongly to other levels of government on issues of importance to the Shire's communities.

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- ★ Continue the (Best Value) business planning process of organisational review:
  - Annually identify potential savings and efficiencies that can be redirected by Council to higher priorities
  - Work towards improved Community Satisfaction Survey results
  - Assess the impact on the Council's reliance on grants
  - Assess the level of community demand for services

*While Council achieved all of its actions related to this commitment, we were disappointed with the overall results of the Community Satisfaction Survey. At the time the survey was conducted Council had been undergoing a period of uncertainty with the dismissal of three Councillors by the Minister, and also had to deal with some controversial decisions. This situation most likely affected ratings across nearly all measures of the survey.*

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- ★ Undertake a review of the development and implementation of Council's major projects process to establish efficiencies and knowledge to the delivery of Council's Capital Works Program.  
*Strategy completed*

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- ★ Develop, implement and review Council's Volunteer Strategy.  
*Strategy completed*

Council exercises leadership by fulfilling its governance responsibilities and by remaining vigilant regarding emerging directions and trends, seeking opportunities where issues of relevance to the community and to the organisation are identified. Providing strong leadership that benefits the community and promotes the efficiency and effectiveness of the organisation is also achieved by putting into practice our **Values** of *Partnership* with the community to achieve agreed goals, *Consultation* on key issues and transparency of the decision-making process, and promoting a culture in which our *Service(s)* respond to community needs and aspirations.

#### HIGHLIGHTS

Fulfilling our governance obligations is a primary concern of Council and is documented under the Governance section beginning on page 14.

A leadership opportunity arose with the creation of the State Government's new Victorian Drug and Alcohol Prevention Council (VDAPC). Our CEO accepted an invitation to participate on this important committee. The main goal of the VDAPC is to advise the Victorian Government on strategies to prevent harm from the use of legal and illegal drugs.

The financial results for the 2007/08 year show that we have improved our status against the Victorian Auditor General's Financial Sustainability Indicators. This improved result means that Council has achieved a 'low risk' rating against four of the five Victorian Auditor General's Indicators and a 'medium risk' for the remaining indicator on infrastructure renewal. For further details refer to the Financial Sustainability section on page 74.

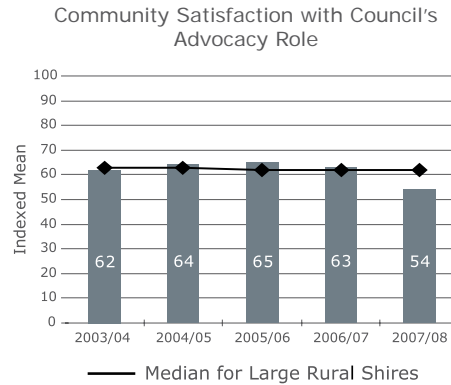


Another of the ways in which Council exercised leadership was in responding to growing community concern for sustainability and the environment by reviewing its current light fleet vehicle operational policy. A new set of guidelines were implemented that aim to deliver a more environmentally friendly fleet. Fuel consumption has a direct correlation on our carbon footprint and we are committed to reducing the impact our organisation has on the environment. Vehicles purchased under the new guidelines will result in savings to Council and the ratepayers, with average fuel consumption reduced by 1.7 litres per 100 km travelled. Other environmental activities are detailed in the Environmental Sustainability section on page 66.

Council is committed to our Values of Partnership, Consultation and Service being an active, 'living' force influencing how we go about our business:

#### **PARTNERSHIP**

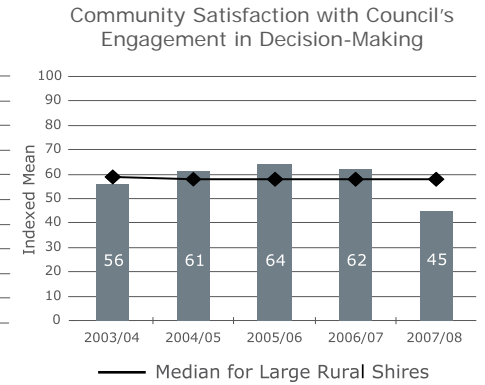
Our partnership with the community to achieve agreed goals that benefit the whole of our community, both now and into the future, is taken very seriously. We take on a strong advocacy role on behalf of the community where desired services or infrastructure are beyond our capacity or authority to provide.



A key advocacy project has been the campaign to have the Princes Highway West duplicated from Geelong to Colac and on to Mount Gambier at the South Australian border. As the coordinating Council of the 17 Councils who form the Princes Highway West Alliance, Council has campaigned steadily and strongly for the duplication as it will reduce the increasing road toll and is critical to the economic success of the region. Council was thrilled when the Federal Government committed \$110 million to fund the duplication and the State Government allocated \$110 million in the 2008/09 Budget for the project.

Council also engages in partnerships with other significant bodies to ensure benefits to our community:

- We collaborated with the Corangamite Catchment Management Authority to develop mapping of salinity affected areas, revise flood mapping and more comprehensively map areas of land prone to landslip
- We are involved in meetings of the G21 alliance to further objectives relating to settlement in the region



Submissions on behalf of the community were also presented to other bodies including:

- Regional Development Victoria's (RDV) review of the performance of the state Rural Zones, designed to protect agricultural land
- Draft Victorian Coastal Strategy and its impact on economic development
- State Government's proposed new residential zones that will impact on planning controls

#### **CONSULTATION**

We believe genuine consultation on key issues and engagement with our community leads to Council outcomes that are more reflective of the community's aspirations and improve the quality, accountability and transparency of those decisions.

Successful consultation requires ongoing analysis of our practice, and we aim to continually improve by regularly assessing the outcomes of our consultation with the community.





Some examples of our community consultation over the past year are:

Community Safety	<ul style="list-style-type: none"> <li>• Municipal Fire Prevention Plan</li> </ul>
Finance	<ul style="list-style-type: none"> <li>• Budget Process</li> </ul>
Governance	<ul style="list-style-type: none"> <li>• Beechy Precinct Development including Global Connector</li> <li>• Various Council Policies</li> </ul>
Health and Community Services	<ul style="list-style-type: none"> <li>• Municipal Public Health Plan</li> </ul>
Organisation Support and Development	<ul style="list-style-type: none"> <li>• Strategic Plan 2008-2012 Volunteer Engagement and Sustainability</li> <li>• Best Value Reviews</li> </ul>
Planning	<ul style="list-style-type: none"> <li>• Rural Land Strategy</li> <li>• Kennett River, Wye River &amp; Separation Creek Structure Plans</li> <li>• Various Planning Amendments including C29 (Great Ocean Green) and C55</li> </ul>
Roads and Infrastructure	<ul style="list-style-type: none"> <li>• Special Charge Schemes</li> <li>• Bridge Asset Management Plan</li> </ul>

## Communication

Communication is a critical component in effective consultation with the community and in keeping them informed about Council issues, progress on key strategies and updates on services provided. We are committed to making communication and consultation with the community more effective, continuing to build partnerships with a range of groups in our community and in seeking greater community engagement in the decision-making process.

In addition to consulting through Council activities, meetings, forums and reference groups, we also provided comprehensive information about a broad range of Council activities, issues, services and events through:

- Monthly columns in local papers, with a focus on environmental issues that affect the Shire, economic development projects and updates on meeting our roads and infrastructure maintenance commitment
- Our website, [www.colacotway.vic.gov.au](http://www.colacotway.vic.gov.au), updated on a regular basis with Council news and important documents
- Proactive engagement of the local media: issued an average of eight media releases a week, held regular media briefings and responded to an average of 13 media enquiries a week
- Published regular advertisements in our local papers, community newsletters and on radio about initiatives and activities
- A Council Plan newsletter was sent to all non resident ratepayers and Council's Community News database in March 2008. Local residents were informed through advertisements in major local papers
- Council news distributed at key times throughout the year, with residents and ratepayers given the option to join the Community News database and receive Council updates via email

## SERVICE

Council is committed to providing services that respond to community needs and aspirations. Promoting a culture within the organisation that maintains a focus on providing responsive, quality along with cost effective services to our community is a priority and innovation is encouraged as a part of striving for this goal.

Council's Best Value program focuses on continuous service improvement. A rolling five year program allows for a review of all services provided and entails benchmarking against other organisations along with consultation with the community and other stakeholders. Continuous Improvement Plans are drawn up containing items identified through the process, with these being scheduled as actions in the relevant Units' business plans. Customer Services, Apollo Bay Harbour Management, Local Laws and Property & Rates all underwent review this year. For further information see page 23.



### CHALLENGES

- Community Satisfaction Survey levels were most likely impacted by the dismissal of 3 Councillors and controversial issues such as the proposed development at Apollo Bay (Amendment C29) and library relocation to the Beechy Precinct

### THE YEAR AHEAD

- Council Elections (new Council/ inductions)
- Development of a Community Plan and a new Council Plan
- Implementation of the Information, Communication and Technology (ICT) Strategic Plan

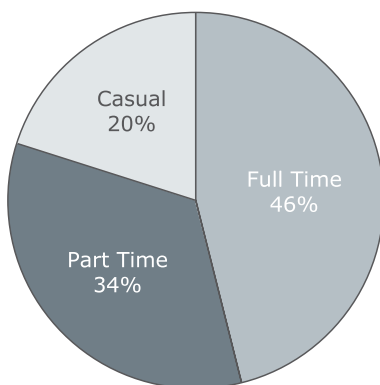
### OUR PEOPLE

Our staff are our most valuable asset and are the driving force behind the delivery of services and the achievement of our Council Plan strategies. At 30 June 2008 there were 289 staff employed in a variety of permanent full-time, part-time and casual positions.

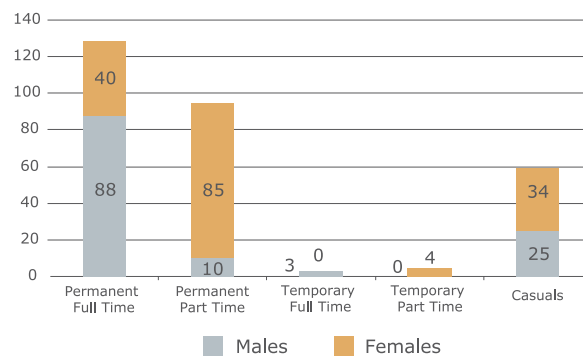
More than 140 volunteers, Family Day Care contractors and work experience participants support and assist our staff in the delivery of council services. Our volunteers play a key role in tourism promotion, community transport and the delivery of major events. We held a "thank-you" breakfast in December 2007 for Colac Otway Shire workforce volunteers, with 70 volunteers in attendance.

Equivalent Permanent Full Time (EFT) Staff by Business Unit	
	EFT
Executive (including General Managers)	6.63
Corporate & Community Services	0.95
Finance	12.40
Recreation, Arts & Culture	20.52
Information Services	7.50
Organisation Support & Development	6.06
Health & Community Services	36.48
Economic Development	9.09
Environment & Community Safety	12.99
Planning & Building	8.90
Infrastructure & Services	0.63
Major Contracts	5.50
Asset Development	5.20
Cosworks	49.21
<b>TOTALS</b>	<b>182.06</b>

Staff by Employment Status



Staff by Gender and Employment Category



Total Males = 126 Total Females = 163



**HIGHLIGHTS**

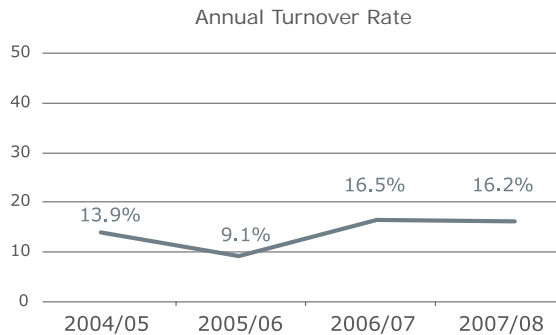
**Organisational Training and Development**

A fundamental principle of good governance is to ensure that we comply with the law. As well as staff receiving specific training on an ongoing basis related to their roles and legislative responsibilities, every second year a key aim of our annual organisation training and development program is the delivery of legislative compliant training. In 2007/08 Council staff participated in training covering the Freedom of Information, Equal Opportunity, Human Rights Charter, Occupational Health & Safety/Risk Management and Privacy. Other professional development topics covered in this year's program included: Dealing with Difficult Behaviour, Project Management & the Introduction of our new Performance Management System.

**Recruitment and Retention**

Council continues to experience some difficulties in attracting applications in areas of critical shortage across Local Government and in other industries in Australia, such as Engineering and Planning.

However, we have been fortunate to maintain staff turnover at a similar level to last year. This is at a time when the national average in 2008 is believed to be running at 18-19% across all industries.

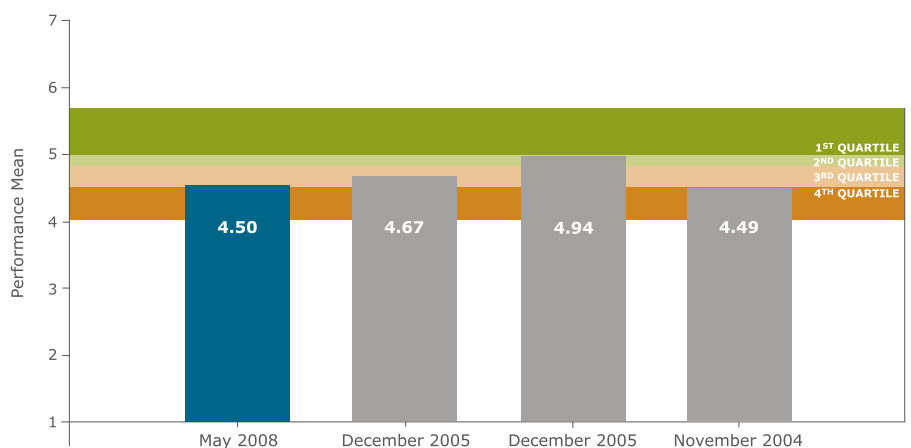


Issues around recruitment and retention continue to be addressed through our workforce planning strategies, which this year included our participation in the MAV Rural Council Workforce Planning Working Party, the LG Employment Branding Research Project and joining forces with six of the Greater South Coast Councils in an employment marketing campaign.

By being ideally situated within an hour's drive of major population centres and coastal areas, and by continuing to promote our commitment to staff development and training, we believe Colac Otway Shire is uniquely placed to offer an environment of challenge, growth, broad experiences and lifestyle options.

**Employee Opinion Survey**

The fifth annual Employee Opinion Survey was conducted in May 2008 by insyncsurveys©, with the report available to staff in June 2008. Staff participation in the survey increased from 35% in 2007 to 53%. Overall staff satisfaction decreased marginally from the previous year, however more than two thirds of those who participated indicated that Colac Otway Shire continues to be a good place to work. Employees rated their top two priorities as "Balancing work and life demands" and "Working as a team in my work area". In terms of where staff considered the organisation was performing well they rated teamwork, responsiveness of leadership and workplace safety as positive strengths.





### **Appreciating our Staff**

Council has an ongoing Reward & Recognition Program. This year special mentions were made of 19 employees with 10, 15, 20, 25 & 30 years of service to our community. *20 Years: Marj Lucas, Terry Robb and David Noonan. 25 Years: Kevin O'Gorman, Phillip Eyers and James Bartlett. 30 Years: Bernie Casey, Brian Dyson, Joan Day and Terry Malone.*

### **Communication**

Good communication within the organisation is seen as essential in keeping staff informed and updated on corporate activities and items of general interest. Along with Department and Team meetings the CEO holds a bi-monthly Forum. Presentations from the CEO and different areas of Council keep the organisation updated on key issues. It also allows the presenting Units to showcase the work they do and specific projects they are working on. A staff newsletter is also distributed bi-monthly.

### **THE YEAR AHEAD**

Continue to research and develop strategies to improve staff recruitment, retention and skills.

### **OCCUPATIONAL HEALTH & SAFETY (OH&S)**

We are committed to providing a safe and healthy workplace for our staff, contractors and visitors. Our OH&S Consultative Committee meets bi-monthly. All areas of our organisation are represented on the committee, with 13 designated staff/workgroup representatives.

Our commitment to workplace safety and achievements was once again evident in the results of our 2008 Employee Opinion Survey, with staff continuing to rate health and safety as a high priority and high performing area.

Ongoing OH&S training is an essential element in continuously improving our health and safety performance. In 2007/08 staff participated in a number of activities including:

- OH&S Representative 5 Day OH&S course
- First Aid training
- Safe Work on Roofs
- WorkSafe Guidelines for the Construction Industry

Part of our annual compliance training for 2007/08 included the development and delivery of an occupational health and safety refresher program for all staff. Health & Safety and Management representatives also participated in WorkSafe Safety Week in October 2007.

### **HIGHLIGHT**

**Council received an excellent result with its lowest SafetyMAP non-conformance rating in 10 years**, since it first began participating in the audit in 1998. SafetyMAP requires that a reaccreditation surveillance audit be conducted annually to assess Council's continued certification every three years. SafetyMAP certification is a key driver of OH&S performance at Colac Otway Shire and ensures that our systems are assessed against best practice. This year's audit was conducted in September 2007. The audit assessed Council's overall approach to Occupational Health and Safety (OH&S) and the management of workplace risk against the standards of the Victorian WorkCover Authority's 4th edition Initial Level SafetyMAP Accreditation program.

### **THE YEAR AHEAD**

Continue to review policies and improve our procedures in line with the Occupational Health & Safety Act 2004.



## ORGANISATIONAL SUPPORT AND DEVELOPMENT

The Organisational Support & Development Unit provides advice, coordination and support on a broad range of internal services to Colac Otway Shire's management and staff in the areas of human resources management (including recruitment and selection, industrial relations, training and development), risk management and workplace safety; and corporate support for Council's integrated business planning processes, best value reviews and performance reporting.

### HIGHLIGHTS

**Implemented the new electronic staff performance management system, 'PES®'.** The roll out of PES® to Business Units and staff commenced in July 2007, in line with our Enterprise Agreement commitment to ensure that all staff participated in an Annual Review during July-September. The implementation included four training sessions for managers/supervisors and a number of individual training sessions. Both the Annual staff reviews and Half Year Reviews (January 2008), were successfully completed for all relevant staff.

**Implementation and training of staff in the use of Council's Business Planning Software (interplan®)** continued, with the ongoing development and system integration of Council's Business Planning software. Interplan® is an integrated planning tool that will provide the organisation with the ability to more effectively manage corporate, business and service level planning and reporting requirements.

**Coordinated a comprehensive organisational development and staff training program** to ensure employees participated in legislative compliance training programs, as well as a number of professional development opportunities that will assist staff to effectively carry out their duties. Staff training and information sessions delivered on-site included: Privacy Awareness, Staff Development Program, Dealing with Difficult Persons, Freedom of Information and the Human Rights Charter. The aim of the Human Rights sessions was to introduce staff to the Charter, which came into effect on 1 January 2008, and how the Charter will protect human rights in Victoria, its impacts on staff and their work practices.

### A Staff Health & Wellbeing Program was developed and implemented,

- A Staff Health & Wellbeing Survey
- A Healthy Heart Check (Mobile Baker Heart Bus) session, where 50 staff participated
- A bi-monthly Health & Wellbeing Newsletter distributed to Staff. The newsletter provides staff and their families with information on a range of health, safety, work and general lifestyle topics
- Beyond Blue – Managing Depression in the Workplace training. The program was designed to enhance the managers' knowledge about the impact of depression, anxiety and related drug and alcohol problems on individuals, the workplace environment and the organisation

**Developed a 5 year Volunteer Engagement Project (VEP) Strategic Plan** to support community participation in volunteering. A wide cross section of volunteers, groups and networks were consulted, with over 60 volunteers' stories collected during 100 visits involving approximately 500 volunteers. A 'reward and recognition' event was held with a Mayoral Launch of the VEP Draft Strategy's DVD & Collection of stories. Approximately 70 volunteers attended. This event coincided with the Shire's "Thank You" to volunteers on National Volunteers Day, 5th December 2007. The strategic plan was endorsed at the January 2008 Council meeting.

**"Values in Action" Awards were introduced** for the first time this year. These were presented to staff whose peers believed they had demonstrated in the course of their work how the organisation's values of 'Partnership', 'Consultation' and 'Service' are put into action.



**Council was awarded the Best Annual Report for its 2006/07 report** in the Low Resource Category at the Municipal Association of Victoria Annual Report Awards, as well as an award for the Best Financial Overview section within the Annual Report. These awards are a celebration for all staff as they contribute to the Annual Report through the work they do and the achievements accomplished each year.

**Completed the Best Value review program for 2007/08.** Services undergoing a full review were Customer Services, Property & Rates, Local Laws and Apollo Bay Harbour Management. Continuous Improvement Plans were drawn up for each of the services, with actions for each service forming part of their 2008/09 business plans.

**All new staff completed a comprehensive induction program** that provided information, key human resources policies and procedures, internal systems and processes, risk management and workplace safety.

**Coordinated the annual external risk audit program** for compliance with Public Liability, Professional Indemnity, Asset Management Insurances and OH&S Management system accreditation.

**Coordinated the recruitment and selection of 57 position vacancies,** processing a total of 366 applications.

#### CHALLENGES

- Best Value reviews due for completion prior to the end of the financial year were rescheduled for finalisation in late 2008
- Timeframe for implementation and integration of new Risk Register software was extended due to delays in the release of the software

#### THE YEAR AHEAD

- Continue to implement the Performance Management Software and revised Staff Development Program
- Development of Organisational Training Plan strategic document
- Ongoing implementation of the Staff Health & Wellbeing Program
- Implement the new Risk Register module of interplan
- Timely completion of Best Value Reviews
- Development of the new four year Council Plan





## INFORMATION SERVICES

The Information Services Unit (ISU) provides a range of services to both the community and internally to Council officers. Services focus on Document Management, Information Communication and Technology (ICT) and Geographic Information System (GIS), supporting the organisation to provide responsive customer service.

### HIGHLIGHTS

An **Information Communications and Technology Strategic Plan (ICTSP)** has been developed that defines short, medium and long term actions for Council systems and applications. The plan sets a roadmap for the Councils ICT systems to 2013. As a first step in the implementation of the ICTSP a **Storage Area Network** platform has been developed, providing the base capability for development of Council's Disaster Recovery plan.

Council's **Wireless Infrastructure** was extended to enhance the connectivity of both the Works Depot and Bluewater Fitness Centre. These wireless connections link to the Colac Rae Street data centre providing high speed access to Council data.

The **scheduled equipment replacement program** was completed. This annual schedule ensures that Council's ICT equipment, including workstations, printers, network components and ancillaries, meets business requirements.

**Provided a mobile technology to the Local Laws team to implement the new Fire Notice and Inspection procedure.** The new capability uses high resolution electronic maps and enabled the inspection of 8,000 rural properties where previously only 1,000 were able to be inspected. The mobile capability allowed Local Laws to achieve their target in less time and with better outcomes than the previous inspection system.

**The GIS Coordinator played a pivotal role in the formation of the Corangamite Consortium,** which coordinated the \$2 million Imagery and Modelling project to which Council contributed \$20,000. Project outcomes provided Council with high resolution up-to-date imagery of the Shire and includes a high resolution model of the terrain.



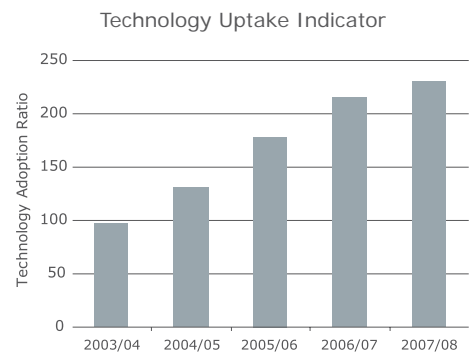
The **implementation of a new GIS application** has doubled the number of GIS users to 40 who access and rely on the Council's spatial data.

#### Information Services

- \$918,512 operating expenditure (\$65 per rateable property)

#### ICT

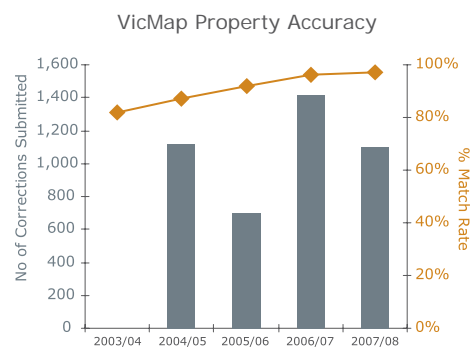
- The information system consists of 13 servers and 146 workstations located across 12 work sites
- Received 131,600 emails and sent 94,154



Technology uptake is expected to continue to rise.

#### GIS

- 400 new properties mapped



The match rate between Council's property system and the State Government has steadily improved and is now stable above 97%.



Council has been working on a **long term program to upgrade road data** used by emergency services, utilities and the public. One aspect of the work is the naming of un-named roads in the Shire. Among other things the road data is used by Global Positioning System (GPS) navigation devices, which are becoming common for in-car navigation.

**We completed four audits of Council's electronic document library** in relation to compliance with defined standards for the library.

#### CHALLENGES

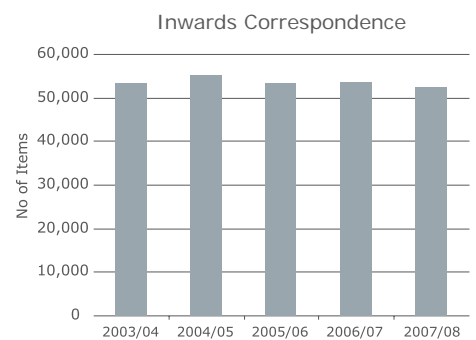
- The ICT Strategic Plan reiterated the importance of a Disaster Recovery (DR) capability. The Council has a limited capability in relation to DR. The identification of an alternate work area is the most significant barrier to developing a realistic DR plan
- Finding funding through external sources to assist with the provision of a fully functional Web based GIS that can extend elements of the Council's internal GIS capability to the community
- A mobile capability was developed to assist Local Laws identify and manage lost or stray dogs. The animal mobile application has not been fully adopted due to the complex nature of the system. This will be addressed in the year ahead

#### THE YEAR AHEAD

- The ICT Strategic Plan identified over 60 initiatives to be considered over the next 4 to 5 years with significant elements to be implemented in the 2008/09 financial year
- Commence planning and preparation activities for the replacement of Council's Electronic Document Management Systems
- Develop integration linkages between the Council's asset systems and customer request system
- Improve the property system data quality to further improve our match-rate between the Council's property system and the Council's internally generated maps
- Extend the breadth of GIS data which will be available on the Council's internet website
- Develop a Web based GIS capability that can extend elements of the Council's internal GIS capability to the community

#### Document Management Services

- 114,956 items of both inwards and outwards correspondence processed
- Disposal of all eligible 2007 documents in accordance with the Public Records Office Disposal Schedule







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# roads and infrastructure

## council plan objective

Improving and renewing our roads and other infrastructure by allocating additional Council funds and strongly advocating for State and Federal Governments to provide additional funding.

