



Colac Otway
SHIRE

08/09 Annual Report





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About this Annual Report

ABOUT THIS ANNUAL REPORT

This report documents Council's performance during 2008/09 against the Council Plan and the 2008/09 Budget. It is also the final report against the Council Plan 2005-2009. Next year's report will be against the new Council Plan 2009-2013.

This 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

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 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.





COLAC OTWAY SHIRE

Naturally Progressive

We are fortunate to live in this part of the world, with its natural beauty and diversity of industry.

Colac Otway 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.

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 local Coladjin Aboriginal tribe that once lived in the area and Cape Otway was named by Lieutenant Grant in 1801 after a Captain Otway.

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 as at 30 June 2006:	20,294
0 - 4 years:	5.9%
5 - 17 years:	18.9%
18 - 34 years:	17.7%
35 - 59 years:	34.9%
over 60 years:	22.6%
Colac Otway residents born in Australia:	87.3%
<i>Source: Australian Bureau of Statistics Census 2006</i>	
Area:	3,427 sq kilometres
Length of Local Roads:	1,700 kilometres
Number of Rateable Properties:	14,335



The Year in Review

STRONG LEADERSHIP

For more information see Page 33

Highlights

- New Council Plan developed
- New virtual technology replaced the physical hardware systems
- Improved financial position
- Won MAV Best 2007/08 Annual Report

Challenges

- Providing remote links with sufficient bandwidth to outlying Council facilities is an increasing challenge

The Year Ahead

- Development of the Disaster Recovery Plan
- Continue the Organisational Systems/Processes Review

ROADS & INFRASTRUCTURE

- For more information see Page 43

Highlights

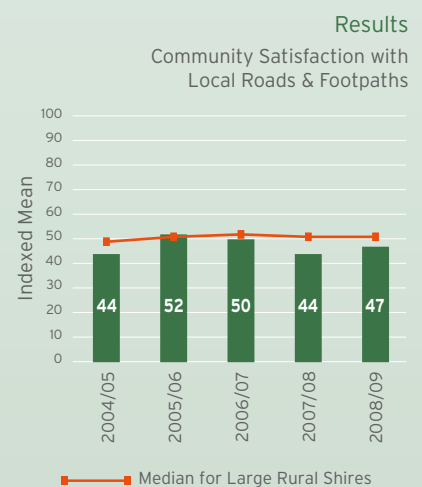
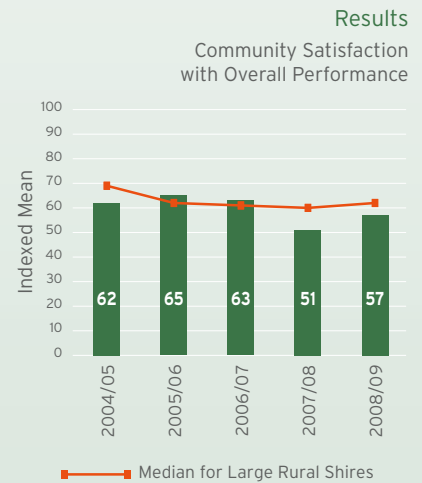
- Development of a Capital Works and Major Projects prioritisation model
- Completion of the Building Renewal Program
- Best Value review completed for Sustainable Assets and Capital Works

Challenges

- Maintaining a sustainable level of funding to ensure assets/services continue to meet community needs

The Year Ahead

- Improvements to tendering process and documentation
- Finalisation of the project management system and process for integration across the organisation





PLANNING & DEVELOPMENT

- For more information see Page 51

Highlights

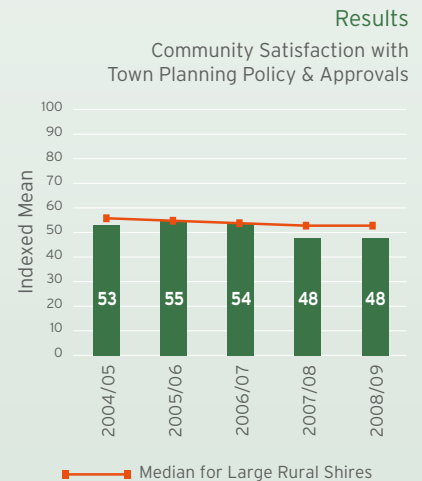
- Implementation of Planning Scheme Review and Strategic Studies (Amendment C55)
- Consistent decisions under the 60 day statutory timeline

Challenges

- Responding to changes in planning controls in coastal and hinterland areas arising from the Bushfire Royal Commission process

The Year Ahead

- Undertake the next Four Year Planning Scheme Review
- Work with the State Government "Future Coasts" project team to develop policy responses and statutory controls for areas vulnerable to sea level rise in the Shire



HEALTH, RECREATION & COMMUNITY SERVICES

- For more information see Page 57

Highlights

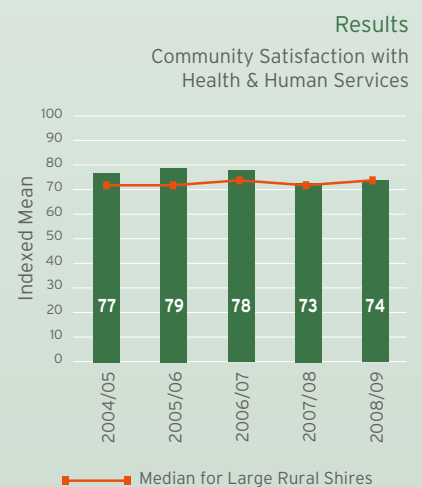
- Collaborative Regional Trails Master Plan nominated for an award
- Regional HACC assessment manual developed
- Pandemic Flu Plan developed and initiated for Swine Flu

Challenges

- To increase the focus on access and inclusion at the inception of projects to enhance community participation

The Year Ahead

- Complete the Colac Otway Early Years Plan
- Work with the CFA to develop a support strategy for vulnerable people in fire prone areas



ECONOMIC DEVELOPMENT

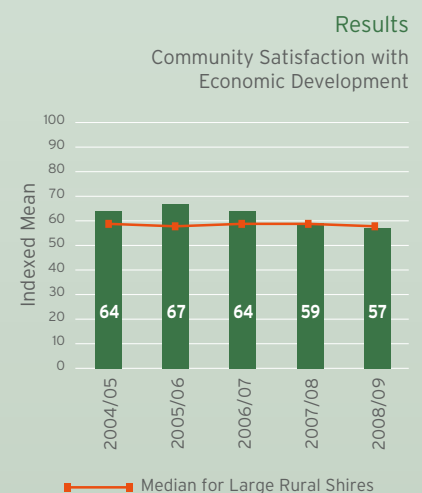
- For more information see Page 72

Highlights

- Completed the Lake Colac Cultural Heritage Management Plan
- 160 attended the Business Training and Development Forums
- Visitor numbers to the Shire remain strong due to the strength of the Great Ocean Road and its attraction to overseas visitors

Challenges

- Understanding the transition to a carbon trading economy and working with business to recognise growth potential from climate change initiatives



The Year in Review

The Year Ahead

- Implementation of key initiatives in the Economic Development Action Agenda
- Develop new projects under the Small Town Improvement Plan

ENVIRONMENTAL SUSTAINABILITY

- For more information see Page 76

Highlights

- Commissioned the first photovoltaic solar power generation system for a renewable energy supply to a Council facility
- Received an award from Cities for Climate Protection Australia for achieving Milestone 4 of a five milestone program
- Developed a Domestic Animal Management Plan

Challenges

- To protect and enhance the environment and promote sustainable use of natural resources

The Year Ahead

- Finalisation of test trial for regional organic waste treatment plant
- Finalisation of the Environment Strategy

FINANCIAL SUSTAINABILITY

- For more information see Page 83

Highlights

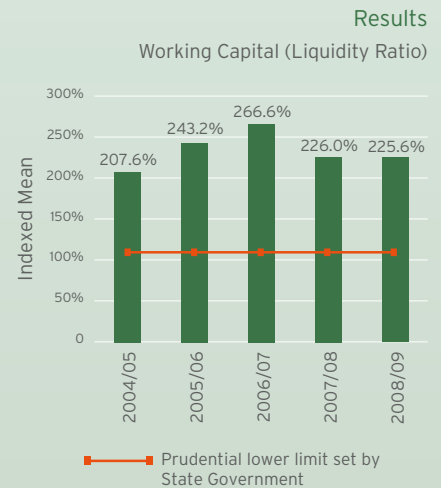
- Implementation of new financial management systems
- For the 5th consecutive year Council did not undertake any new loan borrowings. Loan liability reduced to \$2.46 million in 2008/09
- 98% of Rates collected by year end

Challenges

- Guiding and assisting the organisation to transition to best practice financial management

The Year Ahead

- Review of services provided and policies administered with a focus on the procurement function
- Implementation of actions identified in the Customer Services and Property & Rates Best Value review



Message from the Mayor & CEO



It is our pleasure to present the 2008/09 Annual Report for the Colac Otway Shire. This is the final Annual Report against the 2005-2009 Council Plan that has guided the Council in the directions it has taken over the past four years.

2008/09 WAS A TRANSITIONAL YEAR

The first task for our newly-elected council was to recruit a new Chief Executive Officer to replace outgoing leader Tracey Slatter. For a large part of the year, Sustainable Planning and Building General Manager Jack Green assumed the role of Acting CEO while recruitment activities took place. Jack was ably supported by the executive management team, and by the organisation's management and staff, all of whom are to be congratulated for the smooth running of the organisation during this period. Council's new CEO Rob Small commenced work in May, well-positioned to build on the foundations of his predecessor, having led Colac Otway Shire for 16 months in 2003 and 2004.

STRATEGIC FUTURE PLANNING WAS A PRIORITY

The development of the Council's key corporate document, the Council Plan 2009-2013, was a key activity for the new Council. The plan's development was a collaborative process between elected members, staff and the community. The preparation of the annual budget process was closely aligned to the Council Plan preparation, with both documents maintaining a strong focus on roads and infrastructure renewal, and Council's capital works program.

Council was cognisant of our responsibility to provide strong community leadership amidst the global financial crisis. Our steadfast commitment to relationship building, high quality funding applications and timely delivery of projects resulted in a 46.7 per cent increase in grants income during 2008/09, equating to a \$1.7 million increase from the previous year. This funding was over and above what Council receives for Roads to Recovery, and provided much-needed support for 45 important community projects.

WHILE CLIMATE CHANGE IMPACTED OUR LANDSCAPE, IT IS ALSO IMPACTED COUNCIL'S BUSINESS

When Lake Colac dried out, due to the ongoing drought for the first time since European settlement, fairy grass grew on its fringes. While the volume of fairy grass that blew into our township and properties adjoining the lake was inconvenient this year, there is potential for volumes to increase in years to come. In recognising the potential fire hazard fairy grass poses, and impacts the grass may have on farmers operating near the lake, Council has put significant effort into investigating ways this potential issue can be managed.

The Black Saturday bushfires forever changed the way we live in this forested shire. The ravages of climate change point to more frequent and severe weather events, including conditions conducive to mega bushfires such as those we saw on 7 February 2009. While the Royal Commission was still continuing at the time this annual report went to print, what we do know is that the impacts on Local Government will be far-reaching. Planning, emergency management and native vegetation control are just some of the areas where we will have to adapt our approach.

TWO SIGNIFICANT PLANNING DECISIONS PROVIDED CLARITY AND DIRECTION FOR THE FUTURE

Towards the end of the reporting period, the Victorian Government handed down its decision on planning amendments C29 and C55. The government's decision to reject amendment C29, a re-zoning to allow for a golf course and resort development on the Marengo floodplain, ended five years of community speculation and debate. The government's decision was influenced by the risk of flooding and sea level rise, along with its desire to facilitate sensitive development of Victoria's coastal towns. From Council's point of view, while the C29 process was controversial and drawn out, the associated consultation process was extremely valuable. The community made significant contributions to development controls, and challenged Council to robustly test and prove the information we had relating to flooding and sea level rise.

Amendment C55 heralded the most significant change to the Colac Otway Planning Scheme in a decade. C55, the culmination of four years of work by Council, has made the planning scheme more straightforward and effective, introducing greater exemptions from permit requirements in a range of overlay controls.



Rob Small, Chief Executive Officer (left) and Cr Brian Crook, Mayor (right)



WE FORGED AHEAD WITH COMMUNITY AND CAPITAL PROJECTS

Council proceeded with the development of a new library to be shared between the community and Colac Secondary College. While a sector of the community displayed strong opposition to the development, the fact remains that this project will deliver a state-of-the-art library that will also incorporate a toy library, community meeting space, and computer and internet hub. Council believes that the strength of the partnerships accompanying this project, which includes local, state and federal government, the Department of Education and Early Childhood Development, Colac Secondary College, Corangamite Regional Library, U3A, Colac Neighbourhood Renewal, and Colac Toy Library to name a few, will see the new library through to its completion and ultimate success.