- ★ 2007/08 actions completed
- ▼ 2007/08 actions behind schedule
- ⇒ deferred or delayed beyond 2007/08

### COUNCIL PLAN COMMITMENTS

- ★ Continue increased funding of infrastructure asset renewal, particularly on rural road resheeting, drainage, timber bridges and footpaths

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- ★ Advocate for the upgrade of Turtons Track as a major sealed 2WD Touring route.  
*Strategy completed – Turtons track has been upgraded.*

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- ★ Advocate for the upgrade of the main access roads between Princes Hwy and the Great Ocean Road including the Colac/Forrest Road, Birregurra/Forrest Road, Forrest/Skenes Creek Road and Forrest/Apollo Bay Road and the Colac/Lavers Hill Road consistent with actions contained in the Great Ocean Road Regional Strategy.

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- ★ Advocate for the location of the Geelong By-Pass connection with the Princes Highway to enable a continuous 100kmh speed zone

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- ★ Advocate for the Construction of a dual carriageway Princes Highway from Geelong to Colac and then beyond to the South Australian border

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- ★ Advocate for the development of an alternative heavy vehicle route for the City of Colac

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- ★ Advocate for the identification of a designated route for the future location of a Colac By-Pass for the Princes Highway

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- ▼ Implement the Road Safety Plan and Council approved road safety initiatives in partnership with VicRoads and other agencies.  
*The existing Road Safety Strategy is presently being reviewed and updated. This is being undertaken in conjunction with the Corangamite Shire (with strong links to the Corangamite Policing District). Both municipalities have committed funding to the project. An external consultant has been appointed with the Strategy to be developed during 2008/09.*

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- ★ Advocate for improved infrastructure services – telecommunications

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- ★ Investigate the feasibility of a Regional Saleyards complex with other municipalities in the G21 Region

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- ⇒ Develop and implement the Asset Management Plans and Asset Management System for all infrastructure categories.  
*Bridge Asset Management Plan completed and adopted by Council. Draft Building Asset Management Plan has been prepared by the Asset Management Working Group and is to be finalised prior to presenting to Council. Limited work undertaken to prepare the Stormwater Asset Management Plan.*

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- ★ Manage our roads consistent with Council's Road Management Plan

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- ★ Strategically manage the impacts on Council's local road network giving consideration to emerging industries and changes in transport demands.  
*Management outcomes of defect inspections and responses have been reported to the Roads Committee quarterly throughout 2007/08. A high level of compliance with the standards of Council's Road Management Plan was achieved for this year. Funding applications were submitted to the State Government's Better Roads and Local Roads to Markets Program to enable the upgrade of local road infrastructure including the replacement of Binns Road bridge and the widening of Larpent Road between Underwoods Road and Princes Highway.*



## INFRASTRUCTURE AND ASSET DEVELOPMENT

### Asset Development

The Asset Development Unit is responsible for the day to day management and development of approximately \$228 million dollars worth of Council's assets, which includes Roads, Buildings and other infrastructure. The Unit is also responsible for the management of Council's annual Capital Works Program.

Also undertaken are inspections, monitoring and development of major maintenance programs and capital works programs. These projects are prioritised and designs and specifications are provided to the Major Contracts and Works Units for implementation in accordance with Council's Asset Management Plans, Strategies and Policies.

### HIGHLIGHTS

**New guidelines developed for purchasing of environmentally friendly Light Fleet.** Fuel consumption has a direct correlation on our carbon footprint. To reduce this impact vehicles purchased under the new guidelines will reduce the average fuel consumption by 1.7 litres per 100 km travelled.

**Delivery of more than \$1 million of road rehabilitation and improvement works** under the Federal Government's Roads to Recovery program. Projects completed under this program included:

- Replacement of existing piles on the Upper Gellibrand Road bridge
- Asphaltting of the intersections at Wilson Street/Gravesend Street, Wilson Street/Queen Street, and Hearn Street/Gravesend Street
- Pavement rehabilitation works on Cape Otway Road and Conns Lane, Birregurra

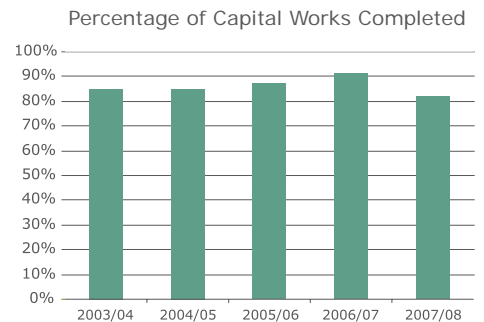
**Major rehabilitation works undertaken on Carpendeit Bungador Road** to provide improved access to the local road network by B-double transport vehicles. This project was made possible through funding received from the Local Dairy Roads Program.

**Completion of the 2007/08 Building Renewal Program** (\$150,000), delivering improved buildings and facilities to the community. Works included painting and repairs to the portico roof at 6 Murray Street, painting and repairs to the Central Reserve Grandstand and Scoreboard and cleaning and painting of the Cororooke Maternal and Child Health Centre.

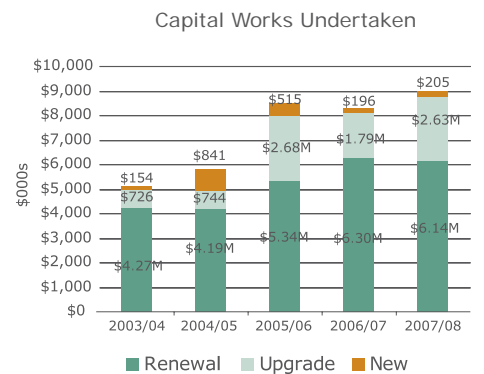
**Completion of building works** under Council's 2007/08 Capital Works Program included an upgrade of the existing water meter servicing the Eastern Reserve and upgrades to the existing switchboards at the Kanyana Senior Citizens Club and Winifred Nance Kindergarten. Works also included painting and installation of anti-slip flooring at Memorial Square toilets.

### Infrastructure & Asset Development

- Non-Current Assets valued at \$228 Million



The percentage of Capital Works completed reduced due to resourcing issues. During the year additional legislative requirements reduced Council capacity to deliver projects.





### Finalisation of the construction

of sections of both Borwick Street and Dowling Street. These projects were completed as special charge schemes and were a major achievement for the Unit in providing improved road infrastructure and development opportunities for the local community.

### Rehabilitation works on a number of bridges in the Gellibrand area.

Major structural elements on each of the bridges on Raffertys Access and James Access were replaced in order to support the movement of heavy vehicles including fire tankers and other emergency vehicles.

### Upgrades to local road infrastructure at level crossings

was undertaken within the municipality to address safety and compliance issues identified through the Department of Infrastructure's Australian Level Crossing Assessment Model (ALCAM) audits. These works included the provision of new signage and alteration of existing line marking on local roads to comply with Australian Standards.

### CHALLENGES

- Delays were experienced in completing a review Council's Road Safety Strategy
- Only 83% of Council's 2007/08 Capital Works Program were completed. Improved resource levels coordination of capital works project planning and design is needed so that projects are delivered on time and within budget. These requirements have seen the formation of the Capital Works Project Development Review Group
- Finalisation and adoption of Council's Building Asset Management Plan is required. The preparation of this Plan included documenting facility ownership details to ensure that funding for buildings is expended effectively

### THE YEAR AHEAD

- Completion of the Federal Government Auslink Strategic Roads Program involving widening of Poorneet Road and construction of the unsealed section of Swan Marsh-Irrewillipe Road
- Upgrade of the section of Larpent Road extending between the Princes Highway and Underwoods Road under the State Government's Local Roads to Market Program
- Replacement of the Binns Road Bridge and other upgrades to Binns Road through the Better Roads Program
- Continued development of Council's Asset Management systems, including ongoing conditioning monitoring of key asset types (e.g. roads, underground drains, buildings, etc)
- Managing community expectations in relation to the levels of service delivered by Council in respect to management of roads, buildings, and public open space, including playgrounds
- Review of project management systems
- Preparation of the Sinclair Street and Morrison Street special charge schemes
- Development of the 10 year Capital Works Program, including integration with long term financial planning outcomes





### Capital spending - why focus on Asset Renewal?

Colac Otway Shire Council is responsible for the management and maintenance of an extensive range of civil infrastructure including roads, drainage systems, footpaths, car parks, kerb and channel, bridges, traffic facilities, etc.

There are three main classifications of investment or expenditure types associated with capital works.

These are: **Renewal**, **Upgrade**, and **New**. Each expenditure type is warranted under differing circumstances:

- **Renewal** works maintain existing assets e.g. roads, buildings, footpaths, etc
- **Upgrade** works satisfy changes in demand or rectify assets that are perceived not to meet community needs  
Widening of an existing narrow road is an example of upgrade works
- **New** projects accommodate demand for new services, and may include the construction of a new building etc

Council, like many other others all over Australia, is now facing the problem of ageing assets in need of renewal and rehabilitation. The **Renewal** of assets is essential to ensure that they are brought to, and maintained at, an agreed standard and are fit for purpose.

Over time **Upgrade** and **New** projects can increase direct costs to Council, and thereby the community, unless increased income from the improved or new asset can be generated. Typically these costs relate to the ongoing operation and maintenance of assets.

Council has a current budget strategy that responds to community demand and asset renewal requirements. Council's current emphasis is on asset renewal expenditure rather than asset development.

### Asset Maintenance

Annual maintenance and renewal of Council's infrastructure assets is undertaken by Council's Works Department (Cosworks). Colac Otway Shire has 1,700km of local roads (1,074km unsealed, 626km sealed) and 120km of footpaths to maintain. Cosworks are also responsible for the maintenance of kerb and channel, signs, drains, bridges, roadside vegetation, streetscapes, playgrounds, parks, and sporting grounds.

#### HIGHLIGHTS

Drought conditions continued to impact on a number of maintenance areas although **approximately 90km of unsealed roads were resheeted** during the year, representing approximately 8.5% of the unsealed road network.

The **resealing of approximately 35km of urban and rural roads, and 4.9km of final seal** was completed in the year.

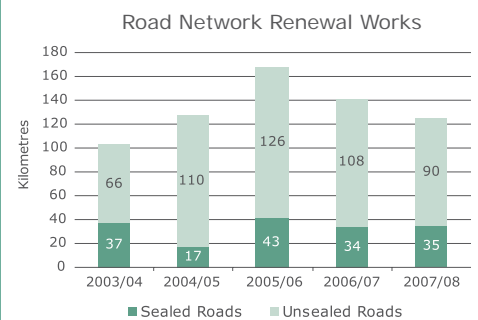
**1,500m of footpath was replaced** across the footpath network, renewing and replacing unsafe and broken sections. In addition to the replacement work, Council carried out significant maintenance works on the footpath network.

**Major drainage works** involving the establishment, clearing and reshaping of drains was undertaken along 80km of the road network.

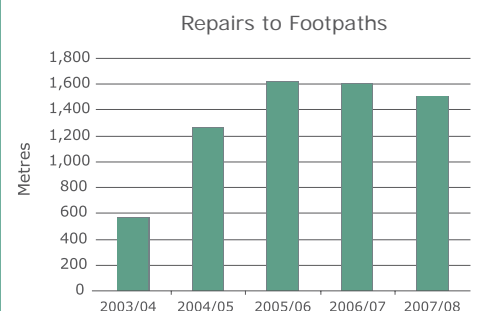
**Guidepost installation** was undertaken along 261km of road across the municipality involving the installation of 4,500 new guide posts. In addition, a further 600 guide posts were installed replacing posts identified as damaged or missing as part of our programmed road asset inspections.

#### Asset Maintenance

- 130 bridges maintained



The length of renewal works on the road and footpath network reduced due to rising fuel and materials costs. Council also concentrated its road works in the Otways during 2007/08 where the cost of works is higher than in other parts of the municipality.





Drought conditions decreased demand for **roadside slashing**. Instead there was a greater emphasis on roadside vegetation control (trees), with 91km of maintenance being undertaken across the Shire.

Monthly **playground inspections** were completed during the year with defects that were identified repaired in accordance with standards. Each park within the municipality was mown on average eight times and major sporting ovals were mown 30 to 40 times during the year.

#### CHALLENGES

- Some gravel road surfaces around the municipality began to deteriorate at a faster rate than expected resulting in an increase in maintenance effort, whilst still maintaining other roads to Road Management Plan standards
- While Council has been increasing expenditure on asset maintenance and renewal there is still a community expectation of a higher level of service

#### THE YEAR AHEAD

- Review of the planning approval processes required for roadside vegetation maintenance and control
- Commence development of Safe Work Methods for all maintenance areas
- Commence Best Value reviews for Parks & Gardens and Livestock Selling Centre

### PORT OF APOLLO BAY

Colac Otway Shire is responsible for the management and maintenance of the Port of Apollo Bay since accepting responsibility from the Port of Geelong in 1995. This role is funded by the Department of Sustainability and Environment (DSE) and provides a safe facility for commercial and recreational users.

#### HIGHLIGHTS

**Apollo Bay Harbour marina upgrade project.** A \$1.7 million upgrade of the marina occurred during 2007/08 with funding assistance from the Department of Sustainability and Environment (DSE) and the Regional Infrastructure Development Fund (RIDF). The new marina is of a floating pontoon type with 29 berths available for mooring vessels. The marina is comparable to the modern marinas around Australia and overseas and the feedback from users has been positive.

**Review of Fees and Charges.** A Best Value review process was undertaken during the 2007/08 financial year into the level of fees and charges for the use of the slipway facility, berthing and mooring, provision of marina keys, and establishment fees for swing mooring. Consultation indicated that there was support for a nominal increase in mooring fees based on CPI to make the fees and charges comparable to other similar ports. The new fees and charges will be applicable from 1 July 2008.





## CHALLENGES

- Additional Capital funding requested from Department of Sustainability and Environment (DSE) for some remaining ageing infrastructure not funded

## THE YEAR AHEAD

- Ongoing implementation of Safety and Environmental Management Plan (SEMP)
- Upgrade of the slipway facility
- Installation of a boom gate at facility for controlling the traffic flow
- Implementation of the new fees and charges
- Continue the public consultation process on all major developments at the harbour and matters of interest
- Introduction of computer based user induction process

## CONTRACT MANAGEMENT

Contract Management services are responsible for ensuring transparent tendering processes and the selection of competent contractors that maximises value for money, along with quality assurance and the monitoring of on-site construction works. Council is required to undertake the competitive tendering process for all contracts with an estimated project cost of \$100,000 or greater.

## HIGHLIGHTS

During 2007/2008, a total of 18 tenders were prepared, 19 contracts were awarded, and 24 quotations were sought for infrastructure works across a range of project areas including:

### Construction and Civil Works

- Footpath construction on Lake Colac foreshore and in McLachlan Street, Apollo Bay
- Road construction works including widening of Irrewillipe Road, Poorneet Road and rehabilitation of Cressy-Shelford Road
- Street construction works as part of Special Charge Schemes for Marks Street and Slater Street, Colac
- Construction of Borwick Street and Dowling Street in Colac
- A contract was also prepared and awarded for footpath works in Birregurra's Main Street
- The 2007/2008 annual bituminous sealing contract was completed
- Works were undertaken by quotation for:
  - Various asphalt overlay works in Colac
  - Murray Street pedestrian fence
  - Installation of gross pollutant trap at Queen Street
  - Installation of Ligar Street traffic control device
  - Drainage improvements at the intersection of Main Street and Strachan Street, Birregurra
  - Parking alterations at the visitor information centre on the Great Ocean Road
  - Apollo Bay construction of splitter island in Hardy Street, Apollo Bay
  - Installation of ten bus shelters (to be fully completed in first quarter of 2008/09)
  - Painting of 6 Murray Street and upgrade and painting of Central Reserve grandstand, Cororooke Maternal & Child Health Centre, Memorial Square toilets, and Lake Colac foreshore disabled toilet

### Plans Developed

- A contract to capture underground drainage condition data was completed
- Pavement investigation and design report was undertaken
- A footpath condition audit was undertaken
- Various contracts for survey and design of road construction projects
- Design and marking of bituminous sealing works was undertaken
- Tenders were invited for a regional trails masterplan

### Major Plant & Equipment

- Tenders were invited and purchase arranged for a three tonne tip truck, a grader and a road maintenance unit (Flocon)

### Waste Management

- Beeac and Cressy landfill rehabilitation was undertaken after closure of the sites



### Service Contracts

- Property maintenance services tender for the frail, aged and disabled ratepayers
- Cleaning services for municipal buildings and public conveniences continued with a two year extension of the contract period applied until 30 June 2010
- Council's photocopier service continued
- Contractor was engaged to provide property valuation services in 2010 and 2012
- A contract to provide electoral services

### Apollo Bay Harbour

- Apollo Bay Harbour Marina Replacement commenced and was completed

### CHALLENGES

- Unexpected site conditions and contractor availability slowed progress on a number of construction projects including:
  - o Footpath construction in McLachlan Street, Apollo Bay, and Birregurra's Main Street
  - o Slater Street in Colac

### THE YEAR AHEAD

- Continuous improvement to tender preparation and contract administration processes with an emphasis on contract supervision
- Completion of a number of important projects including:
  - o Rehabilitation of Gellibrand landfill site
  - o Construction of Binns Road Bridge
  - o Annual bituminous sealing of Council's roads
  - o Swan Marsh - Irrewillipe Road reconstruction
  - o Pound Road construction
  - o Larpent Road construction

## LIVESTOCK SELLING CENTRE

The Colac Livestock Selling Centre provides facilities for weekly sales of livestock in the region. Through a scheduled maintenance program for the facility and progressive upgrades Council is able to provide a quality service to users.

### HIGHLIGHTS

**Store Cattle sales remained relatively constant** observing only a slight decrease in numbers compared with the previous year.

**Alterations occurred to one of the loading ramps** to increase safety at the facility, in accordance with Worksafe requirements.

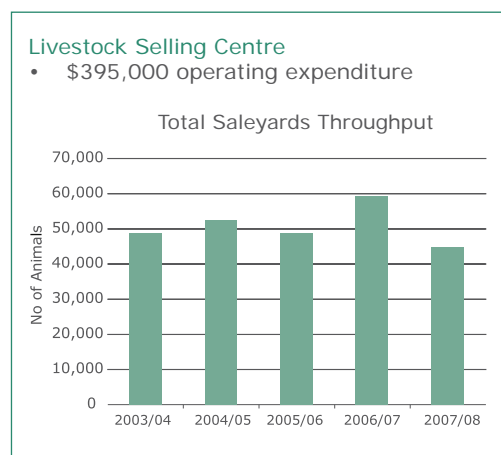
**Timbers were replaced** in 96 pens, 19 holding pens, six receivable pens and 45 bull pens as part of the programmed works to maintain the facility in top working order.

### CHALLENGES

- Drought conditions resulted in a decrease in the use of the saleyards, with throughput for weighings, Fat Cattle and Bobby Calves decreasing by approximately 30% when compared with the 2006/07 year

### THE YEAR AHEAD

- Council will face considerable challenges at the Livestock Selling Complex in 2008/09 as numbers have dropped as a result of continuing drought conditions
- Council will continue investigating ways in which we can reduce our water consumption at the Livestock Selling Centre. This will involve developing options for the reuse of water currently used at the site
- The replacement of selling pen timbers will continue in 2008/09





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# planning and development

## council plan objective

Undertake a comprehensive review of the Colac Otway Planning Scheme including a rural zones review and the preparation of an updated Municipal Strategic Statement and Local Planning Policy Framework to address the recommendations arising from the Planning Scheme Review.

- ★ 2007/08 actions completed
- ▼ 2007/08 actions behind schedule
- ⇒ deferred or delayed beyond 2007/08

Sustainable development through the implementation of the Lake Colac Management Plan and the redevelopment of Apollo Bay Harbour.

### COUNCIL PLAN COMMITMENTS

- ★ Undertake a comprehensive review of the Colac Otway Planning Scheme and prepare an updated Municipal Strategic Statement (MSS) and Local Planning Policy Framework to address the recommendations arising from the planning scheme review.  
*Planning Scheme Amendment C55 was exhibited in December 2007 to implement a significant review of the Scheme to update the MSS, implement the Apollo Bay & Colac Structure Plans and Rural Land Strategy.*

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- ⇒ Prepare a Developer Contributions Plan which will facilitate developer contributions towards the provision of social and physical infrastructure.  
*Stages 1 & 2 of this program have been completed with Council adopting a resolution not to proceed with the development of the Plan until a comprehensive capital works program is in place.*

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- ★ Develop and implement a Sustainability Action Plan for the organisation and the Community.  
*The Sustainable Water Use and Greenhouse Action Plans have been developed, and are being implemented, as key components of the SAP.*

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- ★ Develop a Colac Structure Plan that provides a long term vision for Colac, by setting a planning and development framework that will provide for the orderly sequencing of development. This will ensure that community and infrastructure servicing, open space, industrial and commercial facilities are provided in a staged and efficient manner.  
*Colac Structure Plan completed and adopted by Council in February 2007.*

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- ★ Continue the development of the Colac Botanic Gardens.

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- ⇒ Improve the Eastern Entrance to Colac.  
*This project has been delayed due to the need for clarification of community requirements and the need to establish a process for effective implementation. The Project will be reviewed and considered as part of the Community Plan project.*

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- ★ Complete the Apollo Bay Structure Plan incorporating the results of the Apollo Bay character Study to provide guidance and direction for the future development of Apollo Bay, including the identification of car parking needs, a continuation of the streetscape development program, and the development of a Concept Plan for the future development of the Apollo Bay Harbour.  
*Apollo Bay Structure Plan completed and adopted by Council in April 2007.*





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- ★ Complete a Neighbourhood Character Study and Structure Plan which will provide guidelines and a policy basis for determining development applications in the towns of Kennett River, Wye River, Skenes Creek and Separation Creek.  
*Neighbourhood Character Study and subsequent amendments completed and incorporated into the Colac Otway Planning Scheme in February 2007. The Structure Plan was adopted by Council in February 2008, and a planning scheme amendment will proceed in 2008/09.*

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  - ★ Priorities identified for the Hinterland are incorporated into the review of the Colac Otway Planning Scheme and the Economic Development and Environment Priority areas. These include the completion of the Neighbourhood Character Studies, Structure Plans, policy development and a review of the impact of the transfer of agricultural land to forestry use.  
*The Rural Land Strategy was adopted by Council in September 2007, and its outcomes have been incorporated into the Planning Scheme Review – Amendment C55.*

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  - ★ Continue to implement the Lake Colac Master Plan and Management Plan, including advocating for funding contributions from the State Government, relevant Authorities and the community.

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  - ★ Continue the redevelopment of the Apollo Bay Harbour, including the development of a Concept Plan specific to the Apollo Bay Harbour precinct, which will form an important component of the Apollo Bay Structure Plan.  
*Draft Master Plan completed in June 2007. Further consultation to occur in 2008/09 with key stakeholders and the community to review the Plan prior to its adoption.*

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  - ⇒ Through effective community engagement, develop a Colac Otway 2030 Vision, with a view to developing a long-term strategic vision for the municipality around a number of key themes including: Quality of Life, Environmental Stewardship, Built Environment, Local Economy, Tourism and Culture, and Living and Learning.  
*Subject to receiving external grants, a Community Plan will commence early in 2008/09 which will form the basis of input into the Council Plan in 2009. The project will include community consultation and establish community priorities.*

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  - ⇒ Prepare Structure Plans that provide long-term vision and planning and development framework for the townships of Birregurra and Forrest.  
*Due to the hold-up in finalising other Strategic Plans this initiative is proposed for the 2008/2009 period.*
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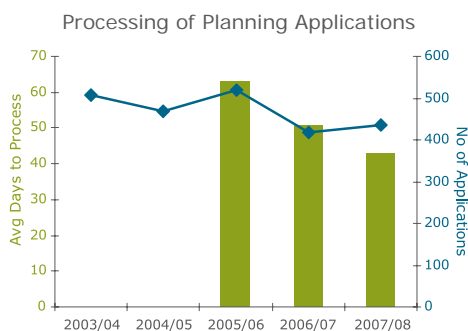
## PLANNING

The Planning Unit is responsible for administering the Planning and Environment Act 1987 through the Colac Otway Planning Scheme, as well as other related legislation such as the Subdivision Act 1988. Services include provision of planning advice and property information, processing subdivision plans, assessment and decisions on planning permit applications, representation of Council at VCAT hearings, and enforcement of planning permit conditions and Planning Scheme provisions.

Also undertaken is a range of strategic projects that result in amendments to the Planning Scheme to provide guidance on decision-making. Input is provided into State and regional initiatives, and amendments undertaken to rezone land when required. The Planning Scheme is reviewed every four years to improve its performance.

### Planning

- \$1.18 million net expenditure (\$83 per rateable property)
- 437 applications received
- 7 appeals to VCAT
- Average of 43 days to process planning applications



Data on 'Avg No Days to Process' applications not collected before 2005/06

## HIGHLIGHTS

### Strategic Planning

**Implementation of Planning Scheme Review and Strategic Studies – Amendment C55.** Planning Scheme Amendment C55 is the culmination of several years' strategic work by Council, and proposes a new Municipal Strategic Statement (i.e. local policies) and changes to zones and overlays. Specifically, it implements the Colac and Apollo Bay Structure Plans and Rural Land Strategy. It is expected to be finalised late in 2008 following receipt of the independent Panel's report, streamlining and significantly improving the effectiveness of the Colac Otway Planning Scheme.

**Completion of Rural Land Strategy.** The Rural Land Strategy provides a strategic analysis of key agricultural areas within the municipality. The Strategy recommends that further work be undertaken in relation to establishing settlement boundaries for the smaller towns and locations for future application of the Rural Living Zone. While it recognises the importance of the timber industry, it identifies areas where permit triggers should be introduced for plantations over 40ha in area. The project provides a sound policy basis for strictly applying the purposes and decision guidelines of the Farming Zone to protect the productiveness of agricultural areas.

**Completion of Amendment C27 – Introduction of Heritage Controls.** Amendment C27 was adopted by Council in two parts early in 2008 and implements the key recommendations of the Colac Otway Shire Heritage Study. Heritage controls have been introduced to a number of individually significant heritage properties in the Shire and to a small number of significant precincts. This is a significant step towards preserving the heritage values of the Shire into the future.

**Adoption of Private Planning Scheme Amendments.** A number of planning scheme amendments were completed in 2007/08. These included the adoption of a rezoning of land at Marriner's Vue north of Apollo Bay for residential development (C17), rezoning of two former school sites in Irrewillipe and Yeodene (C49), correction of zoning anomalies throughout the Shire (C50), and adoption of the proposed rezoning of land between Apollo Bay and Marengo ('Great Ocean Green') for a golf course/residential development (C29).



## Statutory Planning

**Consistent decisions under the 60 day statutory timeline.** Council has a statutory requirement under the Planning & Environment Act 1987 to decide on planning applications within 60 days. At times this can be an onerous requirement especially in response to highly detailed and technical applications. In 2007/08 the average time frame for planning application decisions reduced significantly to 43 days, down from 51 days in 2006/07, and the percentage of applications determined within 60 days increased from 68% to 74%.

**Reduction in number of appeals to VCAT.** The number of appeals lodged against Council decisions on planning permit applications reduced by 50%, from 15 in 2006/07 to seven during 2007/08. This is a significant reduction and reflects both good decision-making and a greater acceptance by both applicants and objectors of the Council's determination.

**Further development of a planning and procedures manual.** Progress has been made in developing a comprehensive planning and procedures manual that sets out the procedures for processing planning applications, with the aim of ensuring a consistent approach to planning issues.

## CHALLENGES

- Improving the quality of planning permit applications to reduce the overall processing time of applications
- Ongoing difficulties in recruiting planning professionals in a tight labour market, within a highly competitive industry, and maintaining service levels in this environment
- Maintaining and improving upon current planning permit processing times
- Increased workloads that have arisen due to new planning controls introduced for erosion management, neighbourhood character protection in the coastal towns and heritage protection
- Proactively informing the community of changes to planning scheme provisions and process requirements in a constantly changing legislative environment
- Complexity of planning issues within the Shire, and difficulty in meeting the satisfaction of all stakeholders and members of the community
- Need to more effectively resource and increase capacity to undertake planning enforcement
- Effectively manage the extensive strategic planning program to ensure that improvements were made to the Planning Scheme in a timely manner

## THE YEAR AHEAD

- Completion of Amendment C55 which implements strategic studies and the Planning Scheme Review
- Exhibition of an amendment to implement the Kennett River, Wye River & Separation Creek Structure Plans
- Commence a Rural Living Strategy
- Preparation of the Birregurra & Forrest Structure Plans
- Preparation of Car Parking Precinct Plans for Colac and Apollo Bay
- Undertake Planning Scheme Amendments to revise mapping of flood prone land and land prone to landslip
- Continue to upgrade procedures and finalise process mapping, having regard to the recommendations of the Auditor General's report on planning in Victoria
- Continue to improve enforcement of the Planning Scheme provisions



## BUILDING

Our Building Services Unit ensures that buildings in the Colac Otway Shire are constructed and maintained to acceptable standards by enforcing compliance by land owners with building legislation and safety standards. The Unit also provides general building advice, determines 'report and consents' for variations to siting requirements, and processes building permit applications in competition with private Building Surveyors, including mandatory inspections for all new works.

### HIGHLIGHTS

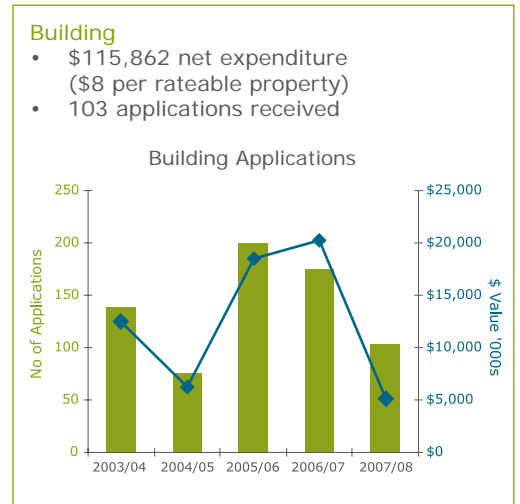
- Building permits processed in an average of 25 days, down from 39 in 2006/07
- Maintenance of an effective building service despite difficulties attracting appropriately skilled staff during the year
- Introduction of an updated map of 'Land Liable to Flooding' which reflects the latest known information relating to flooding

### CHALLENGES

- Competition with private Building Surveyors, particularly with the emergence of a new local competitor has reduced Council's market share for building permit applications, and thus the income received
- Balancing processing of building permit applications with the need to increase inspections carried out on both Council and privately owned buildings to ensure compliance with Essential Safety legislation
- Reducing the occurrence of illegal buildings constructed without permits through appropriate fee mechanisms for resolution services provided by Council

### THE YEAR AHEAD

- Undertake a review of the building service to ensure an appropriate service delivery model is in place
- Increase the number of inspections relating to essential safety measures in Council buildings and private businesses as required by the Building Act
- Continue to be responsive to complaints about safety issues e.g. pools or building deficiencies, such that risks are addressed in a timely manner



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# health, recreation and community services

## council plan objective

Providing and promoting quality health, recreation and community services by working in partnership with local health, aged care, welfare, youth, housing, education providers, sporting groups and employment organisations to promote community wellbeing.

- ★ 2007/08 actions completed
- ▼ 2007/08 actions behind schedule
- ⇒ deferred or delayed beyond 2007/08

### COUNCIL PLAN COMMITMENTS

- ★ Advocate for the development of a Hydrotherapy Pool located at the Bluewater Fitness Centre.  
*Council considered a number of options regarding warm water exercise facilities and determined to take no further action at this time on investigating hydrotherapy pools. However, Council will take the opportunity to continue to advocate for the need of hydrotherapy for people within the Shire when available.*
- ⇒ Coordinate, implement and support youth initiatives across the Shire.  
*Council engaged Colac Area Health and Otway Community College to reinvigorate the COPYS (Colac Otway Plan for a Youth Strategy) group and map current service providers. This project has been deferred as of June 2008 until a clearer and more supported process is identified.*
- ★ Ensure that Health and Wellbeing programs are available and accessible to all residents.
- ★ Continue to support strong integration between the Colac Otway Shire and Health Services within the Shire.
- ★ Assess the impact and demand implications of an ageing population.
- ⇒ Develop a sustainable approach for our sporting grounds.  
*Draft agreements are being developed for consideration specifically for the City based Recreation Reserves together with the development of a Reserves Fees and Charges Policy.*
- ★ Continue the renewal of Council's Playground Program.
- ★ Implement the signage recommendations from the Colac Municipal Precinct Signage Access report.
- ★ Review and implement the recommendations of the Colac Otway Shire Arts and Culture Strategy.
- ★ Develop, implement and review Council's Festival and Events Strategy.
- ★ Investigate strategies to fund and develop Central Reserve and Bluewater Fitness Centre Precinct.

### RECREATION, ARTS & CULTURE

Recreation, Arts and Culture services are responsible for the provision and development of programs, services and facilities that promote and support a broad range of options for recreation, arts, events, health and fitness in partnership with the community and various key stakeholders.

#### Recreation

- \$268,439 net expenditure (\$19 per rateable property)
- Water Collection improvements to the Forrest and Birregurra Recreation Reserves and the Birregurra Golf Course
- \$2.05 million dollars secured through Federal and State Governments to construct the Global Connector and other components of the Beechy Precinct
- \$250,000 secured from Sport and Recreation Victoria to improve the Colac Central Reserve Multi-purpose fields through installation of drought tolerant turf, improved surface quality and drainage



## HIGHLIGHTS

**The Beechy Precinct Project** is being developed in partnership with Colac Secondary College, the Department of Education and the Department for Victorian Communities to provide increased opportunities in education, sport, recreation and economic progress. This year the project has secured significant funding to commence the first of the community facilities; the Joint-Use Library, which will include a dedicated computer laboratory, auditorium, meeting rooms, toy library and post compulsory education shop front.

**Regional Trails Masterplan Project.** This project, involving eight other surrounding local governments and interested parties, will identify iconic trails throughout the region to assist land owners and managers in their future planning and development of walking and cycling trails. Matching funding has been secured from the State Government Departments of Planning and Community Development, Regional Development Victoria and Sustainability and Environment. Private consultants have been engaged to undertake this project in collaboration with the project partners.

**Country Football Netball Program.** Through Sport and Recreation Victoria's funding program, together with financial contributions from Council and local football and netball clubs, netball facilities continue to be improved. This year the Colac West Oval Netball Court and shelter facilities have been redeveloped. This program ensures specific sport compliance requirements are addressed e.g. netball player run-off areas. Council continues to work with football and netball clubs developing projects and applications for this funding opportunity.

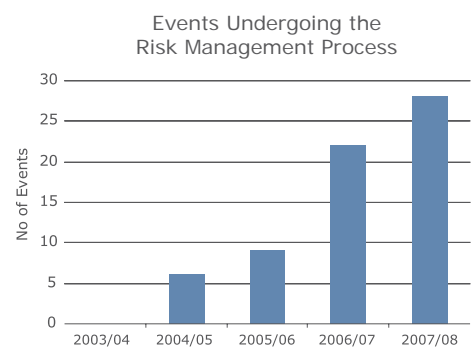
**28 Events were staged throughout the Shire** this year with all events complying with the Council Event Approval process. New events introduced via the Department of Sustainability and Environment's 'A New Future of the Otways' funding program have now become permanent fixtures on the Events calendar. The Festival and Events Support Scheme was successfully introduced in 2007/08 providing funding to eight events. This funding program, together with the Council Community Grants Program, has enabled significant community recreation, arts projects, and events to occur over the course of the year.

**Four FReeZA events were staged** providing safe, drug and alcohol free events for young people.



### Events

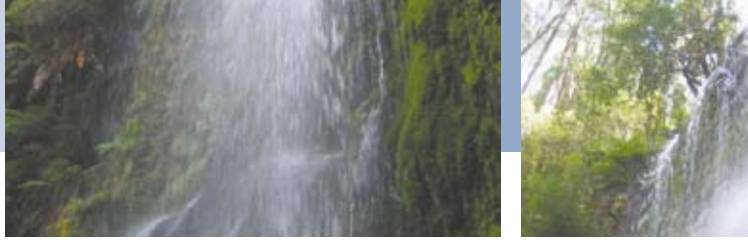
- \$231,000 net expenditure (\$16 per rateable property)
- 4 FReeZA events delivered, with attendances of 900



Data unavailable prior to 2004/05

*"I think FReeZA is great and a fun thing to do. Before FReeZA, there was nothing really for young people to do in Colac."*

Emma McNamara, Colac



**COPACC**

- \$333,467 net expenditure (\$23 per rateable property)
- 1,049 events were held at COPACC attracting in excess of 39,000 people
- 2007/08 has been a record year for income generated from meetings and conferences

*I attend Bluewater aqua aerobics classes 6 times a week and swim on my day off. It is my life-line. I've lost 30kg and feel great. I'm happier, healthier and I'm hooked. Keep up the good work as the facility is essential for our community.*

Hilary, Elliminyt

*I attend Bluewater 5 times a week. It's great to catch up with my friends of all ages. The young ones challenge the oldies and we have a ball. It's a great start to my day. The staff are fantastic and always willing to help.*

Lyn, Elliminyt

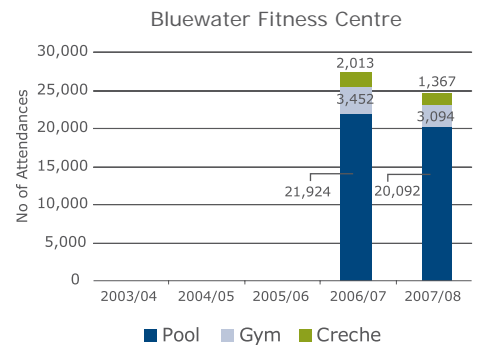
**The Colac Otway Performing Arts and Cultural Centre (COPACC)** entertained more than 5,300 people who attended a total of 26 COPACC Subscription Season and Morning Music productions. COPACC's youth audience development programme, which includes school holiday and after-school activities, has attracted more than 1,200 children to performing arts and visual arts based workshops.

**The Bluewater Fitness Centre** programs have continued to be well supported by members and visitors of all ages and abilities. Operating hours have been altered to increase access to the facilities during peak periods and are more closely aligned with industry benchmarks.

Capital works completed included the replacement of the main pool filters and pumps and replacement of the toddler pool tiles. Various aquatic industry and first aid courses have been conducted. These training opportunities provide support to those needing to update qualifications and greater access for local people interested in gaining entry to the health and fitness industry.

**Bluewater Fitness Centre**

- \$434,707 net expenditure (\$31 per rateable property)
- 882 memberships sold, with 29,394 member visits



*Data unavailable in these categories prior to 2006/07*





**Colac Otway Youth Council** partnered with SWLLEN to host the 'CTRL-ALT-DELETE' expo at Blue Water Fitness Centre in October 2007, showcasing over 60 recreation opportunities to 800 youth in the Colac Otway Shire.

Following the Ctrl-Alt-Delete Youth Expo Youth Councillors were interviewed by Julian Waters-Lynch from the Education Foundation Australia for a forthcoming EFA publication:

*I'm more outspoken and I'm not scared to have my say. I think I've got that from being part of this group. Before I was in the (youth) Council I didn't know about this stuff, but now I know we can make a difference.* Monica Hall

*I learnt that it's just as satisfying to change something in your own backyard as it is to change something in the world.* Jenna Kettle



**Redevelopment of playgrounds** within Colac included installation of formal playground equipment in the Colac Botanic Gardens Playspace, Lawrence Court, Inglis Court and Selwyn Brown playgrounds.

A partnership between Council, the Variety Club Children's Charity, Colac Otway Disability Accommodation and Colac Lions Club Inc. and the Colac Otway Shire resulted in the installation of a Liberty Swing at the Colac Botanic Gardens. The swing, especially designed for users in wheelchairs, is situated in a purpose built fenced enclosure and is key operated.

A new playground was also developed for Carlisle River Recreation Reserve, with community consultation guiding the selection and placement of equipment. This project resulted from the Small Town Improvement Program and was identified in the development of the township masterplan.







The first 18 months (Jan 2007-June 2008) of actions from the **2007-2011 Arts & Culture Strategy** were implemented, including partnering with the Cultural Development Network to present a VicHealth funded conference "Creative Uses of School and Community Facilities" and a screening of the art house short film festival "In The Realm Of The Senses On The Road 08".

#### CHALLENGES

- The development of Koori Civic Protocols coincided with the change to legislation regarding heritage and cultural planning requirements. Council Officers throughout the organisation continue to develop an approach to ensure legislative requirements are met and relationships with local indigenous groups are positively developed
- There has been reluctance on the part of some event organisers to embrace the Events Management process developed to minimise risk
- Cost of living impacts due to drought appear to have had a detrimental affect on COPACC audience numbers in our predominantly rural shire
- Staff recruitment continues to be a challenge particularly for Bluewater Fitness Centre regardless of the provision of training and development support

#### THE YEAR AHEAD

- Continued implementation of the 2006-2010 Colac Otway Recreation Strategy; Festivals and Events Strategy and the Arts and Culture Strategy
- Further development of the Beechy Precinct with construction of the Global Connector including the Joint Use Library to commence early 2009
- Improvement works to the Central Reserve multi-purpose sports fields including laser levelling installation of drought tolerant turf and drainage
- Continuation of the Barwon South West Regional Trails Project. Final recommendations expected for the walking and cycling trails to enable planning for 2009/10
- Implementation of the launched Festival and Events Support Scheme to enable significant community recreation, arts projects, and events to occur
- The Colac Otway FReeZA Committee received funding for the next two calendar years (2008/09), which will enable delivery of 10 FReeZA events across two years
- Youth Council will present D@SH - an under-age disco, to follow up and build on the successful Ctrl-Alt-Delete Youth Expo, to increase the range of healthy, active recreation options for youth
- COPACC will trial its first performances in rural and small communities as part of the COPACC outreach program
- Undertake a comprehensive community survey identifying the community's needs, wants and expectations of the Bluewater Fitness Centre

#### Arts and Culture

- \$181,484 net expenditure (\$13 per rateable property)
- 78 Council Community Grant applications processed, with \$117,500 allocated
- 14 Art exhibitions/projects facilitated
- Five Projects undertaken by the Youth Council, including Ctrl-Alt-Delete Youth Expo with 800 participants
- Five Club Network meetings held

#### Council Community Funding Program

In 2007/2008 \$112,500 of Council funds were distributed to 53 community organisations throughout the Colac Otway Shire to undertake a range of projects including improvement to facilities, equipment purchases, celebrations and events, exhibitions and performances. This funding program has been operating for several years and assists many clubs and community organisations in achieving priority projects.

*Following our trial-run on the No.1 Fairway, the perennial rye / kikuyu / couch mix is proving drought tolerant. Having Council's funding assistance with purchase of the seed allows our volunteers to continue to improve our Club greens for members and visitors, especially as we rely on rainwater only.*

Murray Milne, President,  
Beeac Golf Club



## AGED & DISABILITY SERVICES

The aim of the programs within Aged and Disability Services is to provide a range of support services for members of the community who are frail and aged and for younger people with disabilities and their carers. The overall objective is to enhance the independence of people in these groups and to avoid their premature or inappropriate admission to long term residential care.

### HIGHLIGHTS

**Positive Ageing Strategy.** Extensive community consultation was undertaken and a draft strategy and research paper prepared. To be endorsed by Council in 2008/09.

**Meals on Wheels** continues to play a major support service for people to maintain their independence in their homes. A generational change in comfort with using microwave appliances, combined with the wide range of frozen meal products now available, has seen demand for Meals on Wheels decrease over the past five years by approximately 3,000 meals, reflecting the trend within the Barwon South Western Region.

**Recruitment of 2 Community Transport volunteers at Apollo Bay.** Volunteers ensure clients in the Apollo Bay region are able to attend their medical appointments in Colac and Geelong. 78 visits were undertaken in the last 12 months.

**'Out and About' monthly bus tours,** day trips within a 2-3 hour radius of Colac, are in great demand with waiting lists for each tour. Some 120 people have taken part in the tours, which provide much needed social contact as well as sightseeing.

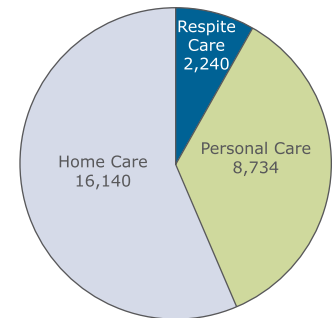
**The Gentle Exercise Program** operates weekly in Colac and Forrest and has approximately 30 older persons participating at each session. This is a very popular program for people who experience social isolation and mobility issues.

**A new kitchen** was installed in the Kanyana senior citizens building to provide modern flexible facilities for catering and social purposes.

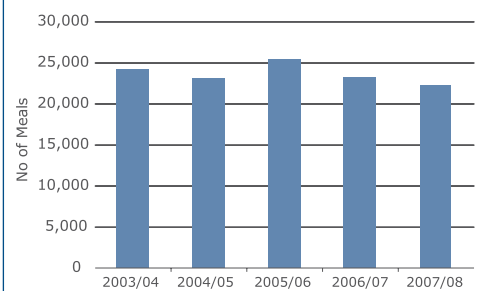
#### Aged & Disability Services

- \$149,288 net expenditure (\$10 per rateable property)
- 3,686 community transports provided
- 1,179 hours of home maintenance provided

Hours of Aged Care Support



Meals on Wheels Delivered



#### Rural Services Increase

There has been a steady increase in demand for Rural Services over the past five years; from 67 clients requiring 1,718 visits in 2003/04 to 221 clients requiring 7,740 visits by June 2008.

Contributing to the demand for services is the significant increase over the last few years in the cost of housing within the Colac township. Previously, clients would move into Colac to be closer to health services. The increased cost of housing, and of Units in particular, has seen clients continuing to live in rural areas.

Recruitment of Community Care Workers in these locations benefits clients regarding costs and consistency of service. However, it highlights the need for careful planning so that the future needs of ageing rural communities can be catered for.



## CHALLENGES

- Unsuccessful in obtaining Community Aged Care Packages funding for 2007/08
- Tender for the Meals on Wheels not achieved in 2007/08
- Support to weekly Community Transport trips to Geelong declined, resulting in a move to fortnightly trips
- Our volunteer base remains steady with eight active volunteers, but a shortage of drivers for the Melbourne trips remains an ongoing issue

## THE YEAR AHEAD

- Continue the development of the Positive Ageing Strategy
- Develop an "In Home Assessment" instruction training handbook with all lead HACC Assessment agencies within the Barwon South Western Region
- Continue to investigate the needs and future development of Kanyana Senior Citizen's Centre
- The extension for Kanyana to be completed, providing a new office and additional storage space
- Application for 2008/09 Community Aged Care Packages
- Apply for 2008/09 Respite funding for High Care Community Services
- Develop a three years Cultural Actions Plan specific to Colac Otway Shire HACC services

## MATERNAL & CHILD HEALTH

The Maternal and Child Health Unit provides a service for families with children aged from birth to school age. Key priorities of this program are home visiting services to families in need, support and reassurance to mothers and families, developmental assessments of children aged 0-4 years and the provision of information and parent education.

### HIGHLIGHTS

A series of **seven parenting information sessions was held for Sudanese women** at the Queen Street centre in collaboration with Diversitat. These sessions included an onsite interpreter and were well attended. Diversitat is a registered Charity formed to support new arrivals in the community, particularly those from culturally and linguistically diverse backgrounds.

Discussions were held with the St John of God Health Care's Raphael Centre in Geelong on the possibility of **providing a service in Colac for women experiencing post natal depression**. While the structure of the service is still being developed, it is anticipated that the service will commence in November 2008.

**A support group for parents of twins is being re-formed** in response to client requests. The support group enables a sharing of resources and a forum for problem solving the extra parenting demands involved with multiple births.

2007/08 saw a **small increase in births** in the municipality, continuing on from the significant increase last year.

## CHALLENGES

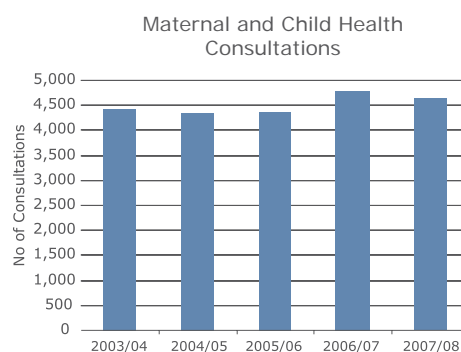
- Toddler behaviour information sessions were postponed to 2008/09 due to a staff resource shortage that is now addressed
- Breastfeeding rates have not increased as hoped, however strategies to provide extra support in the first three months following birth are being developed and will be implemented in the coming year

## THE YEAR AHEAD

- Investigate involvement in proposed Family & Children's Centre
- Investigate establishing a Pram Walking Group for parents

### Maternal & Child Health

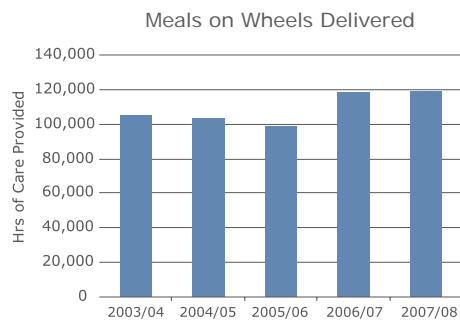
- \$136,632 net expenditure (\$10 per rateable property)
- 269 birth notifications





### Children & Family Services

- \$175,564 net expenditure (Family Day Care) (\$12 per rateable property)
- 368 children registered for Family Day Care



### Assisting New Migrants and Refugees

Council has an ongoing commitment as a member of the Colac Settlement Committee and the Refugee Support Brokerage Program to assist new migrants and refugees in becoming members of the local community.

This year the member organisations focussed on supporting new families to the region by providing English and vocational training, family and children's services, and maternal and child health services.

Local needs were discussed with State and Federal organisations and Ministers. Work was undertaken on employment, housing, health, psychological and sporting needs, coordinating governance training for new migrant incorporated committees and seeking funding for refugee nurses.

Assistance was also provided with driver training, developing cooking and cultural enterprises, promoting an understanding of diversity through film nights, arts and crafts, trips, restaurant nights, and a Kana float and food stall.

## CHILDREN & FAMILY SERVICES

The Family Day Care Unit supports families by coordinating quality care for children from birth to 12 years in the homes of Carers who contract their services to Council. Other activities include supporting other early years agencies, planning for current and future early years services and assisting with the needs of migrant and refugee families.

### HIGHLIGHTS

Council's **Family Day Care Unit** was rated **very highly** as a result of a **spot accreditation check** by the National Childcare Accreditation Council (NCAC). The Unit has forwarded a Self Study Report to NCAC in preparation for the next Validation Visit and look forward to achieving another high result.

The **Family Day Carer's Certificate III in Children's Services**, developed in partnership with Gordon TAFE, **was one of three finalists** in the Community Services & Health Industry Training Awards, to be presented in July 2008. 18 Carers participated in the course, achieving a 100% pass rate.

**Successfully worked with Apex, Apollo Bay, Colac East and Wyndin Kindergarten on funding submissions** to the Department of Education and Early Childhood Development, receiving a total of \$218,698 for building additional multi purpose space, toilet and wash room upgrades and storage and work area extensions.

### THE YEAR AHEAD

- Ensure compliance for all children's services with the introduction of new regulations in May 2009
- Continuing with Certificate III course in children's services in partnership with Gordon TAFE for all new child carers
- Working with Glastonbury on a Children's Centre for Colac
- Continue planning and implementing strategies with other agencies for refugee support
- A review of all policies and procedures



## ENVIRONMENTAL HEALTH

The Environmental Health Services Unit carries out a range of activities to ensure public safety including: inspection of food premises, investigation of health related issues such as septic tanks and waste water discharge, enforcement of EPA guidelines, immunisation services, investigating reports of infectious disease outbreaks for the origin of the disease, emergency planning for a public health response and public health promotion and education.

### HIGHLIGHTS

**Completed the introduction of the Human Papilloma Virus (cervical cancer) immunisation campaign** for secondary school students, achieving an immunisation rate of 86%, which was above the State average.

**Developed a tracking system** for the servicing of septic tanks and aerated waste water treatment systems (AWTS). As the treated water from AWTS can be used for above ground irrigation it is critical that these systems are serviced regularly to ensure public safety.

**Education of food stall holders** was conducted through forums and the presentation of a package of information to ensure food is prepared and sold safely at community events.

### CHALLENGES

- Public health education program was not as extensive as initially planned due to limitations on staff time and resources

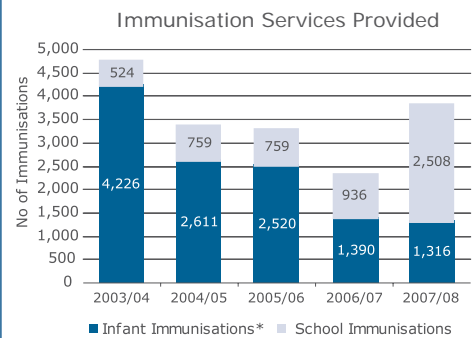
### THE YEAR AHEAD

- Completion of the Human Papilloma Virus immunisation program
- Finalise the Pandemic Flu Action Plan



### Environmental Health

- \$176,366 net expenditure (\$12 per rateable property)
- 365 premises and other outlets selling food
- 746 food safety inspections undertaken



Figures are for the calendar year.

*Increase in school immunisations influenced by the cervical cancer protection vaccine program for females in secondary schools.*

*Decline in infant immunisations is a result of growth in service provision by local General Practitioners.*



## RURAL ACCESS

Rural Access is an initiative supporting regional and rural communities to plan and develop strategies that will increase community participation opportunities for people with disabilities.

### HIGHLIGHTS

**Staff and volunteers received a team award for recognition of achievements** in the Victorian Disability Sector – Awards for Disability Support Workers for their work in The Meeting Place. The Meeting Place is an after hours drop-in centre providing activity based programs that include arts, music and dance projects as well as other recreational activities such as swimming, ten-pin bowling and field trips. Participants are actively involved in the monthly planning of events.