Council also finalised funding and planning details for several exciting community projects. One of these is the major redevelopment of the clubrooms at Alvie Recreation Reserve, creating a social and sporting hub. Other projects include a major upgrade of the netball courts at the Eastern Reserve and upgrades to Birregurra Park. These projects will be delivered in the 2009/10 financial year and would not have happened without the support of state and federal governments and strong partnerships with respective community groups.

As part of a \$6.3 million infrastructure renewal spend, Council completed more than 100 road renewal projects, measuring in excess of 140 kilometres, and repaired or reconstructed 1,500 metres of footpath. Council also maintains 134 bridges one of which, the Binns Road Bridge at Aire River, was replaced. Completion of the building renewal program for 2008/09 was also a significant achievement.

Cr Brian Crook
Mayor
Colac Otway Shire

Rob Small
Chief Executive Officer
Colac Otway Shire

WE ARE WORKING TOWARDS LONG-TERM FINANCIAL SUSTAINABILITY

The shire continues its efforts to meet its infrastructure renewal gap as well as aiming to meet a number of other key financial targets. The overall intent is to enhance the longer term financial sustainability of Council. During the next twelve months a long term financial plan will be developed that will assist the shire in meeting this aim.

THE FUTURE IS BOTH CHALLENGING AND EXCITING

Equipped with a new Council Plan and energised by a new Council and CEO, we look forward to creating a brighter future for this municipality with the support of the committed staff and community of Colac Otway Shire.

As a community, we have some enormous challenges ahead. These include climate change, sea level rise, bushfire threat, an ageing population and the tail end of a global financial crisis. Council is committed to providing leadership within our spheres of influence, but can only be effective with the support of our community and partner agencies.

We would like to take this opportunity to acknowledge those community members who shared their knowledge, expertise, experience and time with Council on a variety of strategies, plans and projects. Your input, whether it provoked spirited debate, further investigation or final decisions, helped ensure that the directions we took truly reflected the needs and aspirations of our community.



Chief Financial Officer's Report

The 2008/09 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. Although hampered by the current economic environment, Council improved its viability, as 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.

While this report focuses on the 2008/09 financial results, it is important to see this result in light of the long term financial targets of Council, which are:

- Ensure asset renewal gap capital commitments are met in real terms for each year of the Strategic Resource Plan
- Achieve consistent operating surpluses
- Achieve strong working capital and liquidity positions
- Ensure cash balances are equal or above statutory and reserve levels
- Ensure funding is available to meet the Shire's current and future environmental obligations
- Ensure funding is available to meet the Shire's current and future accommodation obligations
- Review user fees and charges on an annual basis for equity and fairness

THESE TARGETS WILL:

- Meet the strategic objectives proposed in the Council Plan
- Continue to address the infrastructure funding gap issues of Council
- Provide a reasonable degree of consistency and stability in the level of rates burden
- Enhance the longer term financial sustainability of Council

SNAPSHOT

- \$36.3 million operating revenue
- \$8 million Capital Works program delivered
- Rates and Charges comprised \$17.6 million (46.7 %) of the total operating revenue
- Operating surplus of \$1.86 million
- Cash holdings increased by \$3.3 million to \$9.7 million as a result of grants received in advance and works to be carried forward
- Debt reduced from \$3 million in 2007/08 to \$2.5 million this year

NET OPERATING RESULT

Council's net operating result for 2008/09 was \$1.8 million. This was \$1.6 million higher than the budgeted surplus of \$217,000. The favourable variance is due to a combination of factors.

For more information see Standard Statements page 93.

SUSTAINABLE CAPITAL EXPENDITURE

In 2008/09 the level of capital expenditure continued to deliver on the challenge of renewing the community's assets. The future sees capital expenditure being maintained at sustainable and realistic levels, assuring the Council's long term commitment to the sustainable renewal of the Shire's assets.





CASH RESERVES

Budgeting cash flows for Council is one of the key factors in setting the level of rates each year.

In total, Council's cash holdings have increased during 2008/09 to \$9.7 million. However there are funds required for works carried forward from 2008/09 to 2009/10 and a significant amount is related to Grants received in advance, including \$1.27 million relating to Grants Commission and Local Road funding.

The aim is to continue to moderately build up 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 or the impacts of natural disasters.



DEBT LEVELS

Since 2002 Council has been in a phase of debt reduction, with current debt levels falling from \$5.46 million to \$2.46 million in 2008/09. 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 program.



FINANCIAL SUSTAINABILITY

The 2008/09 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.

For more information on:

- Underlying Result Ratio
- Liquidity Ratio (or Working Capital Ratio)
- Indebtedness Ratio
- Self Financing Ratio
- Investment Gap Ratio

- See Victorian Auditor General - Financial Sustainability Indicators page 87.

CONCLUSION

The financial snapshot as at 2008/09 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.

Colin Hayman
General Manager Corporate & Community Services

Our Council



Cr Brian Crook - Mayor

CR BRIAN CROOK - MAYOR *(from December 2008)*

First elected 2002
Re-elected 2004-07, 2008

Cr Brian Crook is a teacher at Colac's Trinity College. He leads the school's Victorian Certificate of Applied Learning course, which helps students achieve in a setting that combines school with practical workplace experience. Cr Crook is a father of six children, grandfather of one, and takes particular interest in youth issues in the shire. He is very keen to see a trade training centre established in the municipality. During the 1990s Cr Crook and his wife Lyn ran a mixed business and bus hire business in Colac. Brian's long-term vision is for Council and the community to work as a united front to grow the municipality to its full potential, which includes connecting to the wider region, while protecting the natural resources that make Colac Otway unique.



Cr Lyn Russell - Deputy Mayor

CR LYN RUSSELL - DEPUTY MAYOR *(from December 2008)*

First elected 2008

Cr Lyn Russell is a trained nurse and midwife and over the last 28 years has delivered over 1,000 babies. Lyn also has a Post Grad in Community Nursing, specialising in Cancer Support, Palliative Care and Diabetes. Lyn has been very active in local sport, serving as President, Secretary and Treasurer of the Colac Youth and Recreation Centre for many years and is a life member for her contribution to management, junior football and cricket. Lyn and her husband Merv have a son. Lyn's goal is to ensure the protection of our naturally beautiful coastline from over development, to maintain and improve our assets and to be part of a transparent, accountable, fair and honest local government.

CR FRANK BUCHANAN

First elected 2008

Cr Frank Buchanan and his wife Beb have a property at Apollo Bay where they run cattle and sheep and operate a cellar door and function centre. Frank's goal is to advocate, on behalf of the community, for the need for stronger economic development and better services, including education, health and sport, while protecting and recognising the diverse business and environmental assets we have in our Shire.

CR STEPHEN HART

First elected 2002-04 | Re-elected 2008

Cr Stephen Hart grew up in Blackburn South, in Melbourne's Eastern suburbs. After graduating in Economics at Monash University, Clayton, Stephen was employed in the Federal public service. Stephen and his partner Chris live near Lavers Hill in a property joining the Melba Gully Park. Their owner-built mudbrick house is of passive solar design, meaning it is warm in winter and cool in summer. Solar panels supply most of their electricity needs. Since 1990 they have re-vegetated some of their land with over 4,000 indigenous trees. Stephen is committed to making Council more sustainable, both financially and environmentally.



Cr Stuart Hart



Cr Geoff Higgins



Cr Chris Smith

CR STUART HART

First elected 2002 | Re-elected 2004-07, 2008

Cr Stuart Hart is a financial analyst and futures trader and occasionally teaches technical analysis to those wanting insight when independently managing their own financial portfolios. As a young adult Stuart settled in Melbourne but in 1990 moved away from his financial services brokerage to establish a family with his wife Karen in the Otways. Personal interests include emerging international financial and political trends, caravanning with family, veggie gardening, and scuba diving. Stuart's goal for Colac Otway Shire is to build a strong council team to enhance ratepayers' democracy and living standards.

CR GEOFF HIGGINS

First elected 2004-07 | Re-elected 2008

Cr Geoff Higgins was born in Colac and has lived and run businesses in the area for about forty years. He has farmed beef cattle, run various dairy farms, transport and earth moving businesses. Geoff and his wife Patricia have four children and ten grandchildren. Geoff's goal is to assist local business initiatives, improve the Shire's state wide survey ratings, reduce the time for obtaining building and planning permits and to give close attention to basic services i.e. roads, drains and footpaths.

CR CHRIS SMITH - MAYOR: (to Nov) 2008

First elected 2004 | Re-elected 2008

Cr Chris Smith is a dedicated family man, dairy farmer and Pastor of the South West Family Church in Colac. Chris and his wife Maree have four children. In his first term on Council Chris served as Mayor and is the youngest ever to serve in the role in Colac Otway Shire. Chris has over thirty years experience working directly with the youth of our community and champions the role of volunteers throughout the Shire. Chris 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.

UNSUBDIVIDED MUNICIPALITY

An Electoral Representation Review was conducted by the Victorian Electoral Commission (VEC) during 2007.

After consultation with Council and the community the decision was made by the VEC to remove Ward boundaries, creating an unsubdivided municipality, however the number of Councillors was retained at seven (7).

This arrangement came into effect at Council elections on 29 November 2008, with Councillors being elected on a proportional representation basis, meaning that all Councillors were elected 'at large' by all voters.



Our Organisation



Rob Small

ROB SMALL

CHIEF EXECUTIVE OFFICER

National Diploma Hort (Hons); Dip Bus Studies; Associate of Chartered Institute of Secretaries

Major Functions:

Council Governance; Councillor Support; Strategic Planning; Public Relations.

Rob returned to Colac Otway Shire as CEO on 12 May 2009. Rob led the shire for 16 months during 2003-2004, leaving to serve as CEO of the horticultural giant, Fleming's Nurseries. He brings more than 30 years' experience in Local Government to the role and has spent the past three years managing his own private consultancy in executive coaching and strategic planning. Rob has had a distinguished career in international organisations, having been director and judge of the World's Most Liveable Cities for over a decade, and served as the World President of the International Federation of Parks and Recreation.

Rob is delighted to be returning to the Shire, "I believe Colac Otway Shire has incredible natural assets and a community spirit unlike any I've encountered in my long Local Government career. These are powerful attributes to drive a prosperous future for our communities and the basis for truly liveable communities".



Jack Green

JACK GREEN

GENERAL MANAGER SUSTAINABLE PLANNING & DEVELOPMENT

Major Functions:

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

Jack commenced with Colac Otway Shire on 16 October 2006 bringing with him 25 years experience in both Local and State Government. His previous role was Director Shire Development with the Shire of Moorabool where he managed a similar portfolio. Jack's role as South West Regional Manager for the Department of Industry, Innovation and Regional Development helped develop a strong affinity for the Colac Otway region. Jack was also Acting CEO from November 2008 to May 2009 prior to the appointment of Rob Small.

COLIN HAYMAN

GENERAL MANAGER CORPORATE & COMMUNITY SERVICES

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

Major Functions:

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

Colin has been involved in Local Government for nearly 33 years and commenced with Colac Otway Shire on 31 January 2005. He has worked in a number of roles during his time in local government including Accountant, Finance Manager and Deputy Shire Secretary. Colin's previous role was as Group Manager Corporate and Community Services for Corangamite Shire Council.

NEIL ALLEN

GENERAL MANAGER INFRASTRUCTURE & SERVICES

M.B.A. (Management); Member of the College of Engineers; Grad. Dip. Management; Certificate of Local Government Engineer; Graduate Certificate in Water Engineering; Diploma of Municipal Engineering; Diploma of Civil Engineering

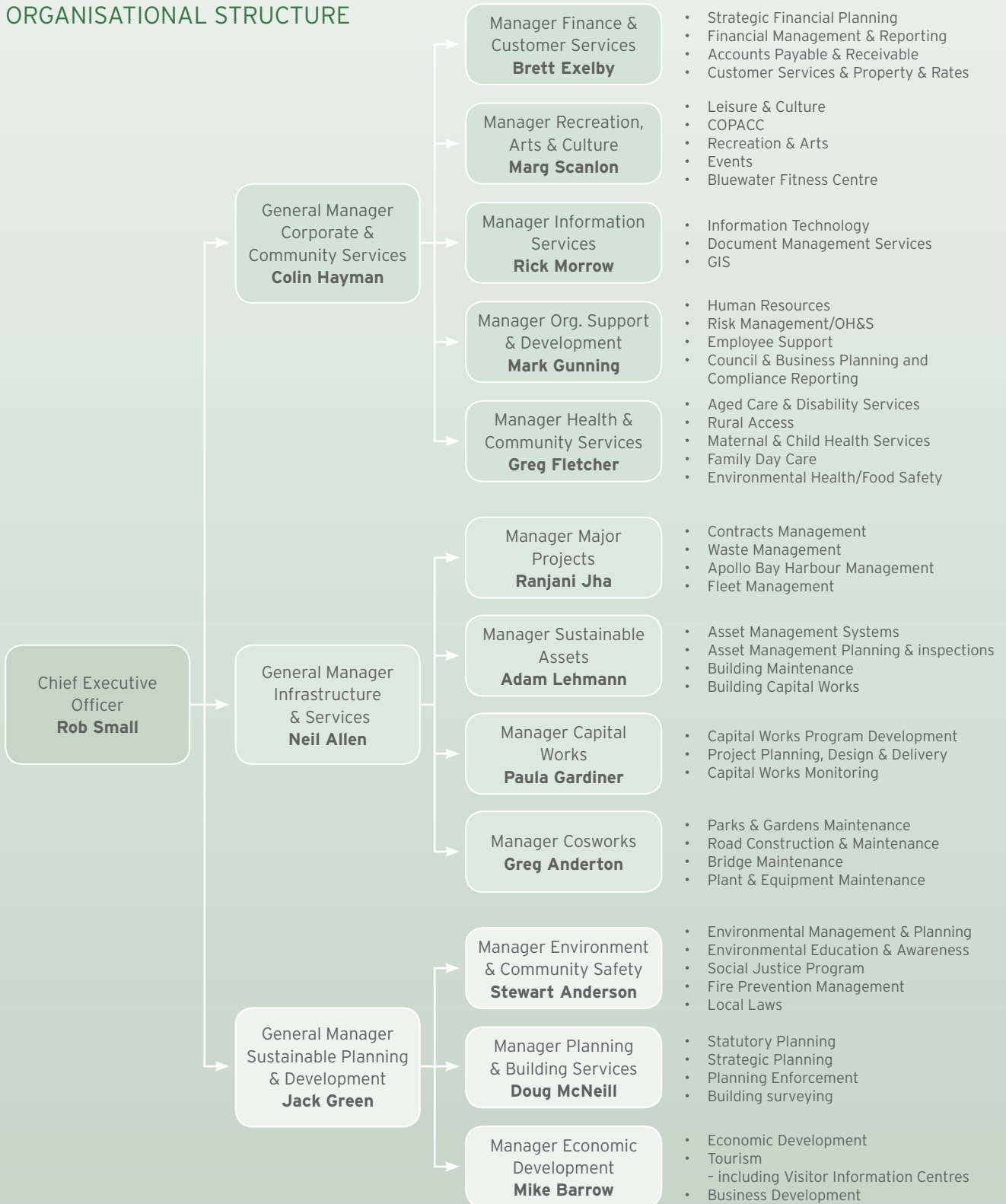
Major Functions:

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

Neil commenced with Colac Otway Shire on 3 November 2008. He has previously held the positions of Deputy City Engineer with the City of Seymour, Contracts Manager with the Mitchell Shire, General Manager Contracts and then General Manager Asset Management with Hume City Council before making a 'sea change' decision and returning to Warrnambool in 2004 to undertake the position of Director City Infrastructure.

Our Organisation Structure

ORGANISATIONAL STRUCTURE





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.

COUNCIL ELECTIONS

For the first time in Victorian Local Government history, all 79 Councils went to the polls on the same date, 29 November 2008. The Colac Otway Shire municipality returned one of its standing Councillors, Cr Chris Smith, along with four former Councillors, Crs Brian Crook, Stuart Hart, Geoff Higgins and Stephen Hart. Elected to Council for the first time were Crs Lyn Russell and Frank Buchanan.

Vale Cr Joe Di Cecco, who passed away on 25 November 2008 after bravely battling illness. Joe will be remembered as one of nature's gentlemen who cared passionately for his community and was strongly committed to the preservation of our natural resources balanced with sustainable tourism and economic activity.

COUNCIL'S ROLE

As a statutory body Colac Otway Shire 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.

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 PLAN FRAMEWORK

One of the duties of a newly elected Council is to generate a Council Plan by the end of June in the year following a Council election and to review it annually thereafter.

The Council Plan is the key strategic document guiding the direction of the Council for its elected term. Colac Otway Shire's Council Plan 2009-2013 was produced after a comprehensive process that included extensive strategic research on the key drivers and trends impacting the current and future growth and welfare of our community, input from Councillors and Council staff, community consultation and consideration of statutory and contractual requirements (see page 35 for consultation undertaken). The new Council Plan comes into effect on 1st July 2009 and can be viewed on Council's website at

www.colacotway.vic.gov.au/Page/page.asp?Page_Id=457&h=0





The 2008/2009 Annual Report is reporting against the final year of the 2005-2009 Council Plan that has successfully guided the growth and development of our municipality over the past four years under the following seven key priority areas:

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

The 2005-2009 Council Plans remains on Council's website and can be viewed using the link provided on page 16.

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.

CONFLICT OF INTEREST

Following the changes to the *Local Government Act* relating to Conflict of Interest and Assemblies of Council, information was provided to Councillors on the new provisions under *the Act*.

A copy of the publication *Conflict of Interest In Local Government*, published by Local Government Victoria, details all aspects of the legislation and was provided as a guide for Councillors and staff. Training sessions were also held with Councillors and staff on the Conflict of Interest provisions.

The list of staff required to complete Conflict of Interest returns was reviewed with a number of staff being added.

The Code of Conduct for Council and the Staff Code of Conduct are both in the process of being reviewed to ensure that they are consistent with the changes to the *Local Government Act*.

Council is confident that with the addition of some new systems and processes, Councillors and staff will be well equipped to recognise, report and deal with any conflict of interest issues arising in their day to day duties.



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. 4 A 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 2008/2009:

Document	Date Adopted
Pre-Election Caretaker Policy (revised)	26 August 2008
Colac Otway Shire Positive Ageing Strategy	
Research Paper and Action Plan 2008-2012	23 September 2008
Planning Scheme Amendment C55	28 October 2008
Apollo Bay Harbour Master Plan	28 October 2008
Council Committees Policy	25 November 2008
Customer Service Policy/Guidelines	25 November 2008
Domestic Animal Management Plan 2008	25 November 2008
Councillor Support Policy (revised)	25 February 2009
Installation and Usage of Cattle Grids Policy	26 May 2009
Road Management Plan (review)	24 June 2009

ELECTED REPRESENTATIVES

Code of Conduct

Council has a Code of Conduct, adopted in January 2006 (currently under review), which aims to embrace the principles of good governance, guide Councillors' behaviour, accountability and dispute resolution between Councillors. The existing Code is available on Council's web site at

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 Wednesday of each month, with Council meetings held 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 web site at

www.colacotway.vic.gov.au/Page/page.asp?Page_Id=265&h=0

Governance

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 any discussion and voting on an item if a conflict of interest exists.

Councillor Attendance at Meetings

The following table indicates meeting attendance for the previous and current Councillors for the reporting period:

	Number of Council and Statutory Meetings		Number of Special Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Cr Chris Smith	5	5	2	2
Cr Joe Di Cecco	5	0	2	0
Cr Tony Graham	5	5	2	1
Cr Fran Lehmann	5	5	2	2
Cr Peter Mercer	5	5	2	2
Cr Warren Riches	5	5	2	2
Cr Carol Wilmink	5	5	2	2
Cr Brian Crook	8	8	6	6
Cr Lyn Russell	8	7	6	6
Cr Frank Buchanan	8	7	6	5
Cr Stephen Hart	8	8	6	6
Cr Stuart Hart	8	8	6	6
Cr Geoff Higgins	8	8	6	6
Cr Chris Smith	8	8	6	6

The new Council was sworn in on Monday, 1 December 2008 following the General Election.

The statutory meeting, including election of the Mayor, was held on Friday, 5 December 2008.





COUNCILLOR SUPPORT AND REMUNERATION

The Councillor Support Policy was revised in February 2009. The Policy 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. A copy of the policy is available for inspection, as required under *Section 75B* of the *Local Government Act*, and is also available on Council's website at

www.colacotway.vic.gov.au/Page/page.asp?Page_Id=1758&h=0

In line with the policy, support is provided to the Mayor in the form of a Council vehicle and computer equipment and telephones are available for all Councillors.

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. Therefore, the Councillor Support Policy also provides for reimbursement of expenses for training, registration fees for conferences and functions, travel and child care.

Following a review of Mayoral and Councillor Allowances a public submission process was undertaken in accordance with *Section 74* and *Section 223* of the *Local Government Act 1989*. At the 22 April 2009 Council Meeting, Council set the Mayoral Allowance at \$59,100 and Councillor Allowances at \$19,700. A 9% Superannuation equivalent is also paid to Councillors or to a superannuation fund. The following table sets out the allowances for the previous and current Council for the reporting period:

Councillor	Allowance (including superannuation)	Travel (paid during 2008/09)	Total
Cr Chris Smith ¹	\$31,073	\$8,198	\$39,271
Cr Warren Riches	\$1,559	\$2,450	\$4,010
Cr Peter Mercer	\$3,750	\$6,476	\$10,226
Cr Joe Di Cecco	\$3,750	-	\$3,750
Cr Fran Lehmann	\$3,750	-	\$3,750
Cr Tony Graham	\$3,750	\$539	\$4,289
Cr Carol Wilmink	\$7,500	\$2,324	\$9,824
Cr Brian Crook ¹	\$48,314	-	\$48,314
Cr Lyn Russell	\$16,105	\$798	\$16,903
Cr Frank Buchanan	\$16,105	\$3,562	\$19,666
Cr Stephen Hart	\$16,105	\$6,391	\$22,496
Cr Stuart Hart	\$16,105	\$2,645	\$18,750
Cr Geoff Higgins	\$16,105	-	\$16,105
Cr Chris Smith	(See above)		
Total	\$183,971	\$33,383	\$217,354

Notes:

1. Cr Crook elected as Mayor on 5 December 2008, taking over from Cr Smith.

A Councillor vehicle is provided to the Mayor for business and private use.



COMMITTEES OF COUNCIL

The *Local Government Act 1989* acknowledges the need for Advisory and Special Committees of Council. These Committees may comprise of Councillors, Council staff and other persons as deemed necessary. *The Act* also allows for Council, by Instrument of Delegation, to delegate any of its functions, duties or powers to a Special Committee. The current Committees of Council are detailed below:

Committee	Councillor	Meeting Frequency	Purpose/Comments
Audit Committee (Advisory Committee)	Cr Stephen Hart Cr Stuart Hart (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 Brian Crook Cr Lyn Russell Cr Frank Buchanan Cr Chris Smith	Once a year in December/January	To review nominations and select Australia Day Award winners in the various categories.
Festival & Events Support Scheme (Advisory Committee) (includes Events Coordinator and 2 external members)	Cr Brian Crook Cr Lyn Russell Cr Frank Buchanan Cr Chris Smith	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 Brian Crook Cr Stephen Hart Cr Stuart Hart Cr Chris Smith	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.
Small Town Improvement Program Advisory Committee	Cr Lyn Russell Cr Stuart Hart Cr Geoff Higgins Cr Chris Smith	Once a year in May	To consider the applications received for the Small Town Improvement Program.

The Contracts Committee and the Roads Committee (Advisory Committee) were abolished at the 24 June 2009 Council Meeting.

COUNCIL REPRESENTATION ON OTHER COMMITTEES

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

Cr Brian Crook, Mayor

- Barnard Trust Committee
- COPACC Trust
- Great South Coast Municipalities Group
- Premier Recreation Reserve Committee
- Rural Councils Network (Vic)
- Weeds Consultative Committee

Cr Lyn Russell, Deputy Mayor

- Australian Local Government Association
- Colac Affordable Housing Strategy
- Colac Otway Network of Community Centres Geelong Otway Tourism Board
- Otways Tourism Inc.
- Rural Financial Counselling Service

Cr Frank Buchanan

- Apollo Bay Harbour Redevelopment Community Reference Group
- Apollo Bay Leisure Centre Committee
- Port of Apollo Bay Consultative Group

Cr Stephen Hart

- Barwon Regional Waste Management Committee
- Colac Otway Shire Environment Strategy Steering Committee
- Corangamite Regional Library Corporation
- Lavers Hill Swimming Pool Committee of Management
- Municipal Association of Victoria

Cr Stuart Hart

- Municipal Emergency Management Planning Committee
- Municipal Fire Prevention Committee
- Transport Connections Local Advisory Group

Cr Geoff Higgins

- Colac Livestock Selling Centre Advisory Committee
- Lake Colac Coordinating Committee
- Municipal Aerodrome Committee - Colac
- Ondit Quarry Consultative Committee
- Timber Towns Committee
- Tirrengower Drainage Scheme Committee of Management

Cr Chris Smith

- COPACC Trust
- Dairy Industry Training Committee
- Friends of the Botanic Gardens
- Lake Colac Coordinating Committee
- Old Beechy Line Committee
- Victoria Regional Botanic Gardens Network Executive and BGANZ Council Youth Council



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 has consisted of the following members over the financial year:

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	2	1
Cr Peter Mercer	2	2
Cr Stephen Hart	2	2
Cr Stuart Hart	2	2

Mr Mike Said was appointed Chairperson of the Committee in May 2007 and reappointed in June 2009.