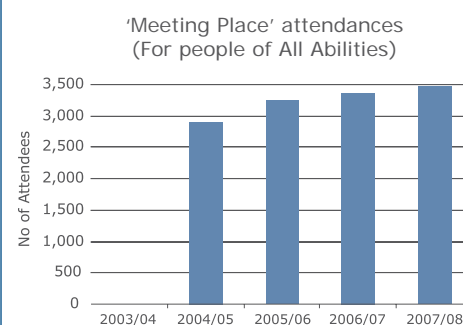
The **Healthy Lifestyles Project** is a partnership between Council, Colac Area Health (CAH), Colac Disability Network and Leisure Networks. It leads the way in guiding and supporting Colac's disability sector with a coordinated approach to consistent nutritional practice and physical activity for the benefit of clients. During the year a healthy recipe book was developed and was available to people with disabilities.

**DARE (Disability Access Radio Express)**, a weekly two hour program on Otway FM, continued to cover a wide range of topics of particular interest to those with disabilities, such as the national relay service for those with hearing impairment.

**International Day of People with Disability** was celebrated with a cabaret and awards evening that was well supported by the community. The Mayor presented a business award for Good Access and community members were presented with achievement awards for Sporting, Employment, Community Service and General Personal achievement.

### Rural Access

- \$4,810 net expenditure (\$0.30 per rateable property)



### THE YEAR AHEAD

- Development of the Colac Otway Shire Disability Action Plan
- Continue to develop and implement the Healthy Lifestyles project
- Review funding of The Meeting Place, in partnership with the Department of Human Services
- Investigate internet training opportunities for people with disabilities
- Continue to develop community partnerships



*The Meeting Place's Ants Pantz Arts performed their original production 'Around the Bend and Back' at COPACC for local school children*



Noel King and Cr Chris Smith with the Colac City Bus

## TRANSPORT CONNECTIONS PROJECT

Transport is consistently rated by rural and regional communities as one of the most significant barriers to accessing services, employment and community networks (Department of Planning and Community Development).

In 2007, Colac Otway Shire successfully obtained a three year Transport Connections grant for a joint transport project between Colac Otway and Surf Coast Shires, called 'Bringing Communities Together'. The project is part of an \$18.3 million dollar Victorian Government investment totalling thirty two projects across Victoria and is about communities working together to improve local transport options. Through local partnerships, and the use of existing transport assets and services such as taxis, local buses and volunteers, communities are able to develop new approaches that enable people to get around more easily.

## HIGHLIGHTS

**Research has commenced on Transport Asset Mapping and Needs Analysis** to identify issues of transport disadvantage, current usage patterns and community needs. The Community Engagement Plan will focus specifically on transport connections for the following groups: aged, disability, youth, rural isolation and coastal groups.

Commenced preparation on a **Transport Options brochure** outlining existing local transport options. Options include Emergency Wheelchair & Scooter Assistance (RACV), Medical Transport (appointments) and the Colac Otway Shire Community Transport Services.

## THE YEAR AHEAD

- Develop an Action Plan to identify priorities for early action, and initiate feasible and sustainable small projects. The first Transport Service Proposal will be submitted to the Department of Transport in July 2008. Other projects will be developed during community consultation throughout the Shire



developing our future together

# economic development

## council plan objective

Driving economic development by:

- Progressing the regeneration of our small towns
- The promotion of our Shire's local business and the attraction of new business
- Working to attract more tertiary education opportunities and skilled and unskilled employees to our Shire

- ★ 2007/08 actions completed
- ▼ 2007/08 actions behind schedule
- ⇒ deferred or delayed beyond 2007/08

### COUNCIL PLAN COMMITMENTS

⇒ Review the impacts of population growth and the need for workforce planning.  
*Research completed in 2005 will be updated in 2008/2009 through the review of the Economic Development and Tourism Strategy.*

★ Continue Implementation of Small Town Improvement Program in partnership with community groups.

★ Continue support for and attract additional Major Events to be held within the Municipality.

★ Continue to implement the Economic Development and Tourism Strategy.

★ Undertake a review of Council funding of tourism activities.

★ Implement the recommendations of the Tertiary Feasibility Study by advocating and lobbying the State Government for additional training hours to be provided within the Shire.

★ Advocate for the provision of a natural gas supply for Birregurra and extension of coverage for the whole of the Colac urban area.  
*Advocacy undertaken with successful connection of natural gas to Elliminyt.*

⇒ Work with the State Government to explore the possible co-uses of the Colanda site.  
*State Government is conducting a review of Colanda. Colac Otway will be consulted as a key stakeholder. Discussion on use may take place following the completion of the review.*

★ Support an increase in nature based tourism opportunities across the Shire.  
*Nature Based Tourism Committee set up including State and local authorities and tourism industry.*

★ Complete implementation of Old Beechy Rail Trail and undertake promotion of the Trail.

The Economic Development Unit works with business, government and community partners to help develop a sustainable local economy. It does this by focusing on four main areas: supporting local business development, providing services for tourism, delivering capital works projects, and promoting investment in local communities.

The Economic Development Unit works to facilitate economic growth through providing information to new and expanding businesses, assisting business investment, training programs, and networking events.





## HIGHLIGHTS

### Business Development

In 2007/08 approximately 150 people attended Business Training and Development on a wide range of topics to help them begin or grow their businesses:

#### Promoting Business Excellence

- Growing Business by Creating Loyal Customers - demonstrated the importance of customer service. Keeping loyal customers is just as important as servicing new customers
- Building Business Relationships - what to do with people you know - improving your networks
- Marketing and Public Relations Demystified - dispelling the myths and passing on the tricks of the trade when it comes to marketing and using the media to promote your business
- How to of Business Planning - business planning for small business made easy
- Business Speed Dating - an innovative approach to business networking in a speed dating format
- Under New Management – Marketing, Going into Business and Time Management

Business Week included:

- The Economic Development Summit - reported back to the community on the performance of the Economic Development Unit
- Business Breakfasts in both Colac and Apollo Bay
- Business Speed Dating - an innovative approach to business networking
- Development of a Micro Business Forum and Business Planning Workshop
- Powercor Colac Otway Business Awards

Other Business Development Activities:

- Industry Business Forums facilitated in 2007/08 included:
  - o Real Estate
  - o Financial
  - o Tourism, Education and Economic Development
- Implemented the Colac Marketing Strategy including 'Colac – where you'll find more than you imagine', in partnership with Otway Business Inc
- Implemented the "Milk it for all it's Worth" program through the Dairy Industry Training Group to encourage young people into the Dairy Industry



*Minister for Small Business, Joe Helper, with Colac Otway Shire Mayor Cr Chris Smith*

### Tourism Services

Information services are provided to visitors to encourage them to stay longer in our region and spend more locally to support local business and the community. In 2007/08 a number of initiatives to improve tourism services were completed, including:

- Renovation of the Great Ocean Road Visitor Information Centre at Apollo Bay to provide more floor space, natural lighting and more display space for local tourism operators
- Introduction of the Book Victoria web-based booking service that will be user friendly. It will also provide income to both Centres at Apollo Bay and Colac, reducing the cost of the Centres to Council
- Introduction of 1300OTWAYS phone number and options menu to improve visitor access to Tourism Information
- Improved the range of retail stock and displays to attract more visitors to buy in the Centres and to reduce the cost of the Centres to Council

*We were extremely happy and grateful for the assistance we received at the Information centre. The staff and facilities are a godsend.*

*Peter & Vera Mill, Victoria*



Very helpful advice and friendly service.  
Jill & Sandy Findlay, Queensland

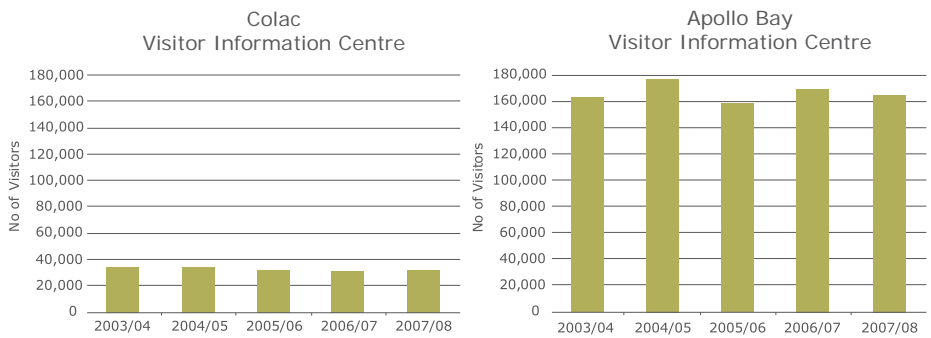
The Economic Development Unit has worked closely with Otways Tourism to guide development and promotion of the Tourism Industry and has participated in the development of the Otways Tourism 2 Year Action Plan.

Visitor numbers to Colac Otway Shire continue to be strong despite a general downturn in the tourism industry throughout Australia. This is due to the strength of the Great Ocean Road and its attraction to international visitors.



**Tourism**

- \$331,428 net expenditure – Tourism (\$23 per rateable property)
- \$440,484 net expenditure – Visitor Information Centres (VIC) (\$31 per rateable property)
- Serviced almost 200,000 walk-in visitor enquiries, almost 30,000 phone and 20,000 email enquiries at the Colac VIC and Great Ocean Road Visitor Information Centre (GORVIC). Both Centres maintained Level 2 accreditation



*Prior to January 2006 phone calls were included in the statistics*

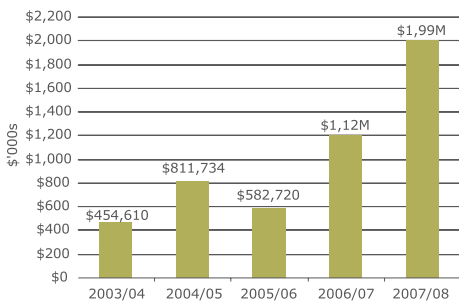
*We have been using Book Victoria for six months now and have been very happy with the system. It is easy to use, providing us with a great booking and payment system, database management system, as well as other business management tools. Access to many additional potential guests via the vast array of associated distribution channels has been good for business, and we regularly receive bookings from our own site.*

Bryan & Joan James,  
Points South by the Sea



## Grants

Grants Received from Government Sources



## Capital Works Projects

The Unit develops and manages capital works projects that have a direct impact on economic development, including:

### Lake Colac

The Lake Colac Coordinating Committee has been re-formed and made an Advisory Committee of Council, undertaking the following projects:

- Extended the Lake Colac Pathway from Stoddart Street to the Bird Reserve
- Completed the Lake Colac Commercial Feasibility Study
- Community consultation on development of the Southern Foreshore in partnership with Colac Community Hub Inc has been completed

## Apollo Bay Harbour

Work continues on the finalisation of the Apollo Bay Harbour Precinct Master Plan. The underlying principle of the process has been that Apollo Bay must capitalise on its unique location and develop in a way that will set it apart from other towns along the Great Ocean Road, while maintaining its distinctive seaside fishing village character, retaining the port as a working harbour, enhancing the natural environment and optimising community benefit.

## Community Development

Worked with small communities throughout the Colac Otway Shire developing and implementing local Township Master Plans and implementing local priorities through the Small Town Improvement Program. This Program contributed \$80,000 to small town capital works projects during 2007/08.

We have worked in partnership with:

- Local community organisations on the development of an Affordable Housing Strategy and the formation of a local Affordable Housing Advisory Group. This will guide Council's approach to working with community, business and other levels of government on the issues of housing affordability
- The Community Hub on:
  - o Consultation on the proposed development of Lake Colac's Southern Foreshore
  - o Men's Shed
  - o Community Enterprise – 'Hub Inc. Consultation Services' and 'Copy to Go'
  - o Stoddart Street West Fitness Stations

## CHALLENGES

- The adoption of the Book Victoria web-based accommodation booking system by local tourism operators did not occur as rapidly as anticipated

## THE YEAR AHEAD

- Review of the Economic Development Strategy and the creation of an Action Agenda for the next three years
- Implementation of strategies to improve the take up of the Book Victoria web-based accommodation booking system by local tourism operators
- Introduction of a Community Planning process to direct Council priorities for the next 20 years
- Participation in the G21 Agribusiness Network Development Project
- Participation in the G21 Water Security for Industry Project
- Participation in the South West Dairy Strategic Plan
- Further implementation of the Lake Colac Master Plan
- Completion of the Apollo Bay Harbour Precinct Master Plan
- Development of new projects under the Small Town Improvement Program
- Participation in the development of a G21 Housing Association to facilitate Government investment in the Affordable Housing in Colac Otway Shire
- Improved business development and networking opportunities for local business



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# environmental sustainability

## council plan objective

Providing support to local communities to enable them to address local environment priorities, whilst working with State and Federal Government environment bodies to address major environmental issues.

- ★ 2007/08 actions completed
- ▼ 2007/08 actions behind schedule
- ⇒ deferred or delayed beyond 2007/08

### COUNCIL PLAN COMMITMENTS

- ⇒ Focus on the control of weeds on both Council and privately owned land.

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- ▼ Implementation of approved recommendations from the three Towns Stormwater Management Strategy (concept Study).  
*Ongoing drainage issues are being addressed in a variety of ways e.g. routine drainage programs within coastal townships, improvements to the drainage function of the Kennett River wetlands, and investigations of various isolated drainage issues. A number of recommendations of the Strategy require significant planning and will be implemented as resources permit.*

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- ▼ Pursue waste water issues in the towns of, Colac East, Birregurra, Cressy, Beeac, Forrest, Gellibrand, Kennett River, Separation Creek, Wye River.  
*Cressy and Gellibrand delayed due to sewerage planning for Birregurra, Separation Creek and Wye River. To be completed in 2008/09.*

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- ★ Determine a location for the development of an Apollo Bay Transfer Station.

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- ★ Develop a strategy for the provision of a hard waste collection throughout the municipality and options for a green waste collection for non resident property owners.

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- ★ Investigate options for a future waste management system to be implemented following completion of the existing contracts in September 2009.

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- ★ Raise awareness of environmental issues through increased community engagement and improved access to information.

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- ★ Establish environmental best practice as a benchmark for managing natural resources in relation to Council assets (including storm water management, energy use and water use).

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- ★ Implementing environmental best practice through planning conditions in line with regional, state-wide and national legislation and established procedures in regard to land use management.

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- ★ Working in partnership with other responsible authorities and environmental groups to improve facilitation of environmental projects.



## ENVIRONMENT

Council aims to protect the environment and recognise environmental values in a positive way by carrying out on-ground works that will help protect and enhance our environment. Council is the authority responsible for managing those planning processes that ensure that sustainable development coexists with maintaining and improving the health of our environment. Council works cooperatively with land holders, developers, Government and Non-Government agencies to decide the most appropriate response to our shared environmental challenges. The Environment Unit also monitors private forestry compliance within the Forestry Code of Practice.

## HIGHLIGHTS

**Council is committed to reducing our impact on climate change** by further consolidation and greater implementation of actions set out in the Greenhouse Action Plan (GAP) 2006-2008 and the Sustainable Water Use Plan (SWUP) 2007. Attainment and maintenance of organisational accreditations such as 'Waste Wise' and 'EcoBuy' demonstrate an ongoing Council commitment to actively managing our carbon emissions. Council committed a further \$30,000 in 2007/08 to ensure sustainable Council actions. In addition, Council is reapplying the savings from reduced consumption to further fund sustainability initiatives. This fund is in place for the future to further aid Council to meet targets set in the GAP and the SWUP.



*Corangamite Catchment Management Authority CEO Don Forsyth and Colac Otway Shire Environment Projects Officer Andrew Barber with students from Colac West Primary School*

### Environment

- \$479,254 net expenditure (\$34 per rateable property)

**Environmental education for our community and schools.** Events including 'Catch a Carp' Day, World Environment Day and National Tree Planting Day continue to provide opportunities for Environment Unit staff to engage with Community Groups and Schools within the Shire. With support from organisations such as Barwon Water, Lions Club of Colac, disability groups and a range of other community groups we have been able to engage more than 1,000 school students in environmental education in 2007/08.

The education of school children about the problems caused by littering has been increased through allowing children to view the cleaning of Gross Pollutant traps near Lake Colac.

Working together with the Corangamite Catchment Management Authority and Greening Australia, specific educational forums have also been delivered to our community dealing with issues such as native grassland conservation, living with wildlife and fire ecology.



### Sustainable Water Use

Council has endorsed a Sustainable Water Use Action Plan and a Greenhouse Action Plan. These plans aim to ensure that all Council activities are carried out in an environmentally sustainable manner.

The demonstration of best practice in environmental management will be used to encourage sustainability improvements for the wider community.

Council is committed to increasing community involvement in environmental projects and to raising awareness of environmental issues with the focus being protection of significant environmental assets such as Lake Colac.

Greater amounts of water will be saved with new actions from the Sustainable Water Use Plan (SWUP).

Detailed audits of the major water users (e.g. the Colac Livestock Selling Centre and the Botanic Gardens) will allow further water saving activities to be identified.

These projects are jointly funded by the Council and an Australian Government Community Water Grant. The actions in the SWUP aim to continue reducing Council's water consumption and achieve targets set for 2020.



### Protection of environmental values in Barongarook.

A prescribed five year management plan to manage and enhance the rare native vegetation and local fauna contained at the 16ha Barongarook Covenant property owned by Council was implemented in 2007/08. Funding was used for strategic weed control to enhance the establishment of more native species. Removing weeds allows indigenous species a better chance to rehabilitate the site without the need for costly revegetation works.

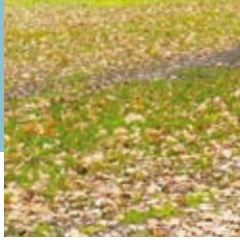
### Removal of Carp from

**Barongarook Creek.** The Environment Unit, in partnership with Council's Works Department and local fishermen, removed over 100 tonnes of Carp from Barongarook Creek. Council also worked in partnership with a multi agency group to prepare for a mass kill of Carp in Lake Colac caused by low water levels in the lake. It is estimated that over 400 tonnes of Carp died. Council will continue to work with affected areas of our Community to better manage the Carp problem in Lake Colac.

### Geelong Community Correctional Services Partnership Program.

The Environment Unit's Social Justice Program has this year been utilised to support such programs as maintenance of areas in small towns and the removal of dead carp from Barongarook Creek and Lake Colac. Council has worked to ensure meaningful experiences for those involved with the program and in partnership with Corangamite Catchment Management Authority (CCMA), the Social Justice Program continues to control weeds including willows, gorse and poplars along the banks of the lower reaches of Barongarook Creek. The CCMA provided \$10,000 for revegetation works along the creek. Further works are planned for 2008/2009.

**Weed control** and management was broadened in 2007/08 with the introduction of signage in weed risk areas. Key weeds such as ragwort and gorse control on roadsides continue to be a challenge and specific funding of \$15,500 was applied to tackle these weeds.



**Waste Water Solutions.** The Department of Sustainability and Environment approved the Concept Design for sewerage in Wye River and Separation Creek, and water supply in Wye River, Separation Creek and Kennett River. An assessment of septic systems in Wye River and Separation Creek has commenced. This will provide a basis for a functional design for sewerage.

The draft Functional Design report for sewerage at Birregurra was completed and released to the community for comment. The report recommended that a modified conventional sewerage system be developed, and that reuse in town opportunities be provided for the community.

#### CHALLENGES

- Delays in commencing the Forestry audit due to the extensive planning required to set up the auditing process

#### THE YEAR AHEAD

- Ensure a comprehensive strategic direction for Environmental Management throughout all levels of Council operations
- Maintaining and ensuring compliance with the Code of Practice for Timber Production for Forestry Operators operating within the Shire
- Water Health programs such as continuing to improve the condition of Lake Colac and the adjoining creeks and other water catchment health programs will continue to be identified and implemented
- Monitoring trends and directions to manage and mitigate against impacts from climate change and the impacts on Council and Community
- Energy Conservation, Water Conservation, Eco-buy and Waste Wise initiatives will continue to be both encouraged and implemented across the organisation

*Year 9 students from Colac High School planted trees along the Lake Colac pathway as part of an eight-week leadership project*





## WASTE MANAGEMENT

Council's main waste management focus is on reducing the volume of waste going to landfill, educating our community to develop Waste Wise practices and further development of reuse and recycling options. Council is working closely with Barwon Regional Waste Management Group on strategies to achieve significant waste reductions, in consultation with our stakeholders and the community.

Waste management services provided include:

- Household kerbside and litter waste collection services (Contracted Service)
- Transportation of waste to regional landfill and recycling facilities (Contracted Service)
- Management of Transfer Station and Landfill (Contracted Service)
- Operation of waste drop-off facilities (Contracted Service)
- Sorted kerbside organics for composting (Contracted Service)
- Waste education
- Kerbside waste bin inspections
- Organics processing facility (includes sorting and decontamination)

## HIGHLIGHTS

Council continued to work closely with the **Barwon Regional Waste Management Group (BRWMG)** to explore Regional Landfill options beyond 2009 and Total Waste Management processes for various types of waste. During 2007/08 member Councils' representatives have held in-depth discussions on future waste processing requirements, which will lead to the development of a regional tender in 2008/09.

The **Organic Waste Education Campaign**, launched in 2006, continued through 2007/08 with visits to schools and distribution of informative material and awarding of prizes to the best sorters. Waste bin audits were conducted to determine levels of contamination and identify problem areas and patterns. Our public education program continued with letter drops and articles published in the local media.

A **Hard Waste Collection** was successfully carried out throughout the rural and coastal townships in 2007/08 with the service well received by the community.

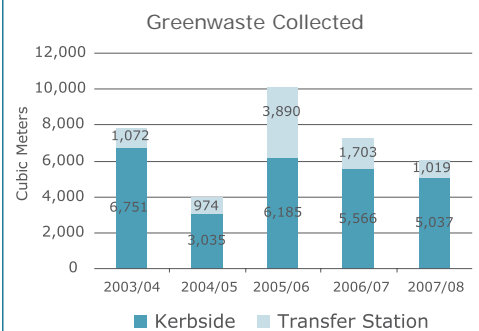
**Landfill Rehabilitation.** Two closed landfill sites at Beeac and Cressy were rehabilitated to EPA prescribed standards. The rehabilitation works included the provision of a clay layer compressed and landscaped.

The **Alvie Transfer Station weighbridge** was completed early in the 2007/08 financial year. All vehicles can now be weighed when entering and exiting the Alvie Transfer Station allowing staff to report more accurately on quantities and types of waste disposal.

A **Portable Data Recording Process** was introduced at the Marengo Transfer Station which records the waste quantities brought into the site. The use of the automated handheld device will add to the accuracy and efficiency of waste data collection.

### Waste Management

- \$679,428 net expenditure (\$48 per rateable property)
- 10,455 bins collected weekly



Reduction in Greenwaste is a reflection of drought conditions and the resulting changes to gardening practices.





## CHALLENGES

- Contamination levels in organic waste continue to fluctuate despite an ongoing public education program

## THE YEAR AHEAD

- Ongoing implementation of Council's long-term landfill rehabilitation program with Gellibrand landfill scheduled to be rehabilitated 2008/09
- Completion of Waste Management Best Value Process and implementation of actions resulting from the process
- Development of Waste Management Contract specifications and contract for the calling of tender beyond September 2009
- Evaluation of success of the recent Hard Waste collections program and exploring of future options
- Completion of design and planning process for Apollo Bay Transfer Station and commencement of project

## LOCAL LAWS

Council continues to deliver Local Laws services to enhance the safety and well-being of residents through effective enforcement and pro-active regulatory services. Ongoing community engagement is undertaken to educate, provide information and increase awareness of civic responsibilities. In 2007/08 Council's Local Laws unit was incorporated into the Environment and Community Safety area.

## HIGHLIGHTS

Allocation of **additional resources has allowed greater servicing** across the Municipality, especially along the major tourism areas in peak times. New initiatives have seen:

- Greater enforcement of Local Laws and statutory regulations within Council's scope of responsibility
- Improved registration and impoundment of domestic animals, particularly the ability to rehouse the vast majority of abandoned or lost animals
- Parking compliance and payment of outstanding fines increased
- Better consistency in issuing of the numerous permit types relating to Local & Road Safety Laws
- Assistance to other Council operations dealing with Statutory Compliance issues

**A new Livestock Local Law** was adopted by Council at the November 2007 Council meeting which included better guidance for farmers, fairer distribution of grazing permits and provision of less restrictive procedures for those landholders severely affected by drought.

### Local Laws

- \$317,467 net expenditure (\$22 per rateable property)
- 4,828 Dogs registered
- 1,680 Cats registered
- 270 Dogs & Cats returned to their owner
- 176 Cats & 46 Dogs euthanised
- 650 Permits (various) issued



*Melinda Allen from Council's Local Laws department*

**A Best Value review of Local Laws** was completed. The review covered services provided, resources needed and the benchmarking of fees and charges. A Continuous Improvement Plan was developed, with actions identified forming part of the Unit's 2008/09 business plan.

**School Crossing Supervisors** participated in regular meetings to discuss common concerns and the development of best practice procedures relating to the continued delivery of service excellence at school crossings.

**Rehousing of suitable unclaimed dogs and cats** from the Council Pound was a priority for Local Laws staff, with 76 dogs and cats being given a second chance of life with their new owners in 2007/08.

**Increased service delivery** to the coastal areas has been possible due to an increase in vehicle resources and better administrative support allowing Authorised Officers to be in the field dealing with 'on-ground' issues. Revised rostering systems have meant the Right Staff, in the Right Place at the Right Time.

#### CHALLENGES

- The number of unclaimed animals was above a satisfactory level, mainly due to the high number of kittens abandoned
- The number of de-sexed and microchipped animals being registered fell below satisfactory levels

#### THE YEAR AHEAD

- Local Laws staff to undertake training in Certificate IV Government Statutory compliance and Certificate IV in Animal Control & Regulation
- Encourage owners of domestic animals to have their pets de-sexed by offering lower registration fees for animals that have been microchipped and desexed
- Develop and implement Council's Domestic Animal Management Plan



*Janet Melville at the Main Street, Elliminyt school crossing*



## MUNICIPAL FIRE PREVENTION

Council is charged with a positive duty for fire prevention under the Country Fire Authority Act 1958. Council must have a plan which is regularly audited to ensure compliance; the audit is undertaken by the CFA. Council must undertake inspections, issue permits, conduct works and coordinate fire prevention programs under its obligations.

### HIGHLIGHTS

**Council approved a new Fire Prevention Plan** in late 2007, identifying a broader range of Risk Environments in which to manage Fire Prevention. The new Fire Prevention Plan was put into practice in the 2007/08 Fire Danger Period. Its implementation was highly successful, with significant improvements to the comprehensiveness of Council's response. It was generally well accepted by the rural community.

**Fire Prevention** duties were conducted across the whole of the Shire by Local Laws personnel this season. The duties included carrying out inspections across the whole of the Shire and where necessary, issuing Fire hazard Notices. The inspection process was highly visible and resulted in exceptional compliance levels, minimising the Fire Risk over summer.

**Council managed landholder compliance for fire hazards** via an Inspection Process. The following is a snapshot of the process for the 2007/08 Fire Danger Period:

- Over 8,000 courtesy letters were sent to landholders in "at risk" areas
- Inspections were carried out identifying over 400 properties that required service of a Fire Prevention Notice to remove hazards
- 23 of the 400 received infringement notices and invoices for costs associated with hazard removal

### CHALLENGES

- Planning activities were delayed due to uncertainty in the fire management arrangements in the State Government's new Integrated Fire Management Plan (IFMP)

### THE YEAR AHEAD

- The Municipal role of Council in the IFMP process will be clarified by involvement in a trial being run across south-west Victoria
- Carry out the inspection process for the 2008/09 Fire Danger Period

#### Municipal Fire Prevention

- \$93,983 net expenditure (\$7 per rateable property)
- Only 5% (400) of people didn't take voluntary action from the courtesy letter stage of the process to remove hazards
- Of these only another 5% (23) didn't comply with the fire prevention notice
- From Courtesy letter stage less than .003% of 'at risk' properties required enforcement



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# financial sustainability

## council plan objective

Ensuring the financial sustainability of the Council whilst maintaining service delivery and reducing debt.