Cr Stephen Hart and Cr Stuart Hart were appointed at the Statutory Meeting held in December 2008.

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 2007/08 Financial Statements, Standard Statements, Performance Statement and Audit Management Letters
- Review of the Auditor General's Report to Parliament on the Local Government: Result of the 2007/08 Financial Audits including the Shire's Financial viability ratios
- Review of the 2008/09 External Audit Strategy and development of an Internal Audit program
- Review of Risk Management Issues and monitoring of the Risk Register developments
- Review of the 2008/09 Audits for SafetyMAP, JMAPP Property and Fidelity Insurance
- Monitoring Excess Annual Leave of staff
- Review of the Shire's Information Communications and Technology Strategic Plan
- Review Benchmarking/ Performance Indicator Information
- Monitoring of Road Management Plan compliance
- 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 Health, Grants Management and Fraud Control Review
- Review of the Legislative Compliance Register including delegations and 'Best Value'
- Review of officer responses to the Victorian Auditor General's Reports of Victoria's Planning System and Planning permit enforcement



Outcomes (cont.)

- Review of the asset lives used for calculating depreciation of the Shire's infrastructure assets
- Review of Waste Management results
- Review of policy for the Recognition of Land Under Roads
- Review of treatment of Landfill Rehabilitation

Council's External Auditor is Coffey Hunt.

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, operations, 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.

A risk profiling project has been undertaken that involved discussions with staff at all levels of the organisation. All risks identified by Council have been populated in the risk register within interplan®, Council's electronic integrated management system, and allocated to appropriate responsible officers. Risk treatments are incorporated into business planning and reporting functions.

Public & Professional Liability

Civic Mutual Plus (CMP) has moved to a bi-annual audit schedule for Councils ranked in the top one third, with targeted risk assessments occurring in the alternate year. We are pleased to note that Colac Otway Shire was assessed as being in the top one third and therefore this year received only a targeted risk assessment on our Immunisation Services. While this risk assessment wasn't formally scored the auditor commented that "this was on the whole a well managed service".

Property and Fidelity Guarantee Insurance Audits

Council's insurer, Jardine Lloyd Thompson Australia (JLTA) conducts property and fidelity guarantee insurance audits bi-annually, with the most recent audits being conducted in March 2009. This involved a desktop audit of Council's property and asset procedures, plus site visits of randomly selected Council insured properties. The property insurance audit achieved a score of 84.80%, an improvement in performance on the 2007/08 score of 83.67%. The fidelity guarantee audit achieved a score of 57%, which was consistent with the result achieved in 2007/08.

THE YEAR AHEAD

Colac Otway Shire will be undergoing the CMP bi-annual audit in 2009. The audit will be conducted by JLTA and will focus on areas of pro-active risk management. The results of this audit, along with Council's claim history, will determine the premium payable for the following year.

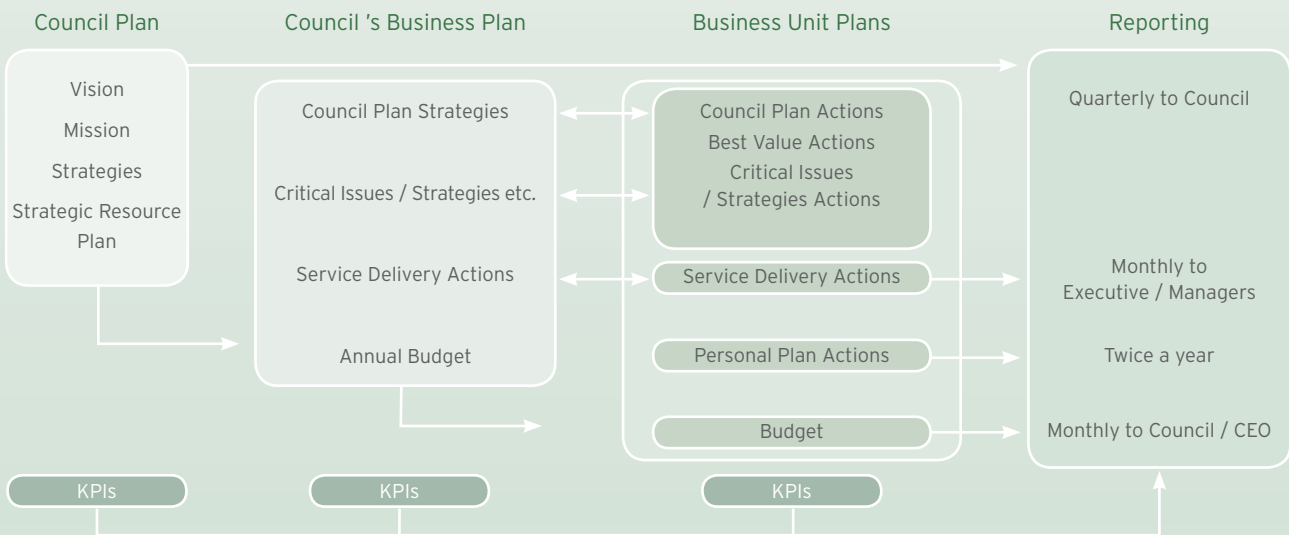
A full review of Council's Risk Management policies and procedures will also be undertaken.



BUSINESS PLANNING

Further strengthening of our integrated business planning framework occurred this year with the addition of the Task module to our interplan® reporting software. This has allowed further refinement to our planning and reporting processes and links with the pes® module (Personnel Evaluation System). Our key focus remains that of continuing to strengthen the continuity between the Council Plan, annual Business Unit plans and employees' personal plans.

INTEGRATED PLANNING MODEL



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
Annual Report	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
Financial Management	Financial position	Council, CEO and General Managers	Monthly to the Executive and Council
Council Plan Strategy Report	Achievement in line with Council Plan strategies	Council, CEO, General Managers and Managers	Quarterly
Business Unit Report	Progress according to business unit actions	CEO, General Managers and Managers	Monthly
Employee Personal Plans	Progress against personal plan actions	Employee and their Manager	Twice per year
Capital Works	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.

Sustainable Assets and Capital Works

The key objective of the review was to evaluate and ensure that Colac Otway Shire's Sustainable Assets and Capital Works Business Units operate in a manner consistent with Best Value principles and, in areas where it is identified as being deficient, ensure that plans and strategies are developed and implemented to improve any identified deficiencies.

The review process involved an active effort to consult as widely as possible. Councillors provided their input via a Strategic Direction Survey and workshops were conducted with the Sustainable Assets and Capital Works staff and with internal and external users of the services.

Benchmarking was carried out with five similar sized Councils to establish performance levels and, where possible, unit costs for key activities and functions. The review identified that while the existing staffing within both Units was relatively stable, with excellent local knowledge and a broad skill base, the organisation was exposed to risk due to the need for additional staff resources. These have been approved and the recruitment process has commenced.

The review has resulted in a strong ongoing commitment by the two Units to evaluate and continuously improve both the standards and delivery of their services through the development and progressive implementation of a Continuous Improvement Plan, which will be incorporated into both Units' annual Business Plans. The review is to be considered by Council in September 2009.

Waste Management

Waste Management Services were reviewed, with a focus on Kerbside collection, Litter collection, Management and Operation of Transfer Stations at Alvie, Apollo Bay and Birregurra, including Bulk Haulage & Landfill at Alvie, and Management of 'Drop Off' Facilities at Gellibrand, Beech Forest, Lavers Hill and Carlisle River.

In an effort to consult as widely as possible, a detailed Community Consultation and Engagement Strategy was approved by Council that involved workshops, focus group meetings and interviews with staff, contractors, community groups and the community at large.

Benchmarking of collection rates for the kerbside and litter collection services was carried out with three neighbouring Councils. It was found that although the other Councils are similar in size, the various types of mobile bins and the different costs included in the collection rates made it difficult to get good direct comparisons with the collection rates applied at Colac Otway Shire. However, as provision of all waste services for the Colac Otway Shire are provided under contract and are subject to an open tendering process, the price paid for the particular service is tested on the open market. The process is extremely competitive and assures the community that it is obtaining the best price for the services as specified.

The Best Value review, through a process that engaged both Councillors and stakeholder groups, resulted in deriving improved services that would be acceptable to the majority of users. Continuous Improvement recommendations form a key component of the review process, with these being incorporated into the next generation of waste management service specifications.

LEGISLATIVE COMPLIANCE

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. Council's Information Policy and Guidelines can be downloaded from our website at

www.colacotway.vic.gov.au/Page/page.asp?Page_Id=1758&h=1

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. One complaint was received during 2008/09 and resolved internally.

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. For further information and access to the FOI Access Request Form, see Council's website

www.colacotway.vic.gov.au/Page/Page.asp?Page_Id=590&h=1

Appeals

Applicants may appeal against a decision made in response to requests for access to documents and amendment of records, or against the cost levied for allowing access to documents. Information about the appropriate process of appeal will be conveyed to the applicant in the initial decision letter. Applicants should consult *Part IV of the Act* for further information about appeal rights.

FOI Applications Recorded

2008/09	22
2007/08	15
2006/07	12
2005/06	9
2004/05	13





Road Management Act 2004

Council, as a road authority, is required under *Section 22 of the Act* to publish a copy or summary of any direction received from the Minister in its annual report. No directions were received from the Minister in 2008/09.

Domestic (Feral and Nuisance) Animals Act 1994

Under *the Act* Council is required to create a Domestic Animal Management Plan and to evaluate its implementation in its annual report. The plan was prepared in accordance with the requirements and responsibilities under the *Domestic (Feral & Nuisance) Animals Act 1994*, *Impounding of Livestock Act 1994*, the Colac Otway Shire Council's General Local Laws and relevant policies and was endorsed by Council on 25 November 2008.

The plan identifies strategies and actions to implement the vision, aims and objectives for animal management and contains recommendations for a wide range of actions to be undertaken by Council in a programmed approach. These actions will enable Council to maintain a balance between the competing interests of animal management and to accommodate new requirements.

The plan addresses topics including Authorised Officer training, promotion of responsible pet ownership including registration, minimisation of dog attacks, operation of the Pound facility and general service delivery throughout the municipality.

Two examples of how the plan has enhanced responsible pet ownership are the increased number of animals that are now micro chipped and the introduction of a lower registration fee for animals that have been de-sexed and micro chipped. It is expected that these strategies will reduce the number of unwanted pets and see a reduction in the euthanasia rate.

The Domestic Animal Management Plan provides Council with a sound basis from which to plan, coordinate and make decisions to meet the present and future needs of the community. The plan will be reviewed prior to November 2010.

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

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 2008/09.



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.

National Competition Policy and Compliance - 2008-2009

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 2008 to 30 June 2009, 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>A. Trade Practices Compliance</p> <p>State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</p>	Compliant
<p>B. Local Laws Compliance</p> <p>State whether the Council is compliant or non-compliant. List any local laws made or remade during 2008-09 which impose a restriction on competition:</p>	Compliant
<p>C. Competitive Neutrality Compliance</p> <p>State whether the Council is compliant or non-compliant for all significant businesses. List any significant businesses that are non-compliant:</p>	Compliant

I certify that:

- a) this statement has been prepared in accordance with the 2008-09 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 2009



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 2008/09 \$109,521 was allocated to fifty-two organisations across the Shire under three categories: Recreation Facilities, Community Projects and COPACC (Colac Otway Performing Arts Centre).

Community support grants and donations

A five year view of the Community Support Grants and Donations indicates Council has provided a total of \$523,896 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 \$673,033 in Major Grants and Donations to support community events and organisations.

Major Grants and Donations made during the 2008/09 year amounted to \$205,969 of the funds provided by Council to support the activities of our community.

COUNCIL MEMBERSHIPS

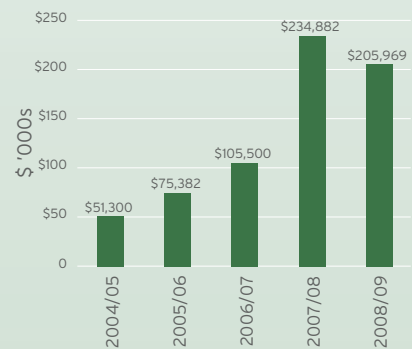
Council is a member in a number of forums including the following key memberships:

Organisation	Amount
Geelong Otway Tourism	\$69,820
G21 - Geelong Regional Alliance	\$36,000
Municipal Association of Victoria	\$24,384
Barwon Regional Waste Management Group	\$11,741
VECCI	\$4,079
Livestock Saleyards Association of Victoria	\$3,140
Timber Towns Victoria	\$2,000
Local Government Professionals	\$1,650
Victorian Association of Performing Arts Centres	\$512
Australian Airports Association	\$385
Total	\$153,711

Community Grants and Donations



Major Grants and Donations



PUBLIC ACCESS TO REGISTERS AND DOCUMENTS

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 2, 6 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 such higher amount as is fixed from time to time) 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*

Council's website www.colacotway.vic.gov.au also offers extensive information ranging from Council meeting agendas and media releases to job vacancies and the minutes of Council meetings.





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):

	2004/05	2005/06	2006/07	2007/08	2008/09
Affordability					
Average rates and charges per assessment	\$907	\$956	\$1,069	\$1,151	\$1,228
Average rates and charges per Residential assessment	\$822	\$878	\$950	\$1,090	\$1,000
Sustainability					
Average liabilities per assessment	\$885	\$818	\$698	\$619	\$695
Operating result per assessment - surplus/(deficit)	(\$161)	\$128	\$71	\$48	\$129
Services					
Average operating expenditure per assessment	\$2,482	\$2,142	\$2,069	\$2,246	\$2,437
Community Satisfaction Survey for overall performance generally of the Council	Index Mean 62	Index Mean 65	Index Mean 63	Index Mean 51	Index Mean 57
Infrastructure					
Average capital expenditure per assessment	\$429	\$626	\$601	\$630	\$564
Renewal Gap					
Current spending on renewal to Asset base consumed during the year	42%	55%	83%	97%	70%
Renewal and Maintenance Gap					
Current spending on renewal plus maintenance to Asset base consumed during the year, plus maintenance	56%	72%	90%*	98%	105%
Governance					
Community Satisfaction Survey for Council's advocacy and community representation on key local issues	Index Mean 64	Index Mean 65	Index Mean 63	Index Mean 54	Index Mean 57
Community Satisfaction Survey for Council's engagement in decision-making on key local issues	Index Mean 61	Index Mean 64	Index Mean 62	Index Mean 45	Index Mean 51

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



Strong Leadership

COUNCIL PLAN OBJECTIVE

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

COUNCIL PLAN COMMITMENTS

★ 2008/2009 Actions completed ▼ 2008/2009 Actions behind schedule ➔ Deferred or delayed beyond 2008/2009

★ Councillors and Council Officers to advocate strongly to other levels of government on issues of importance to the Shire's communities.	<i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
▼ Continue the (Best Value) business planning process of organisational review: <ul style="list-style-type: none"> • 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 	<i>While two of the scheduled services were reviewed two others were deferred to 2009/10. This strategy is ongoing and has been incorporated into the Council Plan 2009-2013.</i>
★ 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.	<i>Strategy completed.</i>
★ Develop, implement and review Council's Volunteer Strategy.	<i>Strategy completed.</i>

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 working in partnership with the community to achieve agreed goals, consulting on key issues, ensuring transparency of the decision-making process and by promoting a service culture that responds to community needs and aspirations.

HIGHLIGHTS

An Organisational Systems and Processes Review commenced at the end the last financial year. The focus this financial year was the capital works/major projects system review and project management. Project Brief documents have been revised and refined to ensure that all foreseeable risk factors are captured and that the financial impacts of a project address both current and ongoing costs.

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 and 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. Sustainable Assets, Capital Works and Waste Management all underwent review this year (*detailed on page 26*).

The highlights of the 2008/2009 financial year are an improved operating position, an increase in the asset base of the Shire and an increase in the level of cash held. These results are also reflected in an improvement in most of the Victorian Auditor General's Financial Indicators. As a result of a major infrastructure project not proceeding during the year, one indicator has moved into a high risk category; however anticipated works in the coming year will see this position reversed.

For further information see Financial Sustainability on page 83.





Encouraging and supporting the growth and development of our youth is taken very seriously and there are a number of programs provided, or administered, by Council that contribute towards fulfilling this aim.



From back left: Tim Smith, Victoria Andres, Ashley Dunn, Jenna Kettle, Tracey Richardson, Taylor Stephens. From front left: Jessica Westlake, Hillary Woodcroft, Brittnee Colbourne, Jake Kennedy.

Photo courtesy of the Colac Herald.

Emma Power.

Photo courtesy of the Geelong Advertiser.



Youth Council

This year's youth councillors have five mentors who will teach them correct meeting procedures and provide a training ground to learn skills and conduct business.

The Youth Council was set up with the objective of promoting and encouraging the involvement of our young people in the planning, development and implementation of matters that directly affect them and as a forum for the Colac Otway Shire Council to consult with and receive advice from regarding youth programs.

The Youth Council meets fortnightly, alternating formal and informal meetings. For further details of Youth Council activities refer to Health, Recreation and Community Services on page 57.

Young Ambassador

This award recognises the achievement by a young person in one or more fields of endeavour and gives encouragement to further pursue excellence in their chosen area. The winner of the 2008 Young Ambassador was Emma Power, who is now studying for a Bachelor of Health Sciences (nutrition and dietetics). Emma says of winning the award:

"It was an amazing feeling to win the Young Ambassador Award. To actually receive recognition from the Shire and community was a real confidence booster and an award which I greatly appreciate and treasure."

In the nearly 20 years that this program has been running, many of the beneficiaries have gone on to be high achievers in their fields of endeavour.

Student Awards

A student from each of the five secondary education facilities in the municipality is selected each year by the school to be the recipient of the \$150 Council funded encouragement award. The winners for 2008 were: Jeremy Veenstra, Tracey Richardson, Lakeisha Harding, Nick Allan and Kim Lawson.

Barnard Trust

The scholarship Trust, set up by Francis Louis Barnard, is administered by Council. The Trust funds six students at \$2,000 a year per student for the duration of their course at a tertiary institution. The scholarship winners for 2008 were:

Wenqiang Yan, Louise Illet, Brittany Williams, Ebonnie Forster, Emma Power and Scott Kenyon.

Customer Service - 'It's in our hands'.

An even stronger focus was placed on Customer Service, with the appointment of a Customer Service Coordinator. During 2009/10 the focus will be to constantly seek to improve the quality and productivity of the processes, products and services we offer our customers, while maximising the opportunities for the involvement of staff in improving the workplace across all Business Units.

Strong Leadership

Advocacy

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.

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

- We collaborated with the Corangamite Catchment Management Authority to begin the process of developing more accurate mapping of landslip prone areas within the whole of the Shire, building on recent work that was focussed in township areas
- We were involved in meetings of the G21 alliance to further objectives relating to settlement, and have begun scoping a joint project that will look at where future growth across the Geelong region should occur
- We participated in workshops with the Future Coasts project by Department of Sustainability and Environment which is modelling the impacts of predicted sea level rise
- We participated in the Great South Coast group of municipalities to pursue issues of regional interest

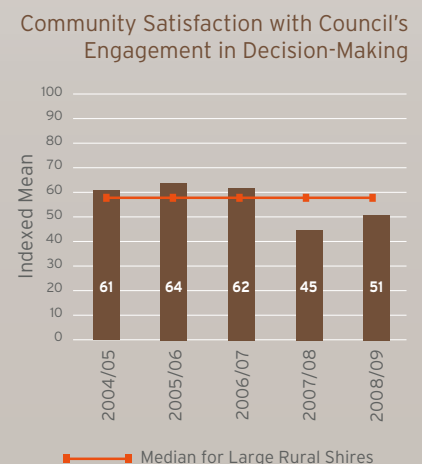
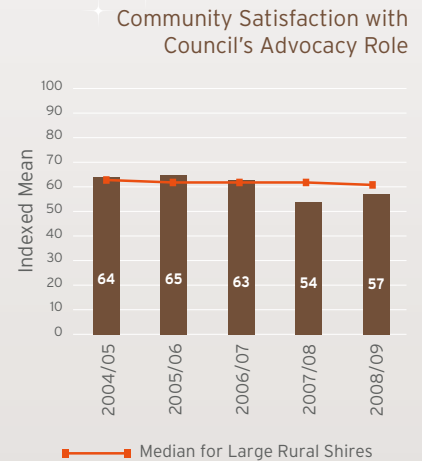
Submissions on behalf of the community were also presented to other bodies including:

- State Government's proposed changes to zones and overlay controls as part of its 'Making Local Policy Stronger' initiative
- State Government's review of the *Planning and Environment Act*
- The Draft Coastal Acid Sulphate Soil Strategy
- Department of Planning and Community Development concerning the inadequacy of current planning requirements relating to tourism accommodation in the coastal hinterland and microbreweries in townships

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.

During the development of the Council Plan 2009-2013 significant information sharing and consultation was undertaken, utilising community forums and surveys, both written and interview. Every effort was made to ensure the community understood the components of the Plan arising from legislation or other tiers of government and to encourage involvement in setting the direction for those components they could influence. A panel of Councillors and Senior Management attended each of the eight community forums held throughout the municipality, with over 132 ratepayers attending. At the same time, the community survey was conducted, resulting in 759 people taking the opportunity to participate and providing 9,000 pieces of information used to guide the strategies and actions of the Council Plan.





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

Environment & Community Safety	<ul style="list-style-type: none"> • Municipal Fire Prevention Plan • Domestic Animal Management Plan 2008
Finance	<ul style="list-style-type: none"> • Budget Process
Governance	<ul style="list-style-type: none"> • Various Council Policies
Health and Community Services	<ul style="list-style-type: none"> • Municipal Public Health Plan • Colac Otway Shire Positive Ageing Strategy Research Paper and Action Plan 2008-2012 • Barwon Region Drug Action Plan 2009-2013
Organisation Support and Development	<ul style="list-style-type: none"> • Best Value Reviews
Planning	<ul style="list-style-type: none"> • Rural Land Strategy • Kennett River, Wye River & Separation Creek Structure Plans • Various Planning Amendments including C29 (Great Ocean Green) and C55 (Beechy Precinct)
Roads and Infrastructure	<ul style="list-style-type: none"> • Special Charge Schemes • Road Management Plan • Installation and Usage of Cattle Grids Policy

Communication

Communication is critical to effective community engagement and consultation. Council uses a range of communication channels including the local media, our website, newsletters, fact sheets and email networks to keep people informed about Council's activities and services.

We are committed to building partnerships with our community to ensure people have the opportunity to take part in decisions that affect them.

Some of the ways Council kept the community informed of our activities, issues, services and events included:

- Regular columns in local papers including a monthly Mayoral opinion piece, a monthly local laws and pets page, a quarterly economic development update and a monthly Council Column with general information about upcoming events, consultation opportunities and more.
- Monthly meetings between the media and Council's Mayor, CEO and public relations team were instigated to build relationships and allow the media improved access to decision-makers.
- Our website, www.colacotway.vic.gov.au, updated on a regular basis with Council news and important documents
- Proactive engagement of the local media involved issuing an average of eight media releases a week, holding regular media briefings and responding to an average of 13 media inquiries a week
- Published regular advertisements in our local papers, community newsletters and on radio about initiatives and activities



Strong Leadership

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 2009 there were 287 staff employed in a variety of permanent full-time, part-time and casual positions.

More than 103 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 2008 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)	5.72
Corporate & Community Services	0.95
Finance and Customer Services	14.74
Recreation, Arts & Culture	21.59
Information Services	8.05
Organisation Support & Development	6.22
Health & Community Services	35.16
Planning & Building	10.90
Economic Development	9.77
Environment & Community Safety	12.93
Infrastructure & Services	1.05
Major Contracts	7.00
Capital Works	2.00
Sustainable Assets	3.00
Cosworks	50.04
TOTALS	189.12

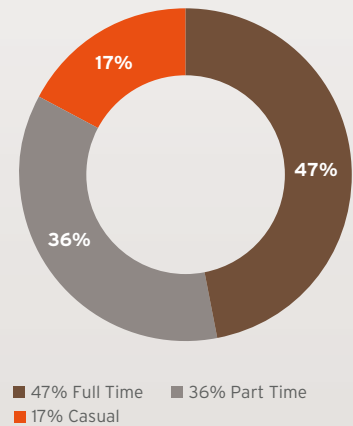
Excludes positions vacant as at 30 June 2009

Highlights

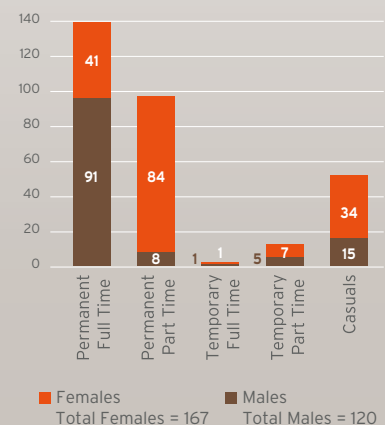
Organisational training and development

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 compliance training. In 2008/09 Council staff participated in training covering Trade Practices Awareness, Performance Management, Health & Safety Representative Training and Health & Safety Refresher Training. In addition, a range of other professional development training was undertaken, which included significant training initiated by Council upgrading to Microsoft Office 2007.