- ★ 2007/08 actions completed
- ▼ 2007/08 actions behind schedule
- ⇒ deferred or delayed beyond 2007/08

### COUNCIL PLAN COMMITMENTS

- ★ Ensure our Financial Plan is sustainable.
- ★ Ensure our debt is managed and levels are maintained below prudential guidelines.
- ★ Advocate for increased State Government recognition and funding as compensation for the Shire's larger than average area of non-rateable land.
- ★ Undertake a review of rating which includes: - Council Pensioner Rate Concessions - Other concessions and rental waivers - Special rates and charges schemes - An assessment of the impact of increased forestry use of land.
- ★ Optimise the effectiveness and work towards the minimisation of the Council subsidy for the Bluewater Fitness Centre, Colac Otway Performing Arts and Cultural Centre and Visitor Information Centres.
- ★ Maintain internal audit program based on the outcomes of the Risk Assessment Audit.

### HIGHLIGHTS

#### Improved our status against the Victorian Auditor General's Financial Sustainability

**Indicators** for the 2007/08 year. Council achieved a 'low risk' rating against four of the five Victorian Auditor General's Indicators and a 'medium risk' for the remaining indicator on infrastructure renewal.

The **Infrastructure renewal gap was eliminated** for the 2007/2008 financial year, reducing from \$5M three years ago to zero for this year. Council is committed to the continued elimination of the infrastructure renewal gap.

**Reduction in Loan Liability.** For the fourth consecutive year Council did not undertake any new loan borrowings. Total loan liability has reduced from \$4.87M in 2003/04 to \$2.98M in 2007/08. It is forecast to reduce further to \$2.46M in 2008/09.

#### Completion of statutory financial information by due dates.

Council is required to complete a wide variety of statutory financial returns and information during the financial year such as:

- Annual Council Budget
- Annual Report
- Annual Grants Commission Return
- Monthly Business Activity Statement
- Annual Fringe Benefits Tax Return
- Annual Certification of Remuneration

Council met all of its statutory obligations by the due dates.

**2008 Property revaluations were completed** for all properties within the municipality.

#### Financial Sustainability

- 96% Rates collected by year end
- 14,229 Property assessments
- 1,995 Pension rebates
- 144 Drought relief concessions
- 1,123 Land information certificates issued
- 37,400 Debtor invoices issued
- 6,120 Supplier payments processed
- 17,000 receipts issued



## THE YEAR AHEAD

- A review of services provided and policies administered by the Finance and Customer Service Unit will be undertaken through the course of the year
- Continue implementation of actions identified in the best value review of Customer Services and Property & Rates
- Successfully recruiting and integrating positions identified as part of the 2008/2009 Budget
- A major focus of the coming year is the potential implementation of a new corporate and financial IT system across the organisation

## FINANCIAL PERFORMANCE

### In brief

- Achieved a \$679,000 surplus for the period, which was \$66,000 above budget expectations
- Ended the 2007/08 financial year with a cash balance of \$6.412 million
- Increased Non-Current Assets by \$30.299 million
- Improvement in the Victorian Auditor General's Financial Sustainability ratios and other financial indicators

### OPERATING RESULTS

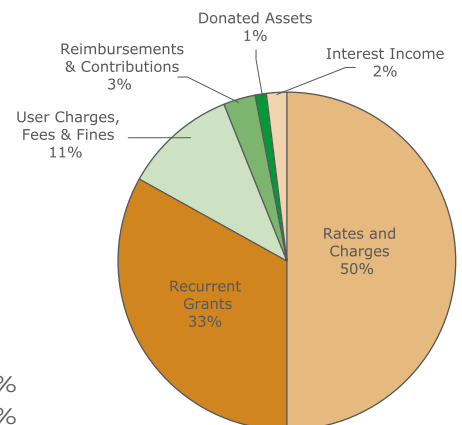
Council achieved a \$679,000 surplus for the 2007/08 financial year. This is the second successive year that we have achieved a surplus, which is a dramatic improvement on previous years. One of the major challenges of Council will be to maintain ongoing surpluses to fund infrastructure renewal requirements.

### REVENUE

Council's total revenue for the 2007/08 year was \$32.95 million as per the Standard Income Statement.

A breakdown of Council's revenue sources highlights that 94% of Council's income comes from three income categories:

- Rates and Charges 50%
- Grants 33%
- User Charges, fees and fines 11%

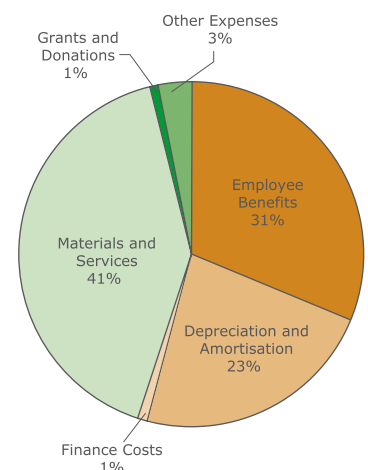


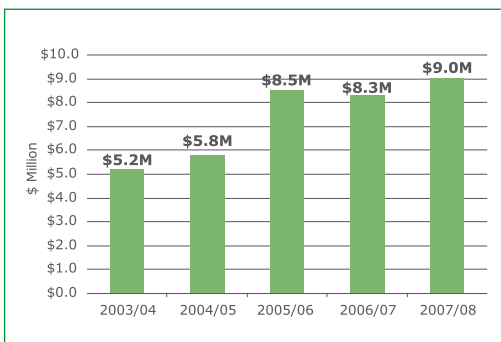
### EXPENDITURE

Council's total expenses for the 2007/08 year were \$32.173 million as per the Standard Income Statement (excluding net loss on disposal of assets).

A breakdown of Council's expenses highlights that 95% relates to three expenditure categories.

- Employee Benefits 31%
- Materials and Services 41%
- Depreciation and Amortisation 23%





### CAPITAL WORKS

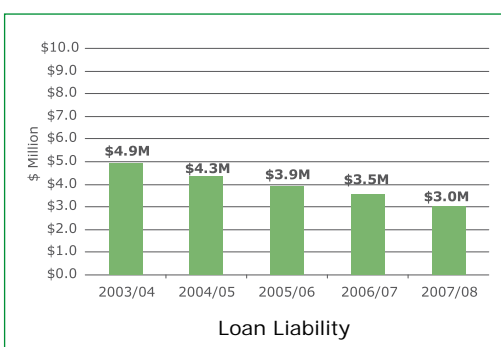
During the financial year, Council spent \$8.968 million on Capital Works projects. The amount spent on Capital Works in the last three years has increased significantly to address the major issue of the Infrastructure Renewal Gap.

### ASSETS

Council's total assets are \$237 million, a \$29 million increase over the previous year. The major components of assets are:

- Property, plant, equipment and infrastructure (land, buildings, roads, bridges etc)
- Cash Assets (mainly short term investments)

Together these asset categories account for 99% of all assets.



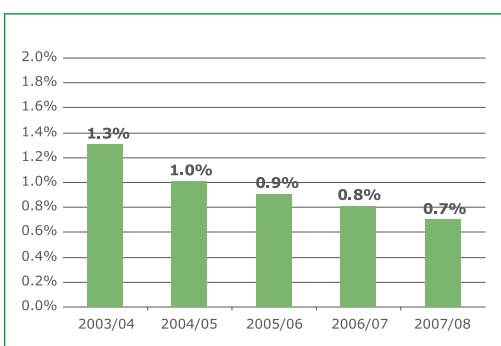
### LIABILITIES

Council's liabilities include loans, amounts owed to suppliers, amounts owed to employees for leave entitlements and provisions for landfill rehabilitation.

Council's loan liability levels continue to decrease. Current debt levels mean that we are operating well within the Victorian State Government prudential ratio limits.

### FINANCIAL INDICATORS

All of the following indicators show an improved financial position over the last five year period:



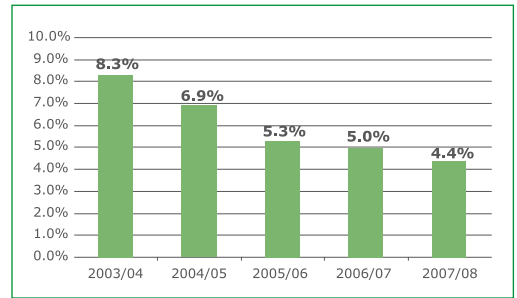
### DEBT SERVICING RATIO

The Debt Servicing Ratio essentially shows how much Council spends on maintaining our outstanding debts compared with how much revenue Council earns. The lower the ratio, the better off Council is. These debt servicing costs refer to the payment of interest on loan borrowings, finance lease interest and bank overdraft. The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

The ratio has reduced significantly over the five year period, with Council's ratio of 4.4% being well under the prudential limit of 5% set by the Victorian State Government.

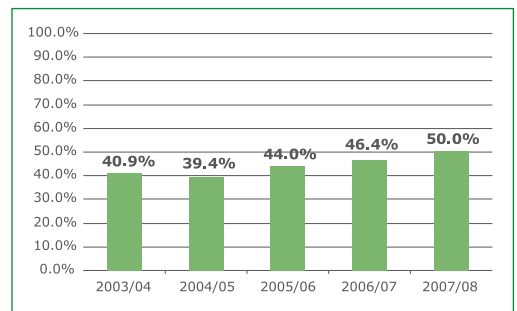
### DEBT COMMITMENT RATIO

The Debt Commitment Ratio is used to illustrate how much of Council's revenue is used to fund Council's existing debt for the year. This includes the payment of loan principal and interest, finance lease principal and interest. The rate at which the ratio either increases or decreases is a reflection of Council's debt redemption strategy. The debt commitment ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.



### REVENUE RATIO

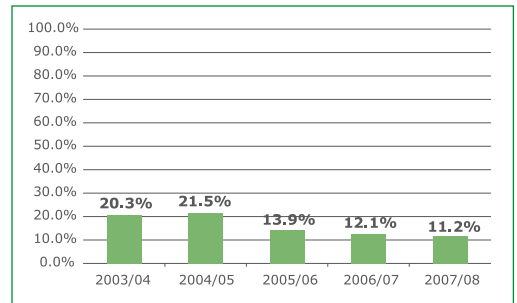
The Revenue Ratio shows the level of Council's reliance on rate revenue. It is an indication of how much of Council's total revenue comes from rates and charges. It is influenced by other revenue sources such as government grants, contributions, special charges, user fees and charges. Rate income is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



### DEBT EXPOSURE RATIO

The Debt Exposure Ratio enables an assessment of Council's solvency and exposure to debt. A low ratio means that Council's realisable (or saleable) assets, such as land, buildings, plant and equipment exceed its overall liabilities. Total indebtedness refers to the total liabilities of Council compared with total realisable assets.

Overall, the ratio has reduced since 2002/03. The 2007/2008 ratio of 11.2% is well under the limit of 50% set by the Victorian State Government.



## VICTORIAN AUDITOR GENERAL – 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, local governments 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 indicators utilised by the Victorian Auditor General to assess the financial viability of councils are:

- Operating Result – a measure of whether Council generates enough revenue from all sources to cover operating costs (including the cost of replacing assets, reflected in depreciation expense)
- Liquidity – a measure of whether Council has sufficient working capital to meet short term commitments
- Self-Financing – a measure of whether Council generates sufficient operating cash flows to invest in asset renewal and to repay any debt it may have incurred in the past
- Indebtedness – a measure of whether Council is overly reliant on debt to fund capital programmes
- Investment Gap – a measure of whether Council has been replacing assets at a rate consistent with the rate they are being consumed



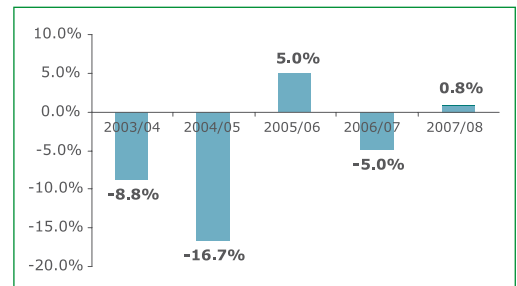
The following information indicates positive movement in each of the indicators:

Indicators	Colac Otway Result	Risk Levels		
		High	Medium	Low
Underlying Result Ratio	0.8%	Negative 10% or less	Between negative 10% and zero	Greater than zero
Liquidity Ratio	226%	Equal to or less than 100%	Between 100% and 150%	Greater than 150%
Indebtedness Ratio	24.1%	Greater than 60%	Between 40% and 60%	Less than 40%
Self-Financing Ratio	25.8%	Less than 10%	Between 10% and 20%	Greater than 20%
Investment Gap Ratio	119%	Equal to or less than 100%	Between 100% and 150%	Greater than 150%

Risk assessment is prepared in accordance with the Victorian Auditor General's financial viability guidelines.

### UNDERLYING RESULT RATIO

The overall trend indicates that the Shire is moving towards generating an underlying surplus which can be utilised for new assets or asset renewal. This is a positive result for Council and falls within the 'Low' risk category of the Victorian Auditor General Risk assessment for the financial sustainability of Council.

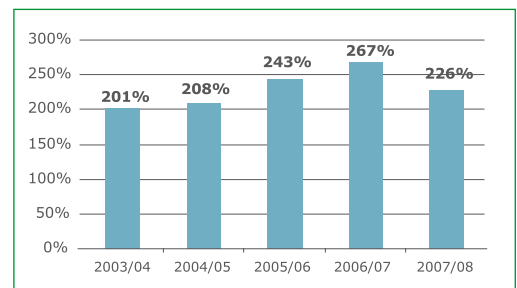


### LIQUIDITY RATIO (OR WORKING CAPITAL RATIO)

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

Council's Working Capital Ratio is higher than forecast due to receiving government grants for 2008/2009 in advance and the expenditure for some Capital Works being carried forward to 2008/2009.

The target in Council's Strategic Resource Plan is to maintain a ratio of at least 125%. Council's current ratio is well over the prudential limit of 110% set by the State Government of Victoria. This indicates that the Shire has no immediate issue with repaying its liabilities when they fall due. This is a positive result for Council and falls within the 'Low' risk category of the Victorian Auditor General Risk assessment for financial sustainability of Council.

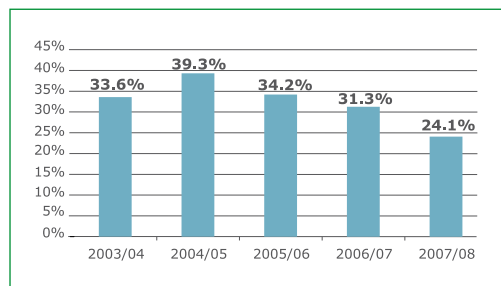






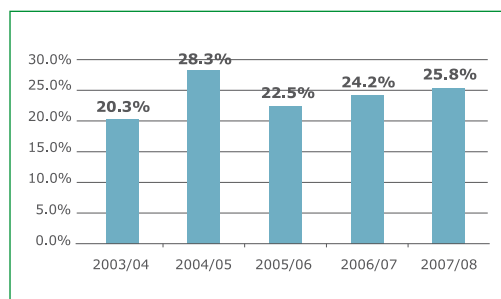
### INDEBTEDNESS RATIO

The Shire has no concern over its ability to repay debt from its own sources of revenue (such as rates and charges). This is a positive result for Council and falls within the 'Low' risk category of the Victorian Auditor General Risk assessment for financial sustainability of Council.



### SELF FINANCING RATIO

Results indicate that the Shire is generating enough cash from operations to fund the acquisition of new assets and the renewal of existing assets. This is also a positive result for Council and falls within the 'Low' risk category of the Victorian Auditor General Risk assessment for financial sustainability of Council.

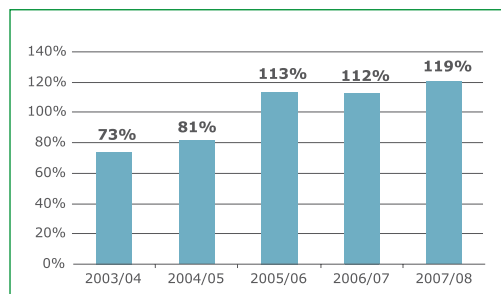


### INVESTMENT GAP RATIO

The graph shows that Council has made major improvements in the last three years in funding the renewal of the Shire's existing assets

This is another positive result for Council, falling within the 'Medium' risk category of the Victorian Auditor General Risk assessment for financial sustainability of Council.

NB: This indicator is built around the assumption that all Councils have underfunded the renewal of assets in the past. If Councils have remedied the infrastructure renewal gap then a result between 100% and 150% would be deemed to be 'Low' risk.





## UNDERSTANDING THE FINANCIAL STATEMENTS

### Introduction

The Financial Report is a key report by the Colac Otway Shire. It shows how Council performed financially during the 2007/2008 financial year and the overall position at the end of the financial year (30 June 2008).

Council presents its financial report in accordance with the Australian Accounting Standards. Particular terms required by the Standards may not be familiar to some readers. Colac Otway Shire Council is committed to accountability. It is in this context that the following explanations have been developed to assist readers understand and analyse the financial report.

### What is contained in the Annual Financial Report?

Council's financial report has two main sections, namely the Report and the Notes. There are four Statements and 38 notes. These are prepared by Council staff, examined by the Council Audit Committee and Council, and are audited by the Victorian Auditor-General.

The four Statements included in the first few pages of the report are the Income Statement, Balance Sheet, Statement of Changes in Equity and a Cash Flow Statement.

The Notes detail Council's accounting policies and the make-up of values contained in the Statements.

### 1. Income Statement

The Income Statement measures Council's performance over the year and shows if a surplus or a deficit has been made in delivering services.

The Statement includes all sources of income, less all operating expenses incurred in delivering Council services. This includes depreciation or the writing down, of the value of buildings, roads, footpaths, drains and all other infrastructure assets, which are used to deliver Council services. These assets are depreciated over the life of the asset as they are consumed. Capital costs or new assets purchased or created during the year are excluded from the Statement but, as indicated above, are depreciated as they are used.

The Statement is prepared on an 'accrual' basis. This means that all income and costs for the year are recognised even though the income may not yet be received (such as interest on bank deposits) or expenses not yet paid (invoices not yet received for goods and services already used).

If the Statement is in a deficit situation, this means that Council is not creating sufficient surplus to replace infrastructure assets at the time when they need to be replaced. Continual deficits may indicate concern about Council's ability to be financially viable in the longer term.

The key figure to look at is the surplus/(deficit) for the year. A deficit means that the expenses were greater than revenue.

### 2. Balance Sheet

The Balance Sheet is an important financial statement. This one page summary is a snapshot of the financial situation as at 30 June 2008. It shows what the Council owns as Assets and what it owes as Liabilities. The bottom line of this Statement is Net Assets. This is the net worth of Council, which has been built up over many years.

The assets and liabilities are separated into Current and Non-Current. Current means those assets or liabilities, which will fall due or be consumed in the next 12 months. The components of the Balance Sheet are described here.



### Current and Non-Current Assets

- Cash includes cash and cash equivalents i.e. cash held in the bank, petty cash and term deposits
- Receivables are monies owed to Council by ratepayers and others
- Investment in Associate is the investment in the Corangamite Regional Library Corporation
- Other assets include inventory and accounts which have been prepaid
- 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 which have been invested in by Council over many years

### Current and Non-Current Liabilities

- Payables are those to whom Council owes money as at 30 June 2008
- Provisions include Employee Benefits which is the accounting term for accrued Long Service and Annual Leave provisions. Landfill rehabilitation works are also grouped under provisions
- Interest Bearing Liabilities includes loans, which are repaid over a set period of time, and Lease Liabilities that are leases of assets where ownership of the asset is transferred to the 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 2008. The net value of the Council is also synonymous with Total Equity.

### Total Equity

- Asset Revaluation Reserve is the difference between the previously recorded value of property and infrastructure assets and their current valuations
- Other Reserves are allocations of the Accumulated Surplus to specific projects
- Accumulated Surplus is the value of all net assets accumulated over time

### 3. Statement of Changes in Equity

During the course of the year, the value of Total Ratepayers Equity as set out in the Balance Sheet changes. This Statement shows the values of such changes and how these changes arose.

The main reason for a change in equity stem from:

- The 'profit and loss' from operations, described in the income Statement as the Operating (deficit) for the year
- The use of monies from Council's reserves
- Revaluation of assets; this takes place every three years as a matter of course. It also occurs when existing assets are taken up in the books for the first time

### 4. Cash Flow Statement

The Cash Flow Statement 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 Income Statement because the Income Statement is prepared on an accrual accounting basis.

Cash in the Statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash.

Council's cash arises from, and is used in, three main areas:

### Cash Flow from Operating Activities

- Receipts – All cash received into Council's bank account from ratepayers and others that owed money 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 by Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets



### **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; and the proceeds from the sale of assets such as plant, and land.

### **Cash Flow from Financing Activities**

This is where the receipt and repayment of borrowed funds are recorded.

The bottom line of the Cash Flow Statement is the Cash at End of Financial Year. This shows the capacity of Council to meet its debts and other liabilities.

### **Notes to the Accounts**

The Notes are a very important and informative section of the report. The Australian Accounting Standards are not prescriptive in a lot of issues. Therefore, to enable the reader to understand the basis on which the values shown in the Statements are established, it is necessary to provide details of Council's accounting policies. These are described in Note 1.

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 Income Statement, Balance Sheet, Statement of Changes in Equity and the Cash Flow Statement.

Where Council wishes to disclose other information, which cannot be incorporated into 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
- Comparisons of Budget to Actual results
- Financial performance indicators

The Notes should be read at the same time as, and together with, the other parts of the Financial Statements to get a clear picture of the accounts.

### **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 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 that, in their opinion, the Financial Statements are fair and not misleading. The Chief Executive Officer also endorses and signs the certification.

### **Auditor General's Report**

The Independent Audit Report is the external and independent opinion on the Financial Statements. It provides the reader with a totally independent opinion on the Financial Statements. The opinion covers both the Statutory and professional requirements and also the fairness aspects of the Financial Statements.



colac otway shire

# standard statements

2007/08

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# STANDARD STATEMENTS

for the year ended 30 June 2008

## NOTES TO THE STANDARD STATEMENTS

### Note 1 Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required - a Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement and a Standard Statement of Capital Works, together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for the General Purpose Financial Statements and the Budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Report.

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included on pages 91 to 143 of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 10 per cent. 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 included in the Standard Statements are those adopted by Council on 25 July 2007. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan 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. The detailed budget can be obtained by contacting Council or through the council's website. The Standard Statements must be read with reference to these documents.

Detailed information on the actual financial results are contained in the General Purpose Financial Report on pages 91 to 143.

# standard income statement

for the year ended 30 June 2008

	ACTUAL	BUDGET	VARIANCE	VARIANCE	
	Note	\$'000	\$'000	%	
<b>REVENUE</b>					
Rates and Charges		16,384	16,372	12	0%
Grants Commission		4,633	4,570	63	1%
Recurrent Grants	1	2,488	2,272	216	10%
Non-Recurrent Grants	2	3,697	4,235	(538)	(13%)
User Charges, Fees & Fines	3	3,601	4,301	(700)	(16%)
Reimbursements and Contributions	4	1,143	675	468	69%
Donated Property, Plant and Equipment, Infrastructure	5	425	139	286	206%
Interest income	6	579	395	184	47%
<b>TOTAL REVENUE</b>		<b>32,950</b>	<b>32,959</b>	<b>(9)</b>	<b>(0%)</b>
<b>EXPENSES</b>					
Employee Benefits		10,058	10,061	(3)	(0%)
Depreciation and Amortisation		7,508	8,200	(692)	(8%)
Finance costs		220	223	(3)	(1%)
Materials and Services		12,476	11,896	580	5%
Grants and Donations		176	176	-	0%
Plant costs	7	548	742	(194)	(26%)
Property, Plant and Equipment, Infrastructure written off	8	237	150	87	58%
Loss on Investment in Associates		-	-	-	-
Other expenses		950	898	52	6%
<b>TOTAL EXPENSES</b>		<b>32,173</b>	<b>32,346</b>	<b>(173)</b>	<b>(1%)</b>
Net gain (loss) on disposal of assets	9	(98)	-	(98)	-
<b>SURPLUS (DEFICIT) FOR THE REPORTING PERIOD</b>		<b>679</b>	<b>613</b>	<b>66</b>	<b>11%</b>

## VARIANCE EXPLANATION

Note	Item	Explanation
1	Recurrent Grants	Unbudgeted Transport Connections Grant
2	Non-Recurrent Grants	Lower Roads to Recovery, Dairy Roads, Better Roads and Sporting Facilities Grants partially offset by increased Apollo Bay Harbour Grants.
3	User Charges, Fees & Fines	Lower Private Works activity, Bluewater revenue and Building Control income
4	Reimbursements & Contributions	Higher than budgeted contributions of Recreational Land and Car Parking
5	Donated Property, Plant and Equipment, Infrastructure	Higher subdivision activity
6	Interest Income	Higher cash balances and interest rates
7	Plant costs	Lower Apollo Bay Harbour activity and higher capitalisation rates
8	Property, Plant and Equipment, Infrastructure written off	Earlier asset intervention levels than anticipated on Roads & Bridges
9	Net gain (loss) on disposal of assets	Higher asset written down values of disposal assets, including plant, than budgeted



# standard balance sheet

as at 30 June 2008

		ACTUAL	BUDGET	VARIANCE	VARIANCE
	Note	\$'000	\$'000	\$'000	%
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	10	6,412	3,111	3,301	106%
Trade and other receivables	11	2,022	2,799	(777)	(28%)
Inventories		90	88	2	2%
Prepayments		78	73	5	7%
<b>TOTAL CURRENT ASSETS</b>		<b>8,602</b>	<b>6,071</b>	<b>2,531</b>	<b>42%</b>
<b>NON-CURRENT ASSETS</b>					
Trade and other receivables		0	3	(3)	(100%)
Investment in associates		458	463	(5)	(1%)
Property, Plant and Equipment, Infrastructure	12	228,126	198,229	29,897	15%
<b>TOTAL NON-CURRENT ASSETS</b>		<b>228,584</b>	<b>198,695</b>	<b>29,889</b>	<b>15%</b>
<b>TOTAL ASSETS</b>		<b>237,186</b>	<b>204,766</b>	<b>32,420</b>	<b>16%</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	13	696	1,896	(1,200)	(63%)
Trust funds and other deposits	14	316	268	48	18%
Provisions		2,250	2,172	78	4%
Interest bearing loans and borrowings		544	544	-	0%
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,806</b>	<b>4,880</b>	<b>(1,074)</b>	<b>(22%)</b>
<b>NON-CURRENT LIABILITIES</b>					
Provisions		2,540	2,709	(169)	(6%)
Interest bearing loans and borrowings		2,462	2,462	-	0%
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,002</b>	<b>5,171</b>	<b>(169)</b>	<b>(3%)</b>
<b>TOTAL LIABILITIES</b>		<b>8,808</b>	<b>10,051</b>	<b>(1,243)</b>	<b>(12%)</b>
<b>NET ASSETS</b>		<b>228,378</b>	<b>194,715</b>	<b>33,663</b>	<b>17%</b>
<b>EQUITY</b>					
Accumulated Surplus		91,896	90,391	1,505	2%
Asset Revaluation Reserve	15	133,730	102,916	30,814	30%
Other Reserves	16	2,752	1,408	1,344	95%
<b>TOTAL EQUITY</b>		<b>228,378</b>	<b>194,715</b>	<b>33,663</b>	<b>17%</b>