Staff by Employment Status



Staff by Gender and Employment Category





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.

It's pleasing to note that our staff turnover decreased for the first time since 2005/06.

We actively participated in the MAV Rural Council Workforce Planning Working Party, the LG Employment Branding Research Project and with six of the Greater South Coast Councils in an employment marketing campaign in local and national media. Issues around recruitment and retention continue to be addressed through our workforce planning strategies.

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.

Appreciating our staff

Council has an ongoing Reward & Recognition Program. This year special mentions were made of 10 employees with 20, 25 and 40 years of service to our community.
20 Years: Karen Borch, Gwenda Cook, Dawn Mason, David Bautovich, John Farnes and Colin Mawnd Colin Maw

25 Years: Guy Permezel, Greg Anderton and Helen Evans

40 Years: John Neal

Occupational Health & Safety (OH&S)

We are committed to providing a safe and healthy workplace for our staff, contractors, volunteers and visitors. Our OH&S Consultative Committee meets bi-monthly, with all areas of our organisation represented on the committee through designated work groups.

Ongoing OH&S training is an essential element in continuously improving our health and safety performance. In 2008/09 staff participated in a number of training and activities including:

- OH&S Representative 5 Day OH&S course & refresher training
- First Aid training
- Manual Handling training
- Staff Health and Wellbeing activities

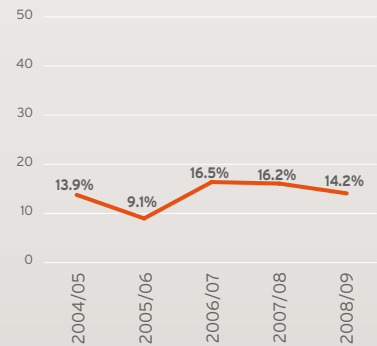
Highlight

A strong performance in injury management and prevention has resulted in a reduction in WorkCover premiums at the close of the 2008/09 financial year.

The Year Ahead

A full review of Council's Risk Management and OH&S policies and procedures.

Annual Staff Turnover



Strong Leadership

ORGANISATIONAL SUPPORT AND DEVELOPMENT

The Organisational Support & Development (OSD) Unit provides a broad range of services that are integrated across all business units within Colac Otway Shire Council. Managing the key areas of Human Resources, Risk and Corporate Support, OSD staff advise, facilitate and support all Council staff to meet corporate objectives in a planned and structured manner that incorporates sound risk management principles and a high level of employee support.

Highlights

Coordinated and participated in the successful development of the new Council Plan 2009-2013, which included extensive strategic research, Councillor workshops, staff consultation and community consultation and forums. A snapshot of the key information resulting from the strategic research has been included as an attachment to the Council Plan.

Council was awarded the Best Annual Report for its 2007/08 report in the Low Resource Category at the Municipal Association of Victoria Annual Report Awards, as well as awards for Best Reporting on the Governance, Performance and Financial Overview sections 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.

An extension of Council's Planning software (interplan®) occurred in early 2009. The system was extended to incorporate a Risk Management module to ensure Council's corporate and operational risks were managed in context with delivery of services. The new system enhancement ensures all risks identified by Council are allocated to a responsible officer who develops appropriate risk treatments and incorporates these into their business planning and reporting functions. The interplan® business planning tool was also upgraded to include a task management module. This enhancement allows Council staff at all levels to have clear business objectives, with these being linked to their personal plans.

Best Value reviews completed in 2008/09. Services undergoing a full review were Sustainable Assets, Capital Works and Waste Management. Continuous Improvement Plans were drawn up for each of the services, with actions for each service forming part of their 2009/10 business plans.

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

A Staff Health & Wellbeing Program was developed and implemented, which included:

- SunSmart/Skin Check session, with 40 staff participating
- Work/Life Balance sessions, attended by 60 staff
- Back Care & Posture sessions, with active participation by 50 staff
- A Healthy Heart Check (Mobile Baker Heart Bus) session, attended by 50 staff
- 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





“Values in Action” Awards were awarded 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.

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 recruitment and selection of 62 position vacancies, processing a total of 530 applications.

Disappointments

- Staff turnover in the OSD Business Unit saw the Unit run with reduced staffing for parts of the financial year, which impacted on the level of services able to be provided

Challenges

- The capacity of the OSD Business Unit to meet organisational demands and expectations with limited resources

The Year Ahead

- Development of new and review of existing OSD policies and procedures
- Development of the Organisational Training Plan
- Ongoing implementation of the Staff Health & Wellbeing Program
- Further develop the use of Council’s business planning and management tools
- Progress the Organisational Systems and Processes Review



Strong Leadership

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

Transition from a physical server technology to the new virtual technology is the most significant hardware activity that has been undertaken. This key infrastructure change has transformed the Council's ICT systems to leading edge.

Replacement of Council's core system was the most significant among a range of software applications that were upgraded or replaced. 2000Plus was replaced with the Civica Authority application. Authority manages all aspects of finance, including payroll. It is also used for the management of human resources, property and rates, planning, building, health and local laws animals, infringements and permit functions. The Health and Services application was upgraded as part of the core system to ensure continued integration.

Other software applications upgraded or replaced:

- The Microsoft Office Suite was upgraded from the 2003 version to the current 2007 version
- The e-mail and calendar system was replaced with Microsoft Exchange using Outlook
- Council's electronic meeting agenda and minutes system was replaced with the Info Council application
- Council's valuation software was upgraded to a Web based application

Council's Wireless Infrastructure was extended to enhance the connectivity of the Pound. This wireless connection links to the Colac Rae Street data centre providing high speed access to Council data.

Finalisation of the new Multi-Function Devices tender has provided Council with a much improved capability. Print, Copy, Scan and Fax capabilities are now available from each machine, proving more effective, efficient and delivering cost benefits.

The GIS Coordinator has played a central role in gaining three separate funding grants exceeding \$150,000 for the implementation of several initiatives on behalf of a range of Local and State Government stakeholders. These grants were predicated on a shared service arrangement (multiple Council or Agency involvement) and provided the required funds to implement the following initiatives:

1. A shared local government Web GIS presence (founding Councils - Colac Otway, Corangamite and Moyne), that provides community access to Council's GIS data. This initiative was launched on 7 August 2009 by the Gayle Tierney MP, Member for Western Province
2. Providing a GIS based Property Inspection system as part of the Council's Fire Prevention plan
3. Natural Disaster Mitigation Plan, which provided the following outcomes:
 - A spatially mapped mosaic of the 1946 Arial photography, which were traditional black and white photographs. The mosaic was used to develop the Landslide mapping database
 - The Wye River terrain modelling, which assisted with the fire break modelling undertaken by the CFA

INFORMATION SERVICES

- \$1,139,499 operating expenditure (\$79 per rateable property)

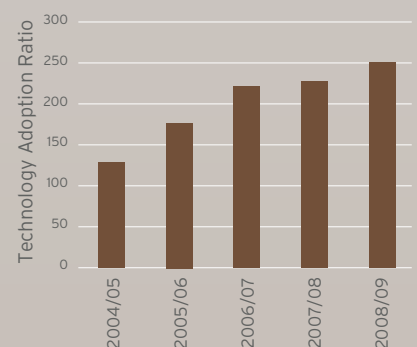
ICT STRATEGIC PLAN

Adoption of the Information Communications and Technology Strategic Plan (ICTSP) in 2007/08 has provided a strategic direction for short, medium and long term actions for Council systems and applications. The plan sets a roadmap for the Council's ICT systems to 2014 and is reviewed annually to ensure changes in technology or requirements are considered.

ICT

- The information system consists of 15 physical servers, 21 virtual servers and 149 workstations located across 12 work sites
- Received 181,067 emails and sent 86,723

Technology Uptake Indicator



Technology uptake is expected to continue to rise.



Disappointments

- The significant additional workload generated in capitalising on the opportunity to replace 2000Plus, our core system, meant that some priority actions were deferred; the key one being the development of Council's Disaster Recovery plan

Challenges

- Implementation of the Authority product, along with the significant range of software upgrades and enhancements that have been undertaken, create challenges for the organisation
- Each year software enhancements require more server capacity and have higher bandwidth demands. Providing remote links with sufficient bandwidth to the outlying Council facilities becomes more challenging each year
- Council has a limited but improving capability in relation to Disaster Recovery, with the identification of an alternate work area being the most significant barrier to developing a realistic DR plan. Council's decision to proceed with the Joint Use Library has provided an opportunity to strengthen our DR capabilities

The Year Ahead

The ICT Strategic Plan identified over 60 initiatives to be considered over the next four to five years, with significant elements to be implemented in the 2009/10 financial year, including:

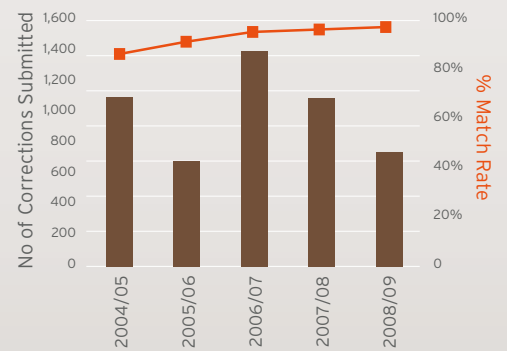
- The development of a Disaster Recovery Plan
- Further development and implementation of the Council's Information Services disaster recovery environment and capabilities
- Developing an Electronic Content Management specification in preparation for the replacement of the Council's electronic document library
- The development of a GIS Strategic Plan
- Managing the Civica Authority system implementation - Phase 2



GIS

- 400 new properties mapped

VicMap Property Accuracy



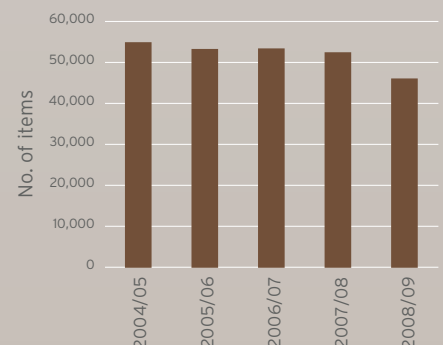
The match rate between Council's property system and the State Government has steadily improved and is now stable above 98%.



DOCUMENT MANAGEMENT SERVICES

- 137,343 items of both inwards and outwards correspondence processed
- Outgoing mail increased by almost 30,000 items
- Disposal of all eligible 2008 documents in accordance with the Public Records Office Disposal Schedule

Inwards Correspondence



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.

COUNCIL PLAN COMMITMENTS

★ 2008/2009 Actions completed ▼ 2008/2009 Actions behind schedule → Deferred or delayed beyond 2008/2009

★ Continue increased funding of infrastructure asset renewal, particularly on rural road resheeting, drainage, timber bridges and footpaths.	<i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Advocate for the upgrade of Turtons Track as a major sealed 2WD Touring route.	<i>Strategy completed - Turtons track has been upgraded.</i>
★ 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.	<i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Advocate for the location of the Geelong By-Pass connection with the Princes Highway to enable a continuous 100kmh speed zone.	<i>Strategy completed.</i>
★ Advocate for the Construction of a dual carriageway Princes Highway from Geelong to Colac and then beyond to the South Australian border.	<i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Advocate for the development of an alternative heavy vehicle route for the City of Colac.	<i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Advocate for the identification of a designated route for the future location of a Colac By-Pass for the Princes Highway.	<i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Implement the Road Safety Plan and Council approved road safety initiatives in partnership with VicRoads and other agencies.	<i>Strategy completed.</i>
★ Advocate for improved infrastructure services - telecommunications.	<i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Investigate the feasibility of a Regional Saleyards complex with other municipalities in the G21 Region.	<i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
▼ Develop and implement the Asset Management Plans and Asset Management System for all infrastructure categories.	<i>Development of Asset Management Plans for stormwater and buildings is progressing; however there is a significant workload to complete these plans and resources were not available during the year to complete the plans. This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Manage our roads consistent with Council's Road Management Plan.	<i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Strategically manage the impacts on Council's local road network giving consideration to emerging industries and changes in transport demands.	<i>Strategy completed.</i>



CAPITAL WORKS

The Capital Works Unit is responsible for the development, management and monitoring of Council's Capital Works Programs, which for the 2008/09 financial year had a budget of \$10.114 million, of which \$9.664 million related to capital asset works and \$450,000 to major operational projects. The Unit is also responsible for project planning, design and delivery of infrastructure related projects within the Capital Works Program.

Also undertaken are the development and facilitation of Special Charge Scheme projects, engineering advice for developments via the town planning process, active participation in Colac RoadSafe, implementation of Council's Road Safety Strategy and provision of general engineering services to both internal and external customers.

Highlights

Development of a Capital Works and Major Projects Prioritisation model that allows for projects to be listed and prioritised in an objective and consistent manner. The prioritisation model allows for the collation of projects that will form the basis of the 10 year Capital Works and Major Projects Program.

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:

- Rehabilitation and asphaltting of sections of Gallop Street, Colac
- Widening of Deepdene Road at Birregurra Forrest Road intersection
- Rehabilitation of bridge on Barham River Road, Apollo Bay
- Slip rehabilitation on Hiders Access and Lardner's Track

Major Upgrade works undertaken on Swan Marsh Irrewillipe Road to provide a fully sealed road pavement to support the growth of local industry, e.g. the peat mine and dairy industry, by enabling improved access to the local road network by B-double transport vehicles. This project was made possible through joint funding received from AusLink, VicRoads and Roads to Recovery.

Road Widening works on Larpent Road provided a full width sealed pavement, improving local road access to the Princes Highway for B-Double transport vehicles. It also significantly improved road safety for all road users by increasing pavement width. This will reduce potential conflict between general road users and higher mass heavy vehicles. The project was delivered through joint funding received from Local Roads to Markets and Roads to Recovery.

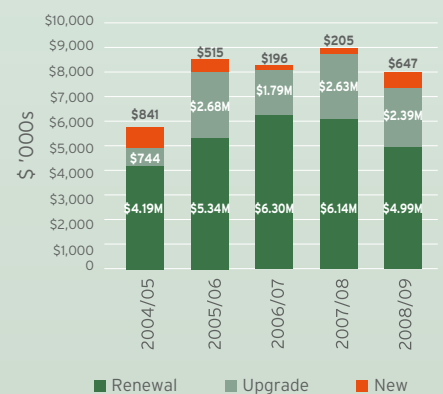
Finalisation of the construction of the unsealed section of Slater Street, and sealing of the unsealed shoulders of Marks Street. These projects were completed as special charge schemes and were a major achievement for the Unit in providing improved road infrastructure for the local community.

Capital Works
Percentage of Capital Works
Completed



The percentage of Capital Works completed is consistent with 2007/08, indicating similar pressures experienced last year also impacted on the delivery of this year's Capital Works Program, including resourcing issues and delays relating to permit processes required to meet legislative requirements.

Capital Works Undertaken



Roads and Infrastructure

Rehabilitation works on Binns Road included gravel resheeting, drainage improvements, slip rehabilitation and reinstatement of sight lines along Binns Road. The works along this road extended from Beech Forest to the Aire River. As well as these improvements, the existing timber bridge across the Aire River was replaced with a new concrete structure. The replacement of the existing bridge and road upgrade supports local industry, particularly the timber industry, as well as providing benefits to other road users through the safety improvements. This project was delivered through funding received from the Better Roads Program.

The review of Council's Road Safety Strategy was completed with a new strategy being adopted by Council. Council's 2009-2012 Road Safety Strategy was jointly developed with Corangamite Shire, allowing for a more robust and aligned strategy that covers the Corangamite Policing district. The strategy is also consistent with VicRoads "Arrive Alive" Strategy 2009-2012.

Disappointments

- Overall, 82% of the projects included in Council's 2008/09 Capital Works Program were completed during the course of the period. This is a relatively good result considering that the implementation of some projects were delayed due to permit and other statutory requirements. The most disappointing aspect of this year's project was the large number of carryover projects due to factors outside Council's control
- The difficulty in recruiting staff to current vacant positions has placed significant pressure on the Capital Works Unit, impacting on the ability to deliver services at a consistently high standard

PROJECT PRIORITY - WHY SELECT ONE PROJECT OVER ANOTHER?

Colac Otway Shire Council is responsible for the provision of civil infrastructure to support the delivery of services to residents and visitors within the Shire, including roads, drainage systems, footpaths, car parks, bridges, traffic facilities, buildings, recreation areas etc.

In order to deliver services, it is important to ensure the required assets or civil infrastructure meets the needs for each service.

Council undertakes capital improvement projects including the renewal of assets, upgrades and in some cases the provision of new assets within the Capital Works Program. Each year the number of projects included for consideration for Council funding is far in excess of the available budget allocated for capital works. As such, it is essential for projects to be prioritised to ensure Council is able to allocate the available funds in the most effective way.

In order to prioritise projects, each project is scored against set criteria. The criteria used to assess projects generally include the following elements:

- **Identified need** - where the project is identified in the Council Plan, strategies or corporate planning documents, or if it is a legislative requirement
- **Cost** - considers the life cycle costs associated with the project giving consideration to future operational costs and maintenance costs
- **External Funding** - looks at whether projects are eligible for external funding (grants)
- **Service Level** - assesses the current and future need for the asset to meet the needs and requirements of the services that it provides
- **Risk** - considers the risks associated with not undertaking the project

By assessing each project with general criteria, it allows an unbiased assessment of a project's priority, enabling Council to allocate the available budget to capital projects that are considered of higher priority or need.





Challenges

- Recruitment of staff to fill current vacancies within the structure will pose a challenge, due mainly to the shortage of professional engineers within the industry
- Improved understanding and incorporation of best practice environmental management for works delivery to ensure all works are carried out in a manner that minimises the environmental impact, as well as ensuring areas of high environmental value are not compromised
- Implementation of improved Project Management practices across the organisation to assist with the delivery of annual projects on time, on budget and to the required standard

The Year Ahead

- Finalisation of the project management system and process for integration across the organisation to ensure that project based risks are managed effectively and are delivered to meet time, cost and quality outcomes
- Further development of the 10-year capital works program, including integration with long term financial planning outcomes
- Development of a project reporting system

SUSTAINABLE ASSETS

Council is responsible for an extensive range of infrastructure assets such as buildings, roads, bridges, parks, recreational facilities and drainage. The replacement value of these assets is estimated at \$317 million and Council currently spends around \$6.3 million per annum as its commitment to funding renewal needs.

Council has adopted Asset Management Plans for a number of key asset types, which provide a formalised approach to asset management and defines the principles and methodology upon which the long-term Capital Works and Major Projects Program is developed. Asset Management Plans will ensure that Council continues to meet its financial and service obligations in the ongoing management and maintenance of its infrastructure assets.

In 2008/09 Council completed renewal works to the value of \$6.3 million, meeting Council's financial target of 80% matched against a projected renewal expenditure requirement of \$6.135 million.

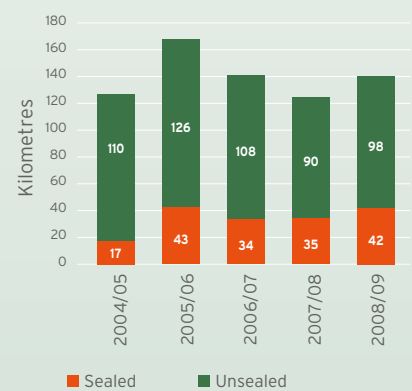
Achievements

Completion of the 2008/09 Building Renewal Program, delivering improved buildings and facilities to the community. Works included painting and repairs to the Irrewarra Aerodrome Office building, major external painting to the COPACC building, and external repairs and painting to the Apollo Bay Visitor Information Centre.

ASSET MAINTENANCE

• 134 bridges maintained

Road Network Renewal Works



The length of renewal works on the road and footpath networks are generally consistent with previous years. These programs are identified through a regime of proactive inspections and prioritised based on risk, level of use, and asset performance.

Repairs to Footpaths



Roads and Infrastructure

ROAD MANAGEMENT PLAN

Completion of other building works included in the Capital Works and Major Projects Program were: upgrades of the existing water meter servicing the Memorial Square, replacement of the roof to the Hesse Street Comfort Station, and installation of a safe roof access system to the Rae Street Administration Building.

The review of Council's Road Management Plan as required by legislation was completed during the course of the year. Council also continued to perform well in delivering on its road management commitments by meeting specific measures for Road Management Plan compliance.

Disappointments

- Protracted development of detailed Asset Management Plans for the key asset areas of Buildings and Stormwater Drainage has meant that Council's processes for the management of these asset types are not documented in detail
- Existing Asset Management Systems need review in conjunction with other corporate systems and processes to improve outputs and increase integration
- The present organisational model for the planning of Council's buildings does not clearly define the roles and responsibilities of those actively involved in the management of this important asset category. On occasions this has led to uncertainty in the delivery of building maintenance

Challenges

- Maintaining a sustainable level of funding to ensure assets/services continue to meet community needs
- Keeping up with latest technology and techniques
- Improving levels of consultation and communication across the organisation and with the community
- Continuing to manage a diverse range of building and community facilities in a environment of increased demand and changing statutory requirements

The Year Ahead

- Continued involvement in the MAV Step Program
- Ongoing development of Council's Asset Management systems, plans, and processes to ensure effective decision making in infrastructure investment and service delivery
- Reviewing and enhancing processes and systems
- Continuing to advocate for increased funding, and investigating and addressing the impacts of cost-shifting

Council's Road Management Plan is written in response to the *Road Management Act 2004* and is intended to establish a management system for public roads for which Council is responsible. Council's road management functions are based on policy and operational objectives that consider the resource limitations faced by Council in inspecting, maintaining, and repairing its road infrastructure.

To carry out effective maintenance across the whole road network on an equitable basis, the Shire is divided into 24 maintenance zones. Each zone is inspected for routine maintenance requirements on a priority basis, with any defects or safety concerns recorded. By regular inspection and programming, maintenance activities are objectively planned to achieve cost and operational efficiencies. These works may include:

- Patching potholes in sealed and gravel roads
- Repairing broken edges of sealed roads
- Unsealed shoulder maintenance
- Vegetation control works including roadside slashing and clearance of overhanging trees
- Replacing and repairing signs
- Repair and replacement of guideposts
- Grading of gravel roads to restore the shape and compactness of the surface

A similar inspection and maintenance system has also been developed and implemented for Council's footpath network.



PORT OF APOLLO BAY

Colac Otway Shire has been 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

Risk Mitigation Projects - Council was successful in gaining Risk Mitigation Funds through DSE under the risk Mitigation Program. The program is aimed at improving public safety, protection of significant assets of high value and addressing of environmental risks associated with port operations. The following three projects were successful in gaining funding support:

Upgrade of Slipway Rails - With the upgrade of the Marina in 2007 there has been an increased use of the slipway facility. Some of the bigger boats using the facility require the rails to be upgraded for safety purposes.

Long Term Dredging Options and Sand Management Study - Council's dredging vessels are becoming outdated and are struggling to fulfil the dredging requirements at the harbour. The proposed study will focus on long term dredging requirements, taking into account the cost effective dredging options, plant upgrade or replacement, options for minimising movement of sand towards harbour entrance etc.

Breakwater Re-armouring Works - The proposed re-armouring works are aimed at strengthening the weak section of breakwater adjoining the Bunbury groyne area. This will minimise the risk of this section failing under strong wave action, safeguarding harbour assets in high tide conditions.

Future Coasts Program - DSE, in consultation with local ports, has embarked upon a number of innovative projects aimed at improving the Coastal Planning Process and flood assessments for assets deemed to be vulnerable. These initiatives include developing a Digital Elevation Model (DEM) that has greater accuracy and resolution, and a flood visualisation tool.