## VARIANCE EXPLANATION

Note	Item	Explanation
10	Cash	Higher cash balances due to lower capital spending and carry over of projects
11	Trade and other receivables	Higher rate collections, reduced grants outstanding and private schemes
12	Property, Plant and Equipment, Infrastructure	Roads and Streets revaluation
13	Trade and other payables	Lower activity levels at year end and improved payments cycle
14	Trust funds and other deposits	Higher contract retention deposits
15	Asset Revaluation Reserve	Roads and Streets revaluation
16	Other Reserves	Higher than budgeted contributions for Recreational Land, and Car Parking and the creation of Saleyards and Waste Management Reserves

# standard cash flow statement

for the year ended 30 June 2008

	ACTUAL	BUDGET	VARIANCE	VARIANCE	
	Note	\$'000	\$'000	%	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Rates and Charges		16,384	16,320	64	0%
Government Grants		11,111	11,077	34	0%
Council User Charges and Reimbursements received	4	5,098	4,394	704	16%
Contributions and Donations received		727	675	52	8%
Council payments to Employees		(10,910)	(9,976)	(934)	9%
Council payments to Suppliers	13	(14,644)	(12,872)	(1,772)	14%
Interest received	6	579	395	184	47%
Finance costs		(224)	(223)	(1)	0%
Council Grants and Donations paid		(176)	(176)	-	0%
Net GST refund/(payment)		1,347	-	1,347	-
Other payments	13	(992)	(859)	(133)	15%
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>8,300</b>	<b>8,755</b>	<b>(455)</b>	<b>(5%)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Payments for Property, Plant and Equipment, Infrastructure	17	(8,968)	(10,368)	1,400	(14%)
Proceeds from sale of Property, Plant & Equipment, Infrastructure	18	560	900	(340)	(38%)
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(8,408)</b>	<b>(9,468)</b>	<b>1,060</b>	<b>(11%)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of interest bearing loans and borrowings		(486)	(486)	-	0%
Proceeds from interest bearing loans and borrowings		-	-	-	-
Trust funds and deposits		40	-	40	-
Lease Payments		(22)	(22)	-	0%
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES</b>		<b>(468)</b>	<b>(508)</b>	<b>40</b>	<b>(8%)</b>
Net increase (decrease) in cash and cash equivalents		(576)	(1,221)	645	(53%)
Cash and cash equivalents at the beginning of the year		6,988	4,332	2,656	61%
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>6,412</b>	<b>3,111</b>	<b>3,301</b>	<b>106%</b>
<b>Reconciliation of Surplus (Deficit) and Net Cash Flows from Operating Activities For the year ending 30 June 2008</b>					
<b>Surplus (deficit)</b>		<b>679</b>	<b>613</b>	<b>66</b>	<b>11%</b>
Depreciation		7,508	8,200	(692)	(8%)
(Profit) Loss on sale of Property, Plant and Equipment, Infrastructure		98	-	98	-
Net movement in current assets and liabilities		15	(58)	73	(126%)
<b>Net cash inflow (outflow) from operating activities</b>		<b>8,300</b>	<b>8,755</b>	<b>(455)</b>	<b>(5%)</b>

## VARIANCE EXPLANATION

Note	Item	Explanation
17	Payments for PP&E	Carry over of the Marengo Transfer Station to the 2008/09 year
18	Proceeds from sale of PP&E	Deferral of 'heavy plant' replacement

# standard statement of capital works

for the year ended 30 June 2008

		ACTUAL	BUDGET	VARIANCE	VARIANCE
	Note	\$'000	\$'000	\$'000	%
<b>CAPITAL WORKS AREA</b>					
Land	19	-	163	(163)	0%
Buildings	20	579	2,328	(1,749)	(75%)
Plant and Machinery	21	1,403	1,199	204	17%
Furniture and Equipment	22	284	197	87	44%
Roads and Streets		5,697	5,205	492	9%
Bridges	23	151	135	16	12%
Footpaths	24	227	400	(173)	(43%)
Kerb and Channel	25	31	0	31	-
Parks and Gardens	26	475	605	(130)	(21%)
Drainage	27	121	135	(14)	(10%)
<b>Total Capital Works</b>		<b>8,968</b>	<b>10,367</b>	<b>(1,399)</b>	<b>(13%)</b>
Represented by:					
Renewal		6,137	6,728	(591)	(9%)
Upgrade		2,626	3,514	(888)	(25%)
New		205	125	80	64%
<b>Total Capital Works</b>		<b>8,968</b>	<b>10,367</b>	<b>(1,399)</b>	<b>(13%)</b>

## PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE MOVEMENT RECONCILIATION WORKSHEET

The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:

Total capital works	8,968	10,367	(1,399)	(13%)
Asset revaluation movement	29,315	-	29,315	-
Depreciation and Amortisation	(7,508)	(8,200)	692	(8%)
Written down value of assets sold/disposed/donated	(470)	(911)	441	(48%)
<b>Net movement in Property, Plant and Equipment, Infrastructure</b>	<b>30,305</b>	<b>1,256</b>	<b>29,049</b>	<b>96%</b>

### VARIANCE EXPLANATION

Note	Item	Explanation
19	Land	Carry over of the Marengo Transfer Station to the 2008/09 year
20	Buildings	Carry over of the Marengo Transfer Station to the 2008/09 year.
21	Plant and Machinery	Higher 'light fleet' replacements than budgeted
22	Furniture and Equipment	Computer equipment for IT Strategic implementation
23	Bridges	Higher than anticipated expenditure on Fire Access bridges
24	Footpaths	Lower Apollo Bay and Birregurra footpath expenditure than budgeted
25	Kerb and Channel	Special Charge Scheme activity
26	Parks and Gardens	Lower Sporting Facilities spending and Beechy Line underpass offset by carry over spending of Lake Colac Redevelopment
27	Drainage	Lower maintenance requirements than budgeted

# certification of standard statements

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989, and the Government (Finance and Reporting) Regulations 2004.

PRINCIPAL ACCOUNTING OFFICER .....   
Date: 29 August 2008


In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989, and the Government (Finance and Reporting) Regulations 2004.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the standard statements to be misleading or inaccurate.

We have been authorised by the Council on 26 August 2008 to certify the Standard Statements in their final form.

COUNCILLOR .....   
Date: 29 August 2008

COUNCILLOR .....   
Date: 29 August 2008

CHIEF EXECUTIVE OFFICER .....   
Date: 29 August 2008



colac otway shire

# financial statements

for the year ended 30 June 2008

2007/08

# ANNUAL FINANCIAL REPORT

for the year ended 30 June 2008

## FINANCIAL STATEMENTS

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# income statement

for the year ended 30 June 2008

	Note	2008 \$'000	2007 \$'000
<b>REVENUE</b>			
Rates and Charges	2	16,384	14,748
Grants Commission	3	4,633	4,401
Grants - Recurrent	3	2,488	1,632
Grants - Non Recurrent	3	3,697	3,602
User Charges, Fees & Fines	4	3,601	3,652
Contributions - Cash	5 (a)	863	488
Contributions - Non-monetary assets	5 (b)	425	2,497
Reimbursements	6	280	281
Interest income	7	579	490
<b>TOTAL REVENUE</b>		<b>32,950</b>	<b>31,791</b>
<b>EXPENSES</b>			
Employee Benefits	8	10,058	9,577
Finance costs	9	220	255
Depreciation and Amortisation	10	7,508	7,435
Materials and Services	11	12,476	9,567
Grants and Donations		176	250
Plant costs		548	511
Other expenses	12	968	930
<b>TOTAL EXPENSES</b>		<b>31,954</b>	<b>28,525</b>
Net gain (loss) on disposal of Property, Plant and Equipment, Infrastructure		(98)	(82)
Property, Plant and Equipment, Infrastructure written off	18	(237)	(2,185)
Share of net profits (losses) of associates accounted for by the equity method	17	18	(24)
<b>SURPLUS (DEFICIT) FOR THE PERIOD</b>		<b>679</b>	<b>975</b>

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

# balance sheet

as at 30 June 2008

	Note	2008 \$'000	2007 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	13	6,412	6,988
Trade and other receivables	14	2,022	2,575
Inventories	15	90	89
Other Assets	16	78	73
<b>TOTAL CURRENT ASSETS</b>		<b>8,602</b>	<b>9,725</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	14	-	24
Investment in associates accounted for using the equity method	17	458	440
Property, Plant and Equipment, Infrastructure	18	228,126	197,821
<b>TOTAL NON-CURRENT ASSETS</b>		<b>228,584</b>	<b>198,285</b>
<b>TOTAL ASSETS</b>		<b>237,186</b>	<b>208,010</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	19	696	780
Trust funds and deposits	20	316	276
Provisions	21	2,250	2,084
Interest bearing loans and borrowings	22	544	508
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,806</b>	<b>3,648</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	21	2,540	2,971
Interest bearing loans and borrowings	22	2,462	3,006
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,002</b>	<b>5,977</b>
<b>TOTAL LIABILITIES</b>		<b>8,808</b>	<b>9,625</b>
<b>NET ASSETS</b>		<b>228,378</b>	<b>198,385</b>
<b>EQUITY</b>			
Accumulated surplus		91,896	91,879
Reserves	23	136,482	106,506
<b>TOTAL EQUITY</b>		<b>228,378</b>	<b>198,385</b>

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



# statement of changes in equity

for the year ended 30 June 2008

	Note	Accumulated Surplus 2008 \$'000	Other Reserves 2008 \$'000	Asset Revaluation Reserve 2008 \$'000	Total 2008 \$'000
<b>2008</b>					
Balance at beginning of financial year		91,879	2,089	104,417	198,385
Surplus (deficit) for the year		679	-	-	679
Revaluation of Property, Plant and Equipment, Infrastructure	23(a)	-	-	29,313	29,313
Transfers to other Reserves	23(b)	(1,239)	(577)	-	(1,816)
Transfer from other Reserves	23(b)	577	1,240	-	1,817
<b>Balance at end of financial year</b>		<b>91,896</b>	<b>2,752</b>	<b>133,730</b>	<b>228,378</b>

	Note	Accumulated Surplus 2007 \$'000	Other Reserves 2007 \$'000	Asset Revaluation Reserve 2007 \$'000	Total 2007 \$'000
<b>2007</b>					
Balance at beginning of financial year		91,331	1,663	102,916	195,910
Surplus (deficit) for the year		975	-	-	975
Revaluation of Property, Plant and Equipment, Infrastructure	23(a)	-	-	1,501	1,501
Transfers to other Reserves	23(b)	-	426	-	426
Transfer from other Reserves	23(b)	(427)	-	-	(427)
<b>Balance at end of financial year</b>		<b>91,879</b>	<b>2,089</b>	<b>104,417</b>	<b>198,385</b>

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

# cash flow statement

for the year ended 30 June 2008

	Note	2008 Inflows/ (Outflows) \$'000	2007 Inflows/ (Outflows) \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rates and Charges		16,384	14,561
Government Grants		11,111	10,035
Council User Charges and Reimbursements received		5,098	4,372
Contributions and Donations received		727	647
Council payments to Employees		(10,910)	(10,059)
Council payments to Suppliers		(14,644)	(12,351)
Interest received		579	490
Council Grants and Donations paid		(176)	(250)
Net GST refund/(payment)		1,347	1,083
Other payments		(992)	(954)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>25</b>	<b>8,524</b>	<b>7,574</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Property, Plant and Equipment, Infrastructure		(8,968)	(8,292)
Proceeds from sale of Property, Plant and Equipment, Infrastructure		560	316
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(8,408)</b>	<b>(7,976)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Finance costs		(224)	(256)
Repayment of interest bearing loans and borrowings		(486)	(457)
Trust funds and deposits		40	9
Lease payments		(22)	(20)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(692)</b>	<b>(724)</b>
Net increase (decrease) in cash and cash equivalents		(576)	(1,126)
Cash and cash equivalents at the beginning of the financial year		6,988	8,114
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>26</b>	<b>6,412</b>	<b>6,988</b>

Restrictions on cash assets - see note 24

Financing Arrangements - see note 27

The above cash flow statement should be read with the accompanying notes.

# notes to the financial report

for the year ended 30 June 2008

## INTRODUCTION

The Colac Otway Shire was established by an order of the Governor in Council on September 20, 1994 and is a body corporate.

The registered and main office of the reporting entity is 2-6 Rae Street Colac Victoria 3250.

The purpose of the Council is to:

- provide for the peace, order and good government of its municipal district;
- to promote the social, economic and environmental viability and sustainability of the municipal district;
- to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
- to improve the overall quality of life of people in the local community;
- to promote appropriate business and employment opportunities;
- to ensure that services and facilities provided by the Council are accessible and equitable;
- to ensure the equitable imposition of rates and charges; and
- to ensure transparency and accountability in Council decision making.

This financial report is a general purpose financial report that consists of an Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standard Board, the Local Government Act 1989, and the Local Government (Finance and Reporting) Regulations 2004.

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Accounting

This financial report has been prepared on the accrual and going concern bases.

This financial report has been prepared under the historical cost convention, except where specifically stated in Notes 1(e) and 1(i).

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.

All entities controlled by Council that have material assets or liabilities, such as the Port of Apollo Bay, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full. Please see Note 35 for further details.

### (b) Cash and cash equivalents

For the purposes of the cash flows statement, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

**(c) Rounding**

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars.

**(d) Web site costs**

Costs in relation to websites are charged as an expense in the period in which they are incurred.

**(e) Recognition and measurement of assets**

**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 amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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.

The following classes of assets have been recognised in Note 18. In accordance with Council's policy, the threshold limits detailed in note 1(f) have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year. Assets which are no longer under the control of the Council or which have been replaced are written off.

**Revaluation of Non-Current Assets**

Subsequent to the initial recognition, all non-current assets, other than, plant, machinery and parks and gardens, are measured at fair value being the amounts for which the assets could be exchanged between willing parties in an arms length transaction. Where a market value for a non-current asset does not exist, fair value is determined at written down current replacement cost.

At balance date, the Council reviewed the carrying values 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.

In addition, Council undertakes a formal revaluation of land, buildings and infrastructure assets excluding parks and gardens on a regular basis every three years. The valuation is performed by independent experts and experienced Council officers with relevant Engineering qualifications. The last revaluation occurred on 30 June 2007 for the asset classes of Drainage, Kerbs and Channels.

Where assets are revalued, revaluation increments are credited to the Asset Revaluation Reserve, unless they reverse a previous decrement processed through the Income Statement, and decrements are charged to the Income Statement, unless they reverse a previous increment credit to the Asset Revaluation Reserve.

**Land Under Roads**

The Council has elected not to recognise land under roads as an asset in accordance with AASB 1045 Land under Roads, which extends the requirement to recognise and measure land under roads as an asset of Council until 1 July 2008.

**(f) Depreciation of non-current assets**

Non-current assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets by the Council.

Straight line depreciation is used based on residual useful lives as determined each year and road earthworks are not depreciated. An asset life depreciation review was undertaken during the year which resulted in amendment to some assets lives. The financial impact of any asset life changes will be minimal as the Shire revalue's its infrastructure assets on a three year rolling basis and individual asset lives are re-assessed as part of the revaluation process.

Major depreciation classes are:	Capitalisation Threshold	Depreciation Method	2008 Estimated Useful Life Years	2007 Estimated Useful Life Years
Buildings	\$5,000	Straight Line	50-100	25
Furniture and Equipment	\$1,000	Straight Line	3-21	9-21
Drainage	\$10,000	Straight Line	100	80
Roads and Streets	\$10,000	Straight Line	12-60	10-55
Improvements to Parks & Gardens	\$5,000	Straight Line	10-100	10-100
Bridges	\$10,000	Straight Line	50-70	50-70
Footpaths	\$10,000	Straight Line	30-80	30-60
Kerb and Channelling	\$10,000	Straight Line	35-80	35-45
Plant and Machinery	\$1,000	Straight Line	3-10	5-10
Equipment Under Lease	\$1,000	Straight Line	5-10	5-10

**(g) 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 to sell 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 income statement.

**(h) Employee Benefits**

*Wages and salaries*

Liabilities for wages and salaries and rostered days off are recognised and are measured as the amount unpaid at balance date and include appropriate oncosts such as WorkCover charges.

*Annual leave*

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date and are measured at the amount expected to be paid, including appropriate oncosts, when the accrued obligation is settled.

**(h) Employee Benefits (continued)**

*Long service leave*

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service. Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

*Classification of employee benefits*

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

*Superannuation*

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. The liability also includes applicable contributions tax of 17.65%.

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in Note 28.

**(i) Accounting for investments in associates**

Council's investment in associates is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the entities. The Council's share of the financial result of the entities is recognised in the Income statement.

**(j) Leases**

*Finance leases*

Leases of assets where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are amortised on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 5 to 10 year period.

*Operating leases*

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Council.

**(k) Revenue Recognition**

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts. Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates. Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer. Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

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

Donations received by the Council are accounted for on a cash basis.

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

Interest is recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

**(l) Borrowing Costs**

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.

Borrowing costs include interest on borrowings and finance lease charges.

**(m) Inventories**

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.

**(n) Receivables**

Receivables are amounts due to Council by external parties for the purchase of goods and services and recognised as assets when the goods and services are delivered. Receivables are normally invoiced monthly.

**(o) Payables and other current liabilities**

Payables and other current liabilities are amounts due to external parties for the purchase of goods and services and recognised as liabilities when the goods and services are received. Payables are normally paid monthly. Interest is not payable on these liabilities.

**(p) Provision for Landfill Rehabilitation**

A liability is recognised in respect of Council's present obligation to rehabilitate landfills. All known costs associated with landfill rehabilitation and aftercare costs have been included in the provision. This provision is reviewed every three years in line with Council's revaluation policy.

**(q) Repairs and Maintenance**

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. 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.

**(r) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(s) Allocation between current and non-current**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being the Council's operational cycle, or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

**NOTE 2 RATES AND CHARGES**

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Residential	7,288	6,321
Farm	3,061	3,125
Waste Management Charge	2,016	1,763
Municipal Charge	1,834	1,553
Commercial	1,878	1,639
Industrial	210	170
Supplementary	97	177
	<b>16,384</b>	<b>14,748</b>

Council uses the Capital Improved Value as the basis of valuation of all properties within the municipality. The valuation base used to calculate general rates for 2007/2008 was \$4,345,796,700 (2006/2007 \$4,347,213,300).

The date of the last general revaluation within the municipality was 1 January 2006, and the valuation first applied to the rating year commencing 1 July 2006.

The date of the next general revaluation within the municipality is 1 January 2008, and the valuation will be first applied in the rating year commencing 1 July 2008.



### NOTE 3 GOVERNMENT GRANTS

	2008		2007	
	Recurrent \$'000	Non- Recurrent \$'000	Recurrent \$'000	Non- Recurrent \$'000
<b>Governance</b>				
- Grants Commission	4,633	-	4,401	-
- Aged & Home Care	893	65	807	36
- Family Day Care	336	-	359	3
- Maternal & Child Health	161	-	144	-
- Transport Connections	129	-	-	-
- Community Transport	70	-	68	-
- Rural Access Project	61	-	72	4
- Meeting Place	45	-	37	-
- Immunisation	36	-	17	-
- Delivered Meals	35	3	34	2
- School Crossings	34	-	34	-
- Senior Citizens	23	-	17	-
- Tourism Officer Grant	13	-	-	-
- Tobacco Act Administration	4	-	8	-
- Volunteer Project	-	17	-	144
- GIS Apollo Bay - Base Station	-	-	-	24
- Staff Training	-	-	2	7
- Community Services AEDI	-	-	-	6
- Local Government Information Technology ELP	-	2	-	-
- Apollo Bay Static Library	-	20	-	-
	<b>6,473</b>	<b>107</b>	<b>6,000</b>	<b>226</b>
<b>Infrastructure</b>				
- Port of Apollo Bay	622	1,524	-	139
- Federal - Roads to Recovery	-	1,123	-	1,038
- Dairy Industry Road Funding	-	125	-	-
- Bus Shelters	-	120	-	-
- Fire Access Bridge	-	54	-	-
- Vic Roads - Better Roads	-	26	-	184
- Relocation of Powerlines (DPI)	-	26	-	-
- Bus Stop Improvements	-	11	-	9
- Memorial Square Shrine Grant	-	7	-	-
- Relocation of Powerlines (DPI)	-	5	-	-
- AUSLINK	-	-	-	798
- Silks Access Bridge	-	-	-	33
- Fire Access Track	-	-	-	30
- State Emergency Service	10	-	10	-
- Beach Cleaning	6	-	6	-
- Safety Bids	-	-	-	5
- Jackson's Track	-	-	-	(1)
	<b>638</b>	<b>3,021</b>	<b>16</b>	<b>2,235</b>

**NOTE 3 GOVERNMENT GRANTS  
(continued)**

**Strategic Development**

	2008		2007	
	Recurrent \$'000	Non- Recurrent \$'000	Recurrent \$'000	Non- Recurrent \$'000
- Great Ocean Road Visitor Information Centre	-	80	-	10
- Forrest/Birregurra Drought Projects	-	69	-	-
- Economic Development Community Plan	-	50	-	-
- Birregurra Skate Park	-	48	-	-
- Rural Living Strategy	-	35	-	-
- Rex Norman Park Improvements	-	33	-	35
- Catch A Carp Grant	-	33	-	-
- Regional Master Trails	-	25	-	-
- Great Ocean Road Sports Festival	-	20	-	20
- GORLASS	-	20	-	20
- Pirron Yallock Clubrooms	-	20	-	-
- Great Ocean Road Plaques	-	20	-	-
- Meredith Park Upgrade	-	18	-	-
- Forrest Town Upgrade	-	17	-	17
- Small Town Improvement Program	-	17	-	-
- BWFC Stadium Feasibility Study	-	15	-	-
- Western Oval Netball Court	-	15	-	-
- Biodiversity Mapping	-	14	-	-
- Environmental Weed Control	-	11	-	15
- Port of Apollo Bay Planning/Capacity	-	8	-	22
- Bluewater Fitness Centre	-	8	-	3
- Enviromark Implementation	-	7	-	7
- Saleyards Improvements	-	6	-	-
- Colac Strategic Structure Plan	-	5	-	20
- Heritage Study	-	5	-	7
- Recreation Strategy - Country Action	-	5	-	5
- Apollo Bay Structure Plan	-	5	-	-
- KRWRSC Structure Plan	-	5	-	-
- Public Place Recycling	-	2	-	20
- National Youth Week	-	2	-	5
- Progress Association Workshop	-	2	-	4
- Community Choir Grant	-	2	-	-
- ICLEI Program	-	2	-	-
- Bluewater Fitness Centre - Access for all	-	1	-	72
- Environmental Community Water Grant	-	-	-	64
- Jobs For Young People	-	-	-	2
- Saluting Their Service	-	-	-	1
- COPACC Improvements	-	-	-	60
- Port of Apollo Bay Tourism	-	-	-	60
- South Colac Netball Court	-	-	-	60
- Pride of Place	-	-	-	42
- Neighbourhood Renewal Grant	-	-	-	40
- Irrewarra Beeac Netball Court	-	-	-	20
- Barongarook Creek Restoration	-	-	-	15
- Elliminyt Hall	-	-	-	13
- Regional Playground	-	-	-	12
- Bluewater Fitness Centre Child Care	5	-	12	-
- CLUE	-	-	-	8
- Recreation Strategy	-	-	-	6
- Enviro Control - Bush Tender	2	-	5	-
- Gellibrand Recreation Reserve	-	-	-	4
- Youth Health Promotion	-	-	-	4
- Environment	3	-	-	-
- Lake Colac	-	(56)	-	448
	10	569	17	1,141
<b>TOTAL</b>	<b>7,121</b>	<b>3,697</b>	<b>6,033</b>	<b>3,602</b>

### NOTE 3 GOVERNMENT GRANTS (continued)

#### Conditions on Grants

Grants recognised as revenue during the year that were obtained on the condition that they be expended in a specified manner that had not occurred at balance date were:

	2008		2007	
	Recurrent \$'000	Non- Recurrent \$'000	Recurrent \$'000	Non- Recurrent \$'000
Port of Apollo Bay	-	180	-	94
AUSLINK Road Projects	-	165	-	800
Bus Shelters	-	102	-	-
HACC Minor Works	-	69	-	31
Community Planning	-	50	-	-
Birreguirra Skate Park	-	48	-	-
Rural Living Strategy	-	35	-	-
Forrest Town Upgrade	-	30	-	-
Regional Master Trails	-	21	-	-
GORLASS Project	-	19	-	20
Lake Colac - LWIP	-	14	-	262
Port of Apollo Bay Planning/Capacity	-	8	-	-
Memorial Square Shrine	-	7	-	-
National Youth Week	-	7	-	5
Country Action Scheme	-	5	-	5
KRWRSC Structure Plan	-	5	-	-
Volunteer Co-ordination	-	3	-	2
Youth Health Promotion	-	1	-	2
Community Water	-	-	-	64
Lake Colac - Stoddart Street	-	-	-	20
Public Place Recycling	-	-	-	19
Carlisle River - STIP	-	-	-	18
Water Saving	-	-	-	15
Irrewarra Beeac Netball Court	-	-	-	14
Lake Colac - Fishing Platform	-	-	-	13
Business Week	-	-	-	10
GORVIC Upgrade	-	-	-	10
CLUE Project	-	-	-	8
Enviromark	-	-	-	7
Heritage Advisor	-	-	-	7
AEDI Project	-	-	-	6
Lake Colac - Work for the Dole	-	-	-	6
Ragwort Project	-	-	-	5
Healthy Lifestyles Project	-	-	-	2
<b>TOTAL</b>	<b>0</b>	<b>769</b>	<b>0</b>	<b>1,445</b>

### NOTE 3 GOVERNMENT GRANTS (continued)

Grants recognised as revenue in prior years and were expended during the current reporting period in the manner specified by the grantor were:

	2008		2007	
	Recurrent \$'000	Non- Recurrent \$'000	Recurrent \$'000	Non- Recurrent \$'000
AUSLINK Road Projects	-	635	-	-
Lake Colac	-	248	-	-
Port of Apollo Bay	-	87	-	731
Community Water	-	64	-	-
HACC Minor Works	-	27	-	-
GORLASS	-	20	-	-
Lake Colac - Stoddart Street	-	20	-	-
Public Place Recycling	-	19	-	-
Carlisle River - STIP	-	18	-	-
Water Saving Grants	-	15	-	-
Irrewarra-Beeac Netball Court Upgrade	-	14	-	-
GORVIC Upgrade	-	10	-	12
Business Week	-	10	-	4
CLUE Project	-	8	-	15
Heritage Advisory	-	7	-	20
Enviormark Project	-	7	-	20
Lake Colac - Work for Dole	-	6	-	31
AEDI Project	-	6	-	12
Ragwort Project	-	5	-	21
Lake Colac Fishing Platform	-	3	-	2
Healthy Lifestyles Project	-	2	-	-
Youth Health Promotion	-	1	-	-
Volunteer Co-Ordination	-	1	-	75
National Youth Week	-	1	-	36
Federal - Roads to Recovery	-	-	-	1,535
<b>TOTAL</b>	<b>0</b>	<b>1,234</b>	<b>0</b>	<b>2,514</b>

### NOTE 4 USERS CHARGES, FEES AND FINES

	2008 \$'000	2007 \$'000
BlueWater Fitness Centre	561	677
Home Care and Delivered Meals	557	522
Performing Arts Centre	462	392
Saleyards	427	575
Town Planning and Building	371	323
Visitor Information Centres	245	167
Private Works	210	152
Waste Disposal	167	173
Parking, Animal Control and Local Laws	170	175
Council Properties	119	127
Other	312	369
	<b>3,601</b>	<b>3,652</b>

**NOTE 5 CONTRIBUTIONS****(a) CONTRIBUTIONS - CASH**

	2008 \$'000	2007 \$'000
Recreational Land Contributions	291	-
Special Charge Schemes	222	345
Car Parking Contributions	131	46
Recreation Facilities Contributions	64	-
Apollo Bay Harbour - Fisherman's Co-op	23	19
COPACC Sponsorship	20	21
FREEZA Contributions	14	31
Other	98	26
	<u>863</u>	<u>488</u>

**(b) CONTRIBUTIONS - NON-MONETARY ASSETS**

Roads and Streets	161	1,000
Drainage	129	837
Kerbs and Channelling	103	553
Footpaths	32	107
	<u>425</u>	<u>2,497</u>

**NOTE 6 REIMBURSEMENTS**

Vicroads Agency Reimbursement	89	163
Administration Fees	77	75
Barnard Trust	41	-
Drought Relief	11	5
Other	62	38
	<u>280</u>	<u>281</u>

**NOTE 7 INTEREST INCOME**

Interest on cash and cash equivalents	453	405
Interest on rates	126	85
	<u>579</u>	<u>490</u>

**NOTE 8 EMPLOYEE BENEFITS**

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Wages and Salaries	7,039	6,775
Superannuation	768	798
Casual Staff	651	537
Annual Leave and Long Service Leave	743	748
WorkCover Premium	268	197
Vehicles	245	213
Training	213	180
Fringe Benefits Tax	79	74
Other	52	55
	<b>10,058</b>	<b>9,577</b>

**NOTE 9 FINANCE COSTS**

Interest - Borrowings	217	250
Interest - Finance Leases	3	5
	<b>220</b>	<b>255</b>

**NOTE 10 DEPRECIATION AND AMORTISATION**

Roads and Streets	4,490	4,590
Buildings	940	930
Plant and Machinery	628	656
Kerb and Channel	420	348
Bridges	248	245
Drainage	235	198
Parks and Gardens	228	179
Footpaths	153	145
Furniture and Equipment	143	121
Leased Assets	23	23
	<b>7,508</b>	<b>7,435</b>

**NOTE 11 MATERIALS AND SERVICES**

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Waste Management	2,552	2,348
Port of Apollo Bay (inc Jetty reconstruction)	1,931	264
Governance	1,435	1,396
Roads, Parks and Gardens	1,430	1,381
Arts, Culture and Recreation	743	318
Colac Otway Performing Arts and Culture Centre	569	376
Town Planning	516	446
Tourism	467	337
Environment and Fire Prevention	374	268
Family Day Care	373	316
Insurance Premiums	316	388
Council Properties	294	75
Bluewater Fitness Centre	244	248
Economic Development	181	283
Delivered Meals	156	172
Aged and Disability	137	158
Street Lighting	137	136
Local Laws	115	150
Auditors' Remuneration	28	28
Other	478	569
	<b>12,476</b>	<b>9,657</b>

**NOTE 12 OTHER EXPENSES**

Library Contribution	405	327
Councillors' allowances	131	135
Tourism subscriptions	64	56
Town Planning - legal fees	40	39
Councillors' Travel	39	46
Economic Development Contributions	37	81
Other	252	246
	<b>968</b>	<b>930</b>

**NOTE 13 CASH AND CASH EQUIVALENTS**

Cash on hand	6	6
Cash at bank	5,159	5,703
Cash on call	1,247	1,279
	<b>6,412</b>	<b>6,988</b>

Of the cash and cash equivalents amount above, \$2,063,000 (2006/07: \$1,768,000) is subject to restrictions. Please see the Restricted Assets Note 24.

**NOTE 14 TRADE AND OTHER RECEIVABLES**

	2008 \$'000	2007 \$'000
<b>Current</b>		
Government Grants	417	688
Farm Rate Rebates	327	143
Rates and Charges	321	505
Special Charge Schemes contributions	294	441
GST Receivable	180	118
Private Works	111	265
User Charges	64	99
Reimbursement Unfunded Superannuation Loan - CRLC	24	23
Harbour	13	25
Parking Infringement Debtors	1	6
Other	270	262
	<u>2,022</u>	<u>2,575</u>
<b>Non-Current</b>		
Reimbursement Unfunded Superannuation Loan - CRLC	-	24
	<u>0</u>	<u>24</u>

**NOTE 15 INVENTORIES**

Raw Materials and Stores	37	35
Great Ocean Road Visitor Information Centre	18	24
Colac Visitor Information Centre	16	14
Garbage Bins	14	13
BlueWater Fitness Centre	5	3
	<u>90</u>	<u>89</u>

**NOTE 16 OTHER ASSETS****Current - Prepayments:**

Site Assesment - Depot Site	28	-
Councillor Allowances	17	21
Licence Fee	18	15
COPACC	-	9
Vehicle Registrations	-	22
Other	15	6
	<u>78</u>	<u>73</u>



## NOTE 17 INVESTMENT IN ASSOCIATES

Investments in associates accounted for by the equity method are:

Name of Associate: Corangamite Regional Library Corporation  
Principal Activity: Library

	Ownership Interest	
	2008 %	2007 %
	24.48	24.54
	<b>2008 \$'000</b>	<b>2007 \$'000</b>
<b>Council's share of accumulated surplus (deficit)</b>		
Council's share of accumulated surplus (deficit) at start of year	(81)	(57)
Reported surplus (deficit) for year	18	(24)
<b>Council's share of accumulated surplus (deficit) at end of year</b>	<b>(63)</b>	<b>(81)</b>
<b>Council's share of reserves</b>		
Asset Replacement Reserve		
Council's share of asset replacement reserve at start of year	7	8
Share of increase/(decrease) in asset replacement reserve	1	(1)
Council's share of asset replacement reserve at end of year	8	7
Asset Revaluation Reserve		
Council's share of asset revaluation reserve at start of year	514	528
Share of increase/(decrease) in asset revaluation reserve	(1)	(14)
Council's share of asset revaluation reserve at end of year	513	514
<b>Council's share of total reserves at end of year</b>	<b>521</b>	<b>521</b>
<b>Movement in carrying value of investment</b>		
Carrying value of investment at start of year	440	479
Share of surplus (deficit) for year	18	(24)
Share of asset replacement reserve	1	(1)
Share of asset revaluation reserve	(1)	(14)
Carrying value of investment at end of year	458	440

**NOTE 18 PROPERTY, PLANT AND EQUIPMENT,  
INFRASTRUCTURE**

**Summary**

	2008 \$'000	2007 \$'000
- at Cost	14,952	19,494
- at Independent Valuation	75,185	75,185
- at Council Valuation	219,928	200,868
Less Accumulated Depreciation and Amortisation	(81,939)	(97,726)
<b>Total Property, Plant and Equipment, Infrastructure</b>	<b>228,126</b>	<b>197,821</b>

**Property**

**Land**

- at Independent Valuation 30/6/2005	29,784	29,784
	<b>29,784</b>	<b>29,784</b>

**Buildings**

- at Cost	1,957	1,378
- at Independent Valuation 30/6/2005	45,401	45,401
Less: Accumulated Depreciation	(23,995)	(23,055)
	23,363	23,724
<b>Total Property</b>	<b>53,147</b>	<b>53,508</b>

Land and building assets were revalued as at 30 June 2005. Council engaged Southern Cross Property Services to undertake the revaluation of land and buildings. Land values were determined on a direct comparison basis to arrive at the current market value. Market value is defined as the estimated amount for which an asset should exchange on the date of valuation between the willing buyer and a willing seller in an arms length transaction. The valuation basis for buildings was a mix of market value and replacement cost. All buildings with an alternative use or which could be occupied were valued at market value, while replacement value was used for assets such as toilet blocks, gazebos, scoreboards etc, which are not considered to have a market value.

**Plant and Equipment**

**Plant and Machinery**

- at Cost	7,908	7,730
Less: Accumulated Depreciation	(3,928)	(3,913)
	3,980	3,817

**Furniture and Equipment**

- at Cost	1,900	1,704
Less: Accumulated Depreciation	(468)	(355)
	1,432	1,349

**Total Plant and Equipment**

	<b>5,412</b>	<b>5,166</b>
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**NOTE 18 PROPERTY, PLANT AND EQUIPMENT,  
INFRASTRUCTURE (continued)**

**Infrastructure**

**Roads and Streets**

- at Cost
- at Council Officer Valuation 30/6/2008
- at Council Officer Valuation 30/6/2005
- Less: Accumulated Depreciation

**2008**  
**\$'000**

**2007**  
**\$'000**

-  
157,594  
-

6,630  
-  
138,534

(31,115)

(49,210)

126,479

95,954

**Bridges**

- at Cost
- at Council Officer Valuation 30/6/2006
- Less: Accumulated Depreciation

209  
15,351  
(4,149)

168  
15,351  
(3,955)

11,411

11,564

**Footpaths**

- at Cost
- at Council Officer Valuation 30/6/2006
- Less: Accumulated Depreciation

630  
7,108  
(2,424)

395  
7,108  
(2,284)

5,314

5,219

**Kerb and Channelling**

- at Cost
- at Council Officer Valuation 30/6/2007
- Less: Accumulated Depreciation

134  
18,344  
(6,862)

-  
18,344  
(6,442)

11,616

11,902

**Parks and Gardens**

- at Cost
- at Council Officer Valuation 30/6/2005
- Less: Accumulated Depreciation

1,777  
3,004  
(2,179)

1,302  
3,004  
(1,951)

2,602

2,355

**Drainage**

- at Cost
- at Council Officer Valuation 30/6/2007
- Less: Accumulated Depreciation

250  
18,527  
(6,673)

-  
18,527  
(6,438)

12,104

12,089

**Recreational and leisure equipment under lease**

- at cost
- Less: Accumulated Amortisation

187  
(146)

187  
(123)

41

64

**Total Infrastructure**

**169,567**

**139,147**

**Total Property, Plant and Equipment, Infrastructure**

**228,126**

**197,821**

The Council Officer's valuations are at fair value being written down replacement cost taking into account the asset condition.

**NOTE 18 PROPERTY, PLANT AND EQUIPMENT,  
INFRASTRUCTURE (continued)**

	Balance at beginning of financial year	Acquisition of assets (note 36)	Revaluation increments (decrements) (note 23)	Depreciation and amortisation (note 10)	Written down value of disposals	Assets written off	Non- monetary assets contributed (note 5b)	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2007 YEAR</b>								
<b>Property</b>								
Land	29,784	0	0	0	0	0	0	29,784
Buildings	23,916	738	0	(930)	0	0	0	23,724
<b>Total Property</b>	<b>53,700</b>	<b>738</b>	<b>0</b>	<b>(930)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,508</b>
<b>Plant and Equipment</b>								
Plant and Machinery	4,263	438	0	(656)	(228)	0	0	3,817
Furniture and Equipment	1,233	238	0	(121)	(1)	0	0	1,349
<b>Total Plant and Equipment</b>	<b>5,496</b>	<b>676</b>	<b>0</b>	<b>(777)</b>	<b>(229)</b>	<b>0</b>	<b>0</b>	<b>5,166</b>
<b>Infrastructure</b>								
Roads and Streets	96,086	5,411	0	(4,590)	0	(1,953)	1,000	95,954
Bridges	11,603	251	0	(245)	0	(45)	0	11,564
Footpaths	4,896	417	0	(145)	0	(56)	107	5,219
Kerb and Channelling	11,520	225	65	(348)	0	(113)	553	11,902
Parks and Gardens	1,990	562	0	(179)	0	(18)	0	2,355
Drainage	9,988	12	1,450	(198)	0	0	837	12,089
Equipment under lease	87	0	0	(23)	0	0	0	64
<b>Total Infrastructure</b>	<b>136,170</b>	<b>6,878</b>	<b>1,515</b>	<b>(5,728)</b>	<b>0</b>	<b>(2,185)</b>	<b>2,497</b>	<b>139,147</b>
<b>Total Property, Plant and Equipment, Infrastructure</b>	<b>195,366</b>	<b>8,292</b>	<b>1,515</b>	<b>(7,435)</b>	<b>(229)</b>	<b>(2,185)</b>	<b>2,497</b>	<b>197,821</b>

**NOTE 18 PROPERTY, PLANT AND EQUIPMENT,  
INFRASTRUCTURE (continued)**

	Balance at beginning of financial year	Acquisition of assets (note 36)	Revaluation increments (decrements) (note 23)	Depreciation and amortisation (note 10)	Written down value of disposals	Assets written off	Non- monetary assets contributed (note 5b)	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2008 YEAR</b>								
<b>Property</b>								
Land	29,784	0	0	0	0	0	0	29,784
Buildings	23,724	579	0	(940)	0	0	0	23,363
<b>Total Property</b>	<b>53,508</b>	<b>579</b>	<b>0</b>	<b>(940)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,147</b>
<b>Plant and Equipment</b>								
Plant and Machinery	3,817	1,403	0	(628)	(612)	0	0	3,980
Furniture and Equipment	1,349	284	0	(143)	(46)	(12)	0	1,432
<b>Total Plant and Equipment</b>	<b>5,166</b>	<b>1,687</b>	<b>0</b>	<b>(771)</b>	<b>(658)</b>	<b>(12)</b>	<b>0</b>	<b>5,412</b>
<b>Infrastructure</b>								
Roads and Streets	95,954	5,697	29,315	(4,490)	0	(158)	161	126,479
Bridges	11,564	151	0	(248)	0	(56)	0	11,411
Footpaths	5,219	227	0	(153)	0	(11)	32	5,314
Kerb and Channelling	11,902	31	0	(420)	0	0	103	11,616
Parks and Gardens	2,355	475	0	(228)	0	0	0	2,602
Drainage	12,089	121	0	(235)	0	0	129	12,104
Equipment under lease	64	0	0	(23)	0	0	0	41
<b>Total Infrastructure</b>	<b>139,147</b>	<b>6,702</b>	<b>29,315</b>	<b>(5,797)</b>	<b>0</b>	<b>(225)</b>	<b>425</b>	<b>169,567</b>
<b>Total Property, Plant and Equipment, Infrastructure</b>	<b>197,821</b>	<b>8,968</b>	<b>29,315</b>	<b>(7,508)</b>	<b>(658)</b>	<b>(237)</b>	<b>425</b>	<b>228,126</b>

**NOTE 19 TRADE AND OTHER PAYABLES**

	2008 \$'000	2007 \$'000
Trade Creditors	379	474
Accrued Expenses	317	306
	696	780

**NOTE 20 TRUST FUNDS AND DEPOSITS**

Refundable deposits - Planning Permits	84	84
Refundable deposits - Landscaping Bond	67	68
Refundable deposits - Builders Footpath	67	63
Refundable deposits - Re-erection of dwellings	48	33
Refundable deposits - Contracts	41	21
Refundable deposits - Other	9	7
	316	276

Trust Deposits are refundable deposits held as guarantees for compliance with Council regulations.

**NOTE 21 PROVISIONS**

	Annual leave \$'000	Long service leave \$'000	Landfill rehabilitation works \$'000	Other \$'000	Total \$'000
<b>2008</b>					
Balance at beginning of financial year	802	1,293	2,936	24	5,055
Additional provisions	512	231	-	41	784
New employee transfers	-	33	-	-	33
Amounts used	(520)	(320)	(200)	(42)	(1,082)
Balance at the end of financial year	794	1,237	2,736	23	4,790
<b>2007</b>					
Balance at beginning of financial year	720	1,280	2,942	29	4,971
Additional provisions	524	224	-	29	777
New employee transfers	-	1	-	-	1
Amounts used	(442)	(212)	(6)	(34)	(694)
Balance at the end of financial year	802	1,293	2,936	24	5,055

**NOTE 21 PROVISIONS (continued)****(a) Provision for Employee Benefits****Current**

Annual Leave	794	802
Long Service Leave	1,129	1,044
Other	23	24
	<u>1,946</u>	<u>1,870</u>

**Non-Current**

Long Service Leave	108	249
	<u>108</u>	<u>249</u>

**Total**

	<u><b>2,054</b></u>	<u><b>2,119</b></u>
--	---------------------	---------------------

Number of employees at year end

	<u>2008 No.</u>	<u>2007 No.</u>
	289 (199 EFT)	288 (194 EFT)

**(b) Provision for Landfill Rehabilitation Works**

Current	304	214
Non-Current	2,432	2,722
<b>Total</b>	<u><b>2,736</b></u>	<u><b>2,936</b></u>

Please see note 27 for details of Financial Assurances given to EPA Victoria for the Alvie Landfill rehabilitation.

**NOTE 22 INTEREST BEARING LOANS AND BORROWINGS**

	2008 \$'000	2007 \$'000
<b>(a) Loans</b>		
<b>Current</b>		
Borrowings - Secured	518	486
<b>Non-current</b>		
Borrowings - Secured	2,462	2,980
<b>Total</b>	<b>2,980</b>	<b>3,466</b>

The loans and bank overdraft facility (Note 27) are secured over the general rates of the Council.

Borrowings are expected to be settled as follows:

Not later than one year	518	486
Later than one year and not later than five years	1,075	1,337
Later than five years	1,387	1,643
	<b>2,980</b>	<b>3,466</b>

**(b) Finance Leases**

Council had the following obligation under finance leases for the lease of gym equipment (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):

Not later than one year	27	25
Later than one year and not later than five years	-	2
Minimum lease payments	27	52
Future finance lease charges	(1)	(4)
Recognised in the statement of financial position as:	<b>26</b>	<b>48</b>
<b>Current</b>		
Leases	26	22
<b>Non-current</b>		
Leases	-	26
<b>Total</b>	<b>26</b>	<b>48</b>
<b>Aggregate carrying amount of interest bearing liabilities:</b>		
Current	544	508
Non-current	2,462	3,006
<b>Total</b>	<b>3,006</b>	<b>3,514</b>



## NOTE 23 RESERVES

(a) The Asset Revaluation Reserve records revaluations of non-current assets.

	Balance at beginning of financial year \$'000	Increment/ (Decrement) \$'000	Share of Increment (Decrement) of associate \$'000	Balance at end of financial year \$'000
<b>2008</b>				
<b>Property</b>				
Land	22,229	-	-	22,229
Buildings	8,877	-	-	8,877
	31,106	-	-	31,106
<b>Plant and Equipment</b>				
Furniture and Equipment	293	-	-	293
Share of CRLC Asset Revaluation Reserve	514	-	(2)	512
	807	-	(2)	805
<b>Infrastructure</b>				
Roads and Streets	54,590	29,315	-	83,905
Bridges	8,019	-	-	8,019
Footpaths	1,150	-	-	1,150
Kerb and Channel	5,189	-	-	5,189
Parks and Gardens	552	-	-	552
Drainage	3,004	-	-	3,004
	72,504	29,315	-	101,819
<b>Total Asset Revaluation Reserve</b>	<b>104,417</b>	<b>29,315</b>	<b>(2)</b>	<b>133,730</b>
<b>2007</b>				
<b>Property</b>				
Land	22,229	-	-	22,229
Buildings	8,877	-	-	8,877
	31,106	-	-	31,106
<b>Plant and Equipment</b>				
Furniture and Equipment	293	-	-	293
Share of CRLC Asset Revaluation Reserve	528	-	(14)	514
	821	-	(14)	807
<b>Infrastructure</b>				
Roads and Streets	54,590	-	-	54,590
Bridges	8,019	-	-	8,019
Footpaths	1,150	-	-	1,150
Kerb and Channel	5,124	65	-	5,189
Parks and Gardens	552	-	-	552
Drainage	1,554	1,450	-	3,004
	70,989	1,515	-	72,504
<b>Total Asset Revaluation Reserve</b>	<b>102,916</b>	<b>1,515</b>	<b>(14)</b>	<b>104,417</b>

## NOTE 23 RESERVES (continued)

(b) Other Reserves record funds allocated for various purposes including the future acquisition or replacement of non-current assets.

	Balance at beginning of financial year \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of financial year \$'000
<b>2008</b>				
Landfill Rehabilitation	250	50	-	300
Plant Replacement	478	512	(486)	504
Share of CRLC Plant Replacement	7	-	1	8
Marengo Transfer Station	225	-	-	225
Saleyards Reseve	-	86	-	86
Waste Management Reserve	-	170	-	170
Car Parking	115	131	-	246
Recreational Lands	84	291	(17)	358
Lakeside Estate	930	-	(75)	855
<b>Total Other Reserves</b>	<b>2,089</b>	<b>1,240</b>	<b>(577)</b>	<b>2,752</b>
<b>2007</b>				
Landfill Rehabilitation	180	70	-	250
Plant Replacement	167	311	-	478
Share of CRLC Plant Replacement	8	(1)	-	7
Marengo Transfer Station	225	-	-	225
Car Parking	115	-	-	115
Recreational Lands	38	46	-	84
Lakeside Estate	930	-	-	930
<b>Total Other Reserves</b>	<b>1,663</b>	<b>426</b>	<b>-</b>	<b>2,089</b>
<b>Total Reserves</b>	<b>106,506</b>	<b>30,555</b>	<b>(579)</b>	<b>136,482</b>

## NOTE 24 RESTRICTED ASSETS

Council has cash and cash equivalents (note 13) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and reserve funds (Car parking and Recreational lands Reserves).

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Long Service Leave (note 21)	1,237	1,293
Trust Deposits (note 20)	316	276
Reserve funds - Car Parking (note 23)	246	115
Reserve funds - Recreational Lands (note 23)	358	84
	<b>2,157</b>	<b>1,768</b>

Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily have to equate to the long service leave liability disclosed in Note 21 due to a different basis of calculation prescribed by the regulation.

The Recreational Lands and the Car Parking developers reserves are required to be spent on future developments for recreation and car parking. Trust Deposits are refundable deposits held as guarantees for compliance with Council regulations. It includes deposits paid for building and planning permits.

## NOTE 25 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS

<b>Surplus for the period</b>	<b>679</b>	<b>975</b>
Depreciation and amortisation	7,508	7,435
(Profit)/loss on disposal of Property, Plant and Equipment, Infrastructure	98	82
Share of net (profit) losses in associate entity	(18)	24
Property, Plant and Equipment, Infrastructure written off	237	2,185
Contributions non-monetary assets	(425)	(2,497)
Finance costs	224	256
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in Trade and other receivables	576	174
(Increase)/decrease in Inventories	(1)	(3)
(Increase)/decrease in Prepayments	(5)	(3)
Increase/(decrease) in Trade and other payables	(84)	(1,138)
Increase/(decrease) in Provisions	(265)	84
<b>Net cash provided by operating activities</b>	<b>8,524</b>	<b>7,574</b>

## NOTE 26 RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents (see Note 13)  
Less bank overdraft

	2008 \$'000	2007 \$'000
Cash and cash equivalents (see Note 13)	6,412	6,988
Less bank overdraft	-	-
	6,412	6,988

## NOTE 27 FINANCING ARRANGEMENTS

### Bank overdraft facilities

Used facilities  
Unused facilities

Used facilities	-	-
Unused facilities	1,000	1,000
	1,000	1,000

### Bank guarantees/Financial assurances

During the 2007/08 financial year the Shire made the following financial assurances/guarantees:

- Environmental Protection Agency of Victoria for the future Alvie landfill rehabilitation
- SPI Networks Pty Ltd for the installation of the gas main pipelines in Elliminyt

Environmental Protection Agency of Victoria for the future Alvie landfill rehabilitation	322	-
SPI Networks Pty Ltd for the installation of the gas main pipelines in Elliminyt	759	-
	1,081	0

## NOTE 28 SUPERANNUATION

Council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). Obligations for contributions are recognised as an expense in profit or loss when they are due. The Fund has two categories of membership, each of which is funded differently.

The Fund's accumulation category, 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 (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund. From 1 July 2008 employers are required to pay superannuation guarantee contributions based on Ordinary Time Earnings (OTE) which may put upward pressure on contribution levels

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to reliably allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32 (b) of AASB 119, Council does not use defined benefit accounting for these contributions.

## NOTE 28 SUPERANNUATION (continued)

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 31 December 2007, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. Council makes the following contributions:-

- 9.25% of members' salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to any retrenched employees, plus contribution tax (same as previous year);

The Fund's liability for accrued benefits was determined by the Actuary at 30 June 2007 pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

	<b>30-Jun-07</b> <b>\$'000</b>
Net Market Value of Assets	4,102,154
Accrued Benefits (per accounting standards)	3,923,436
Difference between Assets and Accrued Benefits	<u>178,718</u>
Vested Benefits	<u>3,572,589</u>

The Accrued Benefits liability has been determined by the Actuary at 30 June 2007 outside of the full actuarial review which is normally undertaken every three years and most recently performed as at 31 December 2007. This liability is calculated to satisfy the requirements of AAS 25 and is not reflected in the audited financial statements of the Fund at 30 June 2007

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	8.0% p.a.
Salary Inflation	5.5% p.a.
Price Inflation	3.0% p.a.

Details of contributions to superannuation funds during the year and contributions payable at 30 June are as follows:

<b>FUND</b>	<b>2008</b> <b>\$'000</b>	<b>2007</b> <b>\$'000</b>
<b>Defined Benefit Plans</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	221	287
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	<u>-</u>	<u>-</u>
<b>Accumulation Funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	547	511
Employer contributions to other Superannuation Funds	-	-
	<u>547</u>	<u>511</u>
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	-
Employer contributions payable to other Superannuation Funds at reporting date	-	-
	<u>-</u>	<u>-</u>

## NOTE 29 COMMITMENTS

The Council has entered into the following commitments

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2008</b>					
<b>Operating</b>					
Waste management	1,863	318	-	-	2,181
Cleaning	205	205	-	-	410
Beac Landfill	10	-	-	-	10
Electoral Services	115	-	-	-	115
<b>Total</b>	<b>2,193</b>	<b>523</b>	<b>0</b>	<b>0</b>	<b>2,716</b>
<b>Capital</b>					
Road Construction	233	-	-	-	233
Plant and Equipment	181	-	-	-	181
Other Infrastructure	46	-	-	-	46
<b>Total</b>	<b>460</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>460</b>
<b>Total commitments</b>	<b>2,653</b>	<b>523</b>	<b>0</b>	<b>0</b>	<b>3,176</b>

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2007</b>					
<b>Operating</b>					
Waste management	1,661	2,004	-	-	3,665
Cleaning	172	-	-	-	172
Property Maintenance	19	15	-	-	34
<b>Total</b>	<b>1,852</b>	<b>2,019</b>	<b>0</b>	<b>0</b>	<b>3,871</b>
<b>Capital</b>					
Road Construction	371	-	-	-	371
Plant and Equipment	285	-	-	-	285
Other Infrastructure	45	-	-	-	45
<b>Total</b>	<b>701</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>701</b>
<b>Total commitments</b>	<b>2,553</b>	<b>2,019</b>	<b>0</b>	<b>0</b>	<b>4,572</b>

## NOTE 30 OPERATING LEASE COMMITMENTS

At the reporting date, Council had the following obligations under non-cancellable operating leases for office equipment (these obligations are not recognised as liabilities):

Not later than one year  
Later than one year and not later than five years

	2008 \$'000	2007 \$'000
Not later than one year	57	53
Later than one year and not later than five years	-	51
	57	104

## NOTE 31 FINANCIAL INSTRUMENTS

(a) Accounting policy terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>	13	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues.	On call deposits returned a floating interest rate of 6.72% (5.9% in 2006/2007). The interest rate at balance date was 7.15% (6.15% in 2006/2007).
<b>Trade and other receivables</b>			
<b>Other debtors</b>	14	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectibility of overdue accounts is assessed on an ongoing basis.	Trade and other general debtors are unsecured and no interest is charged on arrears. The CRLC loan interest is levied at 6.01%.
<b>Financial Liabilities</b>			
<b>Trade and other payables</b>	19	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
<b>Interest-bearing loans and borrowings</b>	22	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.  Finance leases are accounted for at their principle amount with the lease payments discounted to present value using the interest rates implicit in the leases.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.76% during 2007/2008 (6.70% in 2006/2007).  As at balance date, the Council had finance leases with an average lease term of three months remaining. The weighted average rate implicit in the lease is 8.86% (8.86% in 2006/2007).
<b>Bank overdraft</b>	26	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft facility has not been utilised for this or the previous financial year subject to annual review. If utilised, it is secured by a mortgage over Council's general rates and is repayable on demand.

## NOTE 31 FINANCIAL INSTRUMENTS (continued)

### (b) Interest rate risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

	Floating Interest rate \$'000	Fixed interest maturing in			Non- interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>2008</b>						
<b>Financial Assets</b>						
Cash & equivalents	6,412	-	-	-	-	6,412
Trade & other recs	24	-	-	-	1,676	1,700
Investment in associates	-	-	-	-	458	458
<b>Total Financial Assets</b>	<b>6,436</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,134</b>	<b>8,570</b>
<i>Weighted average interest rate</i>	6.72%	-	-	-		
<b>Financial Liabilities</b>						
Trade & other payables	-	-	-	-	696	696
Trust funds	-	-	-	-	316	316
Interest bearing	-	544	1,075	1,387	-	3,006
<b>Total Financial Liabilities</b>	<b>-</b>	<b>544</b>	<b>1,075</b>	<b>1,387</b>	<b>1,012</b>	<b>4,018</b>
<i>Weighted average interest rate</i>	-	6.45%	6.62%	7.04%		
<b>Net Financial assets</b>	<b>6,436</b>	<b>(544)</b>	<b>(1,075)</b>	<b>(1,387)</b>	<b>1,122</b>	<b>4,552</b>
<b>2007</b>						
<b>Financial Assets</b>						
Cash & equivalents	6,988	-	-	-	-	6,988
Trade & other recs	47	-	-	-	2,041	2,088
Investment in associates	-	-	-	-	440	440
<b>Total Financial Assets</b>	<b>7,035</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,481</b>	<b>9,516</b>
<i>Weighted average interest rate</i>	5.90%	-	-	-		
<b>Financial Liabilities</b>						
Trade & other payables	-	-	-	-	780	780
Trust funds	-	-	-	-	276	276
Interest bearing	-	508	1,363	1,643	-	3,514
<b>Total Financial Liabilities</b>	<b>-</b>	<b>508</b>	<b>1,363</b>	<b>1,643</b>	<b>1,056</b>	<b>4,570</b>
<i>Weighted average interest rate</i>	-	6.43%	6.54%	6.98%		
<b>Net Financial assets</b>	<b>7,035</b>	<b>(508)</b>	<b>(1,363)</b>	<b>(1,643)</b>	<b>1,425</b>	<b>4,946</b>



## NOTE 31 FINANCIAL INSTRUMENTS (continued)

### (c) Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

	Total carrying amount per the Balance Sheet		Aggregate net fair value	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Financial Instruments</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	6,412	6,988	6,412	6,988
Trade and other receivables	1,700	2,088	1,700	2,088
Investment in associates	458	440	458	440
<b>Total Financial Assets</b>	<b>8,570</b>	<b>9,516</b>	<b>8,570</b>	<b>9,516</b>
<b>Financial Liabilities</b>				
Trade and other payables	696	780	696	780
Trust funds and other deposits	316	276	316	276
Interest bearing liabilities	3,006	3,514	1,891	2,345
<b>Total Financial Liabilities</b>	<b>4,018</b>	<b>4,570</b>	<b>2,903</b>	<b>3,401</b>

For current assets and liabilities, excluding finance leases and borrowings, the net fair value approximates the carrying amount because of the short period to maturity.

For finance leases, the carrying amount approximates net fair value and has been measured by discounting future cash flows by the interest rate implicit in the lease.

The net fair value of fixed rate interest bearing liabilities has been measured by discounting contracted future cash flows by the average interest rate charged on the outstanding balance.

### (d) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

### (e) Risks and Mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

#### Market Risk

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

#### 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. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

## NOTE 31 FINANCIAL INSTRUMENTS (continued)

### Interest Rate Risk (continued)

This risk is mitigated by only using fixed rate borrowings that result in a fixed dollar repayment schedule that the Shire believes it will adequately meet before drawing down the loan. The Shire has not borrowed funds for a number of years and has therefore reduced the Shire's exposure to interest rate risk. Also, the Shire has not made any long term loans to borrowers and therefore has little interest rate risk exposure to these types of loans.

### Credit Risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on all financial assets included in our balance sheet.

To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which are 'A rated'.

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for an associate entity. Please note 17 for details of the entity.

### Liquidity Risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial assets at all.

To help reduce these risks we:

- have readily accessible standby facilities and other funding arrangements in place (see note 27);
- hold highly liquid monetary assets

To enhance the availability of the liquid funds, the Shire has used financial guarantees secured against the rating income, rather than liquid funds held on deposit with financial institutions to meet contingent financial obligations as detailed in note 27 - Financing Arrangements.

### (e) Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Federal Bank of Australia):

- A parallel shift of +2% and -1% in market interest rates (AUD) from year-end rates of 7%.

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the above impacts will be minimal on operating result and net equity due to fixed rate borrowings and minimal surplus cash that will only generate modest interest revenue.

## NOTE 32 AUDITORS' REMUNERATION

Audit fee to conduct external audit - Victorian Auditor-General appointee

	2008 \$'000	2007 \$'000
	28	28

## NOTE 33 RELATED PARTY DISCLOSURE

### (i) Responsible persons

Names of persons holding the position of a Responsible Person at the Colac Otway Shire Council at any time during the year are:

<b>Councillors</b>	Chris Smith (Mayor)	Tony Graham (part of year)
	Warren Riches	Carol Wilmink (part of year)
	Joe Di Cecco	Geoff Higgins (part of year)
	Peter Mercer	Brian Crook (part of year)
	Fran Lehmann (part of year)	Stuart Hart (part of year)

**Chief Executive Officer** Tracey Slatter

### (ii) Remuneration of Responsible Persons

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands:

	2008 No.	2007 No.
\$0 - \$9,999	6	-
\$10,000 - \$19,999	2	6
\$20,000 - \$29,999	1	-
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	-	1
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	1	-
	11	8
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Responsible Persons included above, amounted to:	309	306

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2006/07 \$Nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2006/07 \$Nil).

### (v) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2006/07 \$Nil), except that an entity controlled by ex Cr G. Higgins rendered services to the Shire on commercial rates and terms to the value of \$59,708 (2006/07 \$116,296) during the period.

### NOTE 33 RELATED PARTY DISCLOSURE (continued)

#### (vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$100,000.

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

<b>Income Range:</b>	<b>2008 No.</b>	<b>2007 No.</b>
\$30,000 - \$39,999	-	1
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	1	-
\$80,000 - \$89,999	-	1
\$100,000 - \$109,999	-	-
\$110,000 - \$119,999	-	1
\$120,000 - \$129,999	1	1
\$130,000 - \$139,999	2	-
	<b>5</b>	<b>4</b>
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	493	358

### NOTE 34 REVENUE AND EXPENSES BY FUNCTION

	<b>2008 \$'000</b>	<b>2007 \$'000</b>
<b>Income</b>		
Rates	14,489	13,071
Infrastructure	9,711	9,880
Governance	4,124	3,581
Strategic Development	2,508	2,851
Grants Commission	2,678	2,556
Total Income	<b>33,510</b>	<b>31,939</b>
<b>Expenses</b>		
Infrastructure	17,507	16,564
Governance	8,312	8,366
Strategic Development	7,012	6,034
Total Expenses	<b>32,831</b>	<b>30,964</b>
<b>Surplus for the year</b>	<b>679</b>	<b>975</b>

### NOTE 35 PORT OF APOLLO BAY

The Council is the Committee of Management for the Port of Apollo Bay. The assets and liabilities of the Committee have been included in Council's financial statements and are summarised below:

#### Assets

Current Assets

#### Total Assets

#### Liabilities

Current Liabilities

Non-Current Liabilities

#### Total Liabilities

#### Net Assets

Accumulated Funds

#### Total Equity

	2008 \$'000	2007 \$'000
Current Assets	539	612
<b>Total Assets</b>	<b>539</b>	<b>612</b>
Current Liabilities	50	13
Non-Current Liabilities	10	14
<b>Total Liabilities</b>	<b>60</b>	<b>27</b>
<b>Net Assets</b>	<b>479</b>	<b>585</b>
Accumulated Funds	479	585
<b>Total Equity</b>	<b>479</b>	<b>585</b>

### NOTE 36 CAPITAL EXPENDITURE

#### Capital Expenditure Areas

Roads and streets

Plant and equipment

Buildings

Parks and gardens

Footpaths

Bridges

Drainage

Kerbs and channelling

#### Total Capital Works

Represented by:

Renewal of infrastructure

Upgrade of infrastructure

Renewal of plant and equipment

Upgrade of buildings

New plant and equipment

Renewal of buildings

Upgrade of plant and equipment

New infrastructure

#### Total Capital Works

Roads and streets	5,697	5,411
Plant and equipment	1,687	676
Buildings	579	738
Parks and gardens	475	562
Footpaths	227	417
Bridges	151	251
Drainage	121	12
Kerbs and channelling	31	225
<b>Total Capital Works</b>	<b>8,968</b>	<b>8,292</b>
Renewal of infrastructure	4,633	5,433
Upgrade of infrastructure	2,069	1,314
Renewal of plant and equipment	1,403	512
Upgrade of buildings	477	382
New plant and equipment	205	65
Renewal of buildings	101	356
Upgrade of plant and equipment	80	99
New infrastructure	-	131
<b>Total Capital Works</b>	<b>8,968</b>	<b>8,292</b>

## NOTE 36 CAPITAL EXPENDITURE (continued)

### Property, Plant and Equipment, Infrastructure movement

The movement between the previous year and the current year in Property, Plant and Equipment, Infrastructure as shown in the Balance Sheet links to the net of the following items:

	2008 \$'000	2007 \$'000
Total Capital Works	8,968	8,292
Asset revaluation movement	29,315	1,515
Depreciation and amortisation	(7,508)	(7,435)
Contributions non-monetary assets	425	2,497
Assets written off	(237)	(2,185)
Written down value of assets sold	(658)	(229)
<b>Net movement in Property, Plant and Equipment, Infrastructure</b>	<b>30,305</b>	<b>2,455</b>

#### (a) Renewal

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

#### (b) Upgrade

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the Council's asset base.

## NOTE 37 FINANCIAL RATIOS

	2008 (\$)	2008 (%)	2007 (%)	2006 (%)
<b>(a) Debt servicing ratio</b> (to identify the capacity of Council to service its outstanding debt);				
Debt servicing costs	220			
Total revenue	32,950	=	0.7%	0.8%
			0.8%	0.9%
Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.				
The ratio expresses the amount of interest paid as a percentage of Council's total revenue.				
<b>(b) Debt commitment ratio</b> (to identify council's debt redemption strategy);				
Debt servicing & redemption	728			
Rate and Charges revenue	16,384	=	4.4%	5.0%
			5.0%	5.3%
The strategy involves the payment of loan principal and interest, finance lease principal and interest.				
The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.				
<b>(c) Revenue ratio</b> (to identify Council's dependence on non-rate income);				
Rate and Charges revenue	16,384			
Total revenue	32,950	=	49.7%	46.4%
			46.4%	44.0%
The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.				

**NOTE 37 FINANCIAL RATIOS  
(continued)**

	2008 (\$)	2008 (%)	2007 (%)	2006 (%)
--	--------------	-------------	-------------	-------------

**(d) Debt exposure ratio** (to identify Council's exposure to debt);

Total indebtedness	7,255	=			
Total realisable assets	65,004				

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (Note 24) is excluded from total indebtedness.

This ratio enables assessment of Council's solvency and exposure to debt. Total Indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage of total liabilities for each dollar of realisable assets.

**(e) Working capital ratio** (to assess Council's ability to meet current commitments).

Current assets	8,602	=			
Current liabilities	3,806				

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

**(f) Adjusted Working capital ratio** (to assess Council's ability to meet current commitments).

Current assets	8,602	=			
Current liabilities	2,677				

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.



## NOTE 37 FINANCIAL RATIOS

	2008 (\$)	2008 (%)	2007 (%)	2006 (%)
<b>Auditor General KPI ratios</b>				
The following five ratios are used by the Victorian Auditor General to assess Council's financial sustainability level.				
<b>(g) Underlying Result</b> (removes non-cash developer contributions and other one-off items from the Operating Result))				
Adjusted Net Operating Result	254	=	0.8%	-5.0%
Total Underlying Revenue	33,085			5.0%
<b>(h) Liquidity Ratio</b> (to assess Council's ability to pay its liabilities in the next 12 months)				
Current assets	8,602	=	226.0%	266.6%
Current liabilities	3,806			243.2%
<b>(i) Indebtedness Ratio</b> (to assess Council's ability to cover longer term liabilities from its own sourced revenue)				
Non-current liabilities	5,002	=	24.1%	31.3%
Own-sourced revenue	20,746			34.2%
<b>(j) Self-Financing Ratio</b> (to assess Council's ability to replace assets from cash generated by operations)				
Net operating cash flows	8,524	=	25.8%	24.2%
Underlying revenue	33,085			22.5%
<b>(k) Investment Gap Ratio</b> (measures whether Council is spending on infrastructure at a faster rate than infrastructure is depreciating)				
Capital Spend	8,968	=	119.4%	112.0%
Depreciation	7,508			113.0%

## NOTE 38 PENDING ACCOUNTING STANDARDS

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB amendment	Standards affected	Outline of amendment	Application date of Standard	Application date for Council
AASB 2006-3 Amendments to Australian Accounting Standards	- AAS27 Financial Reporting by Local Governments - AASB 1045 Land under Roads: Amendments to AAS 27A, AAS 29A and AAS 31A	From the beginning of the reporting period to which this Standard is first applied, until the end of the first reporting period ending on or after 31 December 2007, transitional provisions shall apply. Under those provisions, local governments, while encouraged to apply full provisions of this Standard, may elect instead not to recognise land under roads as an asset in the balance sheet.	October 2006	01 July 2008
AASB 1004 Contributions	AAS 27 Financial Reporting by Local Governments	As this Standard broadly reproduces the requirements relating to certain relevant requirements contained in AAS 27, there will be no direct impact on the financial report.	01 July 2008	01 July 2008
AASB 1051 Land Under Roads	AAS 27 Financial Reporting by Local Governments	In respect to land under roads acquired before 30 June 2008: allows a Council to elect to recognise or not to recognise an asset; requires any adjustment upon recognition to be made against accumulated surplus; requires a Council to disclose its accounting policy; allows a Council to elect to adopt the fair values or a previous revaluation; requires any above elections to be made effective as at 1 July 2008. Requires that land under roads acquired after 30 June 2008 is accounted for in accordance with AASB 116. The impact of any changes that may be required cannot be reliably estimated and is not disclosed in the financial report.	01 July 2008	01 July 2008
AASB 1052 Disaggregated Disclosures	AAS 27 Financial Reporting by Local Governments	As this Standard broadly reproduces the requirements relating to certain relevant requirements contained in AAS 27, there will be no direct impact on the financial report.	01 July 2008	01 July 2008
AASB 2007-9 Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31	AAS 27 Financial Reporting by Local Governments Amendments to AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 AASB 137	As this Standard broadly reproduces the requirements relating to certain relevant requirements contained in AAS 27, there will be no direct impact on the financial report.	01 July 2008	01 July 2008

## NOTE 39 CONTINGENCIES

A potential liability may arise as a result of road works undertaken on Colac Otway Shire's behalf. At the current date it is not possible to determine the extent nor to measure the value of this potential liability.

# certification of the financial report

In my opinion the accompanying financial statements have been prepared in accordance with the Local Government Act 1989, the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.

PRINCIPAL ACCOUNTING OFFICER .....



Date: 29 August 2008

In our opinion the accompanying financial statements present fairly the financial transactions of the Colac Otway Shire for the year ended 30 June 2008 and the financial position of the Council as of that date.

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

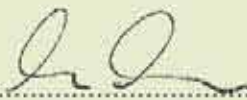
We have been authorised by the Council on 27 August 2008 to certify the financial statements in their final form.

COUNCILLOR .....




Date: 29 August 2008

COUNCILLOR .....



Date: 29 August 2008

CHIEF EXECUTIVE OFFICER .....



Date: 29 August 2008

# auditor general's report

to financial statements and standard statements

## VAGO

Victorian Auditor-General's Office  
**INDEPENDENT AUDITOR'S REPORT**

### **To Councillor's, Colac-Otway Shire Council**

#### *The Financial Report and Standard Statements*

The accompanying financial report for the year ended 30 June 2008 of the Colac-Otway Shire Council which comprises of an income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2008 of the Colac-Otway Shire Council which comprises of a standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statements have been audited.

#### *The Councillor's Responsibility for the Financial Report and Standard Statements*

The Councillor's of the Colac-Otway Shire Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 of the statements and the requirements of the *Local Government Act 1989*.

This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report and standard statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgment, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

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# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Matters Relating to the Electronic Presentation of the Audited Financial Report and Standard Statements*

This auditor's report relates to the financial statements published in both the annual report and on the website of the Colac-Otway Shire Council for the year ended 30 June 2008. The Councilor's are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Colac-Otway Shire Council web site.

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Auditor's Opinion*

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of the Colac-Otway Shire Council as at 30 June 2008 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.
- The standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

MELBOURNE  
3 September 2008



D D R Pearson  
Auditor-General

2

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*Auditing in the Public Interest*

# performance statement

to financial statements and standard statements

## PERFORMANCE MEASURES FOR STRATEGIC OBJECTIVES:

Strategic Objective	Performance Measure	How Data is Reported	2007 – 2008 Targets	2007 – 2008 Actuals
<b>Governance</b>	Ensure that Council Plan Priorities are implemented.	Council Records.	80%	81%
	Increase the Index Mean for Council's advocacy and community representation on key local issues to be equal to or better than the median of the Large Rural Shires.	Local Government Community Satisfaction Survey 2008	62	54
	Increase the Index Mean for Council's engagement in decision making on key on key local issues to be equal to or better than the median of the Large Rural Shires.	Local Government Community Satisfaction Survey 2008	58	45
	Increase the Index Mean for overall performance generally of the Council to equal or better than the median of the Large Rural Shires.	Local Government Community Satisfaction Survey 2008	61	51
<b>Financial Sustainability</b>	Ensure the Working Capital Ratio (Current Assets to Current Liabilities) is maintained at 1.25:1 (Est AIFRS Adj)	Audited Financial Statements	1.25:1	2.26:1
<b>Roads &amp; Infrastructure</b>	Ensure the Asset Renewal Gap is reduced.	Council Records	75%	97%
	Percentage of Capital Works expenditure projects completed.	Council Records	90%	83%

# notes to the performance statement

for 2007/2008

## INTRODUCTION TO THE PERFORMANCE STATEMENT

The Victorian Government is of the view that it is reasonable to expect all councils to collect and publish performance information. An amendment to the Local Government Act 1989 (Section 153) ensured that local government develops new performance accountability mechanics that allow for a consistent approach in the collection and reporting of information and community satisfaction. Without comparable figures, a great deal of benefit of measuring performance is lost.

The use of performance indicators by local government is a significant first step towards achieving:

- An improved capacity to objectively measure council performance leading to a better set of relationships between state and local government.
- Better informed local communities.

Since 1997/98, there has been a requirement for councils to adopt an annual business plan as part of its corporate planning cycle and to include in its annual report a statement of performance against the targets set in the annual business plan.

The Victorian Government has recently reviewed the requirements of all Victorian Council's in identifying a standard set of performance indicators and those not forming part on Council's Annual Business Plan are separately reported in the Annual Report.

## COMMON TERMS

The majority of the terms used in the performance statement are the same as those used in the financial statements. However some of the terms are different. A full and detailed explanation of each indicator, how it is calculated, its purpose and interpretation etc, can be found in the "Explanatory Guide" which is available from the Council.

Short explanation of a "different" term used are listed below:

**Customer Satisfaction Ratings** – Indexed mean of 350 respondents' answers in a survey, conducted by the independent strategic research consultants Wallis Consulting Group, asking them to rate council's performance. The indexed mean is a weighted score across five performance ratings being 100 – for an excellent / outstanding performance, 80 – a good / high standard, 60 – adequate / acceptable, 40 – needs some improvement and 20 – needs a lot of improvement.

# certification of performance statement

In my opinion, the accompanying performance statement of the Colac Otway Shire Council in respect of 2007/2008 financial year has been prepared in accordance with the Local Government Act 1989.

PRINCIPAL ACCOUNTING OFFICER .....



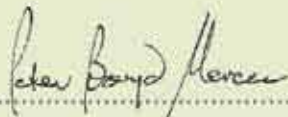
Date: 29 August 2008

In our opinion, the accompanying performance statement of the Colac Otway Shire Council in respect of 2007/2008 financial year is presented fairly in accordance with the Local Government Act 1989.

The statement outlines the performance targets and measures set out in relation to the achievement of the business plan in respect of that year described in the Council Plan and describes the extent to which the business plan was met in that year having regard to those targets and measures.

As at the time of signing, we are not aware of any circumstance which would render any particular in the statement to be misleading or inaccurate.

COUNCILLOR .....



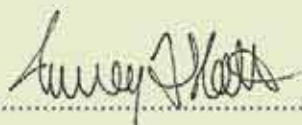
Date: 29 August 2008

COUNCILLOR .....



Date: 29 August 2008

CHIEF EXECUTIVE OFFICER .....



Date: 29 August 2008



# auditor general's report

to performance statements

## VAGO

Victorian Auditor-General's Office

### INDEPENDENT AUDIT REPORT

#### To the Councillors, Colac-Otway Shire Council

##### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2008 of the Colac-Otway Shire Council which comprises the statement, the related notes and the certification of the performance statement has been audited.

##### *The Councillors Responsibility for the Performance Statement*

The Councillors of the Colac-Otway Shire Council are responsible for the preparation and the fair presentation of the performance statement in accordance with the *Local Government Act 1989*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the performance statement that is free of material misstatement, whether due to fraud or error.

##### *Auditor's Responsibility*

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the entity's preparation and fair presentation of the performance statement 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 entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

##### *Matters Relating to the Electronic Presentation of the Audited Performance Statement*

This auditor's report relates to the statement of performance published in both the annual report and on the website of the Colac-Otway Shire Council for the year ended 30 June 2008. The Councillors are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited performance statement presented on the Council's web site.

##### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

##### *Auditor's Opinion*

In my opinion, the performance statement of the Colac-Otway Shire Council in respect of the 30 June 2008 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE  
3 September 2008

  
D D R Pearson  
Auditor-General

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## acronyms and definitions

ALCAM	Australian Level Crossing Assessment Model
AWATS	Aerated Water Treatment Systems
BGANZ	Botanic Gardens Australia and New Zealand
BRWMG	Barwon Regional Waste Management Group
CAH	Colac Area Health
CCMA	Corangamite Catchment Management Authority
CCP	Cities for Climate Protection
CEO	Chief Executive Officer
CFA	Country Fire Authority
COPACC	Colac Otway Performing Arts and Cultural Centre
COSWORKS	Colac Otway Shire Works Unit
CPI	Consumer Price Index
DARE	Disability Access Radio Express
DR	Disaster Recovery
DMS	Document Management Services
DSE	Department of Sustainability and Environment
EDMS	Electronic Document Management System
EPA	Environment Protection Authority
EFT	Equivalent Full Time employees
GAP	Greenhouse Action Plan
G21	Geelong Regional Alliance
GIS	Geographic Information System
GPS	Global Positioning System
HACC	Home and Community Care
ICLEI	International Council for Local Environmental Initiatives
ICT	Information, Communication and Technology
ICTSP	Information Communications and Technology Strategic Plan
IFMP	Integrated Fire Management Plan
Interplan®	Council's Corporate Performance Management software system
ISU	Information Services Unit
JMAPP	Jardine Municipal Asset Protection Package
LG	Local Government
MAV	Municipal Association of Victoria
MSS	Municipal Strategic Statement
NCAC	National Childcare Accreditation Council
OH&S	Occupational Health and Safety
PES®	Council's Corporate Personnel Evaluation software system
RDV	Regional Development Victoria
RIDF	Regional Infrastructure Development Funds
SafetyMAP	Accreditation through the Victorian WorkCover Authority
SAP	Sustainability Action Plan
SEMP	Safety Environment Management Plan
SWLLEN	South West Local Learning Education Network
SWUP	Sustainable Water Use Action Plan
VCAT	Victorian Civil and Administrative Tribunal
VDPAC	Victorian Drug and Alcohol Council
VECCI	Victorian Employers Chamber of Commerce and Industry
VEP	Volunteer Engagement Project
WorkSafe	Victorian WorkCover Authority

colac otway shire

## contacting your councillors

### **Cr Chris Smith - Mayor**

#### **Colac Ward**

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### **Cr Tony Graham**

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### **Cr Joe Di Cecco**

#### **Otway Ward**

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Mobile: 0418 522 197

### **Cr Warren Riches**

#### **Warrion Ward**

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Ph/Fax: 5234 8206

Email: [warrenr@bordnet.com.au](mailto:warrenr@bordnet.com.au)

### **Cr Peter Mercer**

#### **Murray Ward**

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Phone: 5236 6246

Fax: 5236 6546



#### **COLAC SERVICE CENTRE**

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facsimile: **03 5232 1046**

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Monday to Friday

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facsimile: **03 5237 6734**

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