Disappointments

- Additional Capital funding required from Department of Sustainability and Environment (not received) for replacement of ageing infrastructure and assets
- Unexpected high costs associated with marine construction limited the reinforcement of the breakwater wall

Challenges

- Risk Mitigation Projects entail extensive investigation and consultation, prolonging the commencement phase of projects
- The limited number of contractors available for specialist marine work and the travelling distances incurred, including mobilisation of heavy equipment, significantly increases construction costs
- The sand management and dredging works that need to be undertaken in the Apollo Bay harbour will require significant project management due to the complex nature of the processes involved in this project

The Year Ahead

- Ongoing implementation of Safety and Environmental Management Plan (SEMP)
- Prepare design for extension of the slipway facility
- Review of harbour fees and charges
- Continue with public consultation on all major developments at the harbour and matters of interest
- Continue with user induction initiatives
- Continue improvements with harbour signage
- Explore funding opportunity with DSE and other Government bodies



Roads and Infrastructure

CONTRACT MANAGEMENT

Highlights

During 2008/2009, a total of 21 tenders were prepared, 14 contracts were awarded, and 20 major quotations were sought for infrastructure works across a range of project areas including:

Construction and Civil Works

- Bridge Road Bridge design and construction at Aire River, with works completed in March 2009
- Road construction works as a part of the Special Charge Scheme for Pound Road, Colac
- Redevelopment of the Central Reserve Hockey Fields
- Tender prepared and awarded for Aged & Disabilities Food Services (meals on wheels) - Colac
- Tenders invited for construction of the Birregurra Skate Park
- The 2008/2009 annual bituminous sealing contract was completed
- Works were undertaken by quotation for:
 - Footpath construction in Birregurra, Colac, Lavers Hill and Apollo Bay
 - Apollo Bay Information Centre refurbishment, COPACC painting (internal and external) and fit-out and completion of Infrastructure and Services offices
 - Quotes were obtained for the refurbishment of the Swan Marsh Hall

Use of Consultants

- Sealed road condition survey
- Bridge inspections
- Drainage study for Elliminyt
- Completion of a regional trails masterplan
- Completion of a "living at home assessment practice manual"
- Pavement investigation and design report
- Design and marking of bituminous sealing works
- Tenders were prepared and invited for Birregurra and Forrest Structure Plans and a rural living strategy
- Tenders and contracts were arranged for engineering consultancy services
- Tenders for town planning and building services

Major Plant & Equipment

- Tenders were invited and purchase arranged for a backhoe/loader, 4 wheel drive out front mower, three 3 tonne tip-trucks and a five cubic metre capacity tip-truck

Waste Management

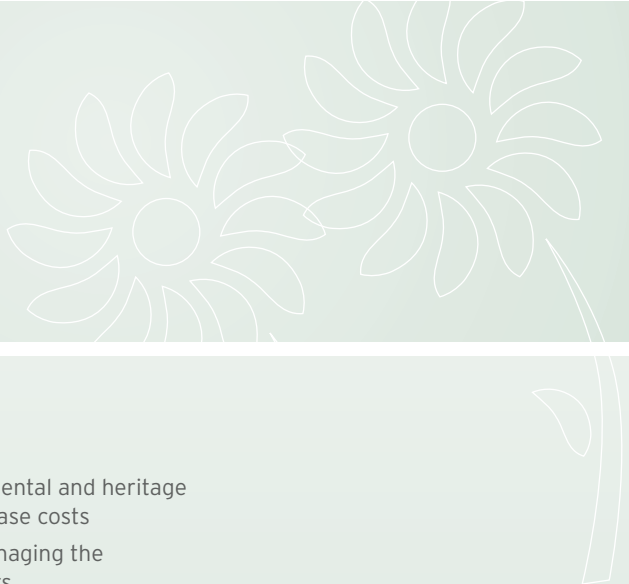
- Tenders invited for Gellibrand landfill rehabilitation works
- Tenders were invited for construction of a waste transfer station at Apollo Bay
- Quotations obtained and works completed for the construction of a mattress recycling shed and weighbridge servicing at Alvie Landfill
- Council's major waste and recycling contracts were extended for an additional twelve months to September 2010, with necessary Ministerial approval

Service Contracts

- Supply and service of Council's Multi-Function Devices (photocopiers/printers) was awarded for a period of five years
- Property maintenance services tender for the frail, aged and disabled continued
- Cleaning services for municipal buildings and public conveniences continued, with one year remaining on this contract
- Property valuation services contract continued, providing necessary rating information

Binns Road bridge under construction at Aire River





Challenges

- The growing requirements for project approval and environmental and heritage factors prolongs the preparation of the project and can increase costs
- Explore online tendering options for greater efficiency in managing the tendering process and to increase accessibility for contractors
- Increasing contractors' awareness of Council's risk management and occupational health and safety requirements so that Council's exposure to public liability is minimised

The Year Ahead

- Improvements to tendering process and documentation
- Continued implementation of Occupational Health & Safety, and Risk Management policies to ensure a hazard-free work environment
- Completion of a number of projects including:
 - Birregurra Skate Park construction
 - Apollo Bay Transfer Station construction
 - Alvie Recreation Reserve development
 - Eastern Reserve netball court redevelopment

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 raised by 10% due to farmers clearing stock and improved weather conditions compared with the previous year.

Installation of front gates to improve security and increase safety at the facility. This involved the construction of an automatic gate with a key card register, monitoring system and camera surveillance system, which will ensure that the facility can have 24 hour monitoring of activities on-site.

Timbers were replaced in 30 holding pens as part of the programmed works to maintain the facility in top working order.

Challenges

- Council will face considerable challenges at the Livestock Selling Complex in the years ahead as the continuing drought causes cattle producers to destock, which will have an adverse effect in the short term future

The Year Ahead

- Investigate overhead walkways to separate cattle from buyers
- Investigate the effectiveness of anaerobic dams for compliance with Barwon Water
- The replacement of a major air compressor is required to improve efficiency of the selling ring area

LIVESTOCK SELLING CENTRE

- \$459,182 operating expenditure





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.

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

COUNCIL PLAN COMMITMENTS

- ★ 2008/2009 Actions completed
- ▼ 2008/2009 Actions behind schedule
- ➔ Deferred or delayed beyond 2008/2009
- Council resolution not to continue

★ 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.	<i>Strategy completed. Gazetted by the State Government in June 2009.</i>
● Prepare a Developer Contributions Plan which will facilitate developer contributions towards the provision of social and physical infrastructure.	<i>Stages 1 & 2 of this program have been completed with Council resolving in November 2007 not to proceed with the development of the Plan until a comprehensive capital works program is in place.</i>
★ Develop and implement a Sustainability Action Plan for the organisation and the Community.	<i>Strategy completed.</i>
★ 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.	<i>Strategy completed. Colac Structure Plan completed and adopted by Council in February 2007.</i>
★ Continue the development of the Colac Botanic Gardens.	<i>Strategy completed.</i>
● Improve the Eastern Entrance to Colac.	<i>This project was proposed to be undertaken through the Community Planning Project. This was due to the need for clarification of community requirements, the need to establish a process for effective implementation and resolution of the significant funding issues involved. Council resolved in December 2008 not to proceed with a Community Plan and the Colac Eastern Entrance project is not included in the Council Plan 2009-2013.</i>
★ 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.	<i>Strategy completed. Apollo Bay Structure Plan completed and adopted by Council in April 2007.</i>



<p>★ 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.</p>	<p><i>Strategy completed. 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 revised in February 2009. Authorisation has been sought from State Government to exhibit a planning scheme amendment.</i></p>
<p>★ 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.</p>	<p><i>Strategy completed. The Rural Land Strategy was adopted by Council in September 2007, and its outcomes have been incorporated into the Planning Scheme Review by Amendment C55 in June 2009.</i></p>
<p>★ 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.</p>	<p><i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013</i></p>
<p>★ 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.</p>	<p><i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013. Master Plan adopted in October 2008 and confirmed again early in 2009. Officers working with State Government to seek external funding for the next steps which will include further site investigations and a planning scheme amendment.</i></p>
<p>● 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.</p>	<p><i>Council resolved in December 2008 not to proceed with a Community Plan.</i></p>
<p>▼ Prepare Structure Plans that provide long-term vision and planning and development framework for the townships of Birregurra and Forrest.</p>	<p><i>These Structure Plans did not commence until May 2009 due to difficulties recruiting for strategic planning staff. The projects will not be completed until 2010. This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i></p>



Planning and Development

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.

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 was adopted by Council in October 2008, coming into effect in June 2009. It introduced a new Municipal Strategic Statement (i.e. local policies) and changes to zones and overlays. Specifically, it implemented the Colac and Apollo Bay Structure Plans and Rural Land Strategy. It will further streamline and significantly improve the effectiveness of the Colac Otway Planning Scheme.

Commencement of Colac and Apollo Bay Car Parking Study. A Car Parking Study for the commercial areas of Colac and Apollo Bay commenced in January 2009 with parking surveys and an assessment of future retail floor space demand for the centres. The Study will examine parking rates applied under the Planning Scheme as well as management and location of parking areas.

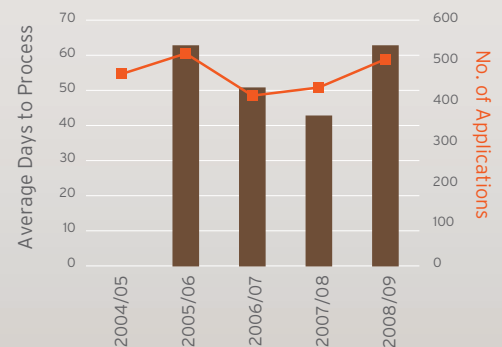
Amendment C12 Revision of Flooding Controls. Amendment C12 was exhibited in October 2008 to update existing flood mapping in the Planning Scheme, and to introduce exemptions for some minor building works. Council considered submissions to the amendment in June 2009 and resolved to forward them to a Panel for consideration.

Updates to Erosion Management Overlay Mapping. Officers have worked with stakeholders to implement more up to date maps of landslide susceptibility in areas where there is urban development in the Shire. The Corangamite Catchment Management Authority have provided maps with greater accuracy for places such as Colac South, Forrest, Birregurra and Apollo Bay, which will reduce permit requirements in those areas. Amendments have been drafted to amend the Planning Scheme maps and alter the schedule to the Erosion Management Overlay. The amendments will proceed in 2009/10.

PLANNING

- \$1,194,987 net expenditure
- 506 applications received
- 12 appeals to VCAT
- Average of 63 days to process planning applications

Processing of Planning Applications



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



Statutory Planning

Consideration of Sea Level Rise in Decision Making. The revised Victorian Coastal Strategy 2008 included a new requirement that planning decisions take into account an expected 0.8 m rise in sea level associated with climate change. Coastal Vulnerability Assessments are required to be undertaken where it is considered there may be a risk to development from sea level rise. Council had already taken this approach to development around Apollo Bay and the changes are consistent with the current practice. Officers are working with the State Government 'Future Coasts' project team, which is modelling sea level rise to ensure that appropriate statutory mechanisms are introduced to reflect this risk.

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 2008/09 the average time frame for planning application decisions varied, being higher late in 2008 due to difficulties replacing staff, but reducing early in 2009 to an average of 63 days for the year.

Increased focus on Planning Enforcement. Council engaged a Planning Enforcement Officer late in 2008, resulting in increased capacity to respond to illegal activities such as non-compliance with planning permit conditions, buildings without a planning permit and unauthorised native vegetation clearance. There has been a significant increase in identification and resolution of these activities, as well as a proactive program of monitoring implementation of planning permits that are issued.

Development of stable Planning team. It has been difficult recruiting for planners over a number of years due to competition in the market place and scarcity of planners, however significant progress was made in 2008/09 to attract experienced staff and to fill most vacant positions. This has allowed a greater degree of consistency in advice and decision making as well as improved customer response.

Disappointments

- There was some increase in planning permit processing times late in 2008 due to difficulties recruiting to fill several vacancies, which had some impact on customer service levels
- The global financial crisis increased pressure on the Planning Department to approve applications expeditiously
- The poor quality of planning permit applications and high rate of requests for further information unnecessarily prolonged the planning process
- State Government changes to native vegetation controls relating to roadsides were introduced with little consultation or advance notice late in 2008, resulting in extensive planning permits being required, adding significant burden to planners' workloads
- There were delays to commencement of the Rural Living Strategy, Birregurra and Forrest Structure Plans and Colac and Apollo Bay Car Parking Strategy due to difficulty recruiting for strategic planning staff vacancies



Planning and Development

Challenges

- Reach agreement with DSE to achieve exemptions from permit requirements for roadside vegetation maintenance and streamline maintenance and planning processes
- Better educate stakeholders and work with the development industry in regard to planning requirements and processes, including improvements to access to information
- Improve the quality of planning permit applications to reduce the overall processing time of applications
- Retain experienced staff and fill remaining staff vacancies
- Respond to changes in planning controls in coastal and hinterland areas arising from the Bushfire Royal Commission process
- Appropriately consider the potential impacts of sea level rise and coastal acid sulphate soils on development proposals in an environment where there is limited information available

The Year Ahead

- Undertake the next Four Year Planning Scheme Review
- Exhibition of an amendment to implement the Kennett River, Wye River & Separation Creek Structure Plans
- Undertake a Rural Living Strategy
- Prepare structure plans for Birregurra and Forrest
- Complete the Colac and Apollo Bay Car Parking Study
- Complete amendments updating provisions relating to landslip and flooding
- Continue to upgrade procedures and finalise process mapping
- Work with the State Government "Future Coasts" project team to develop policy responses and statutory controls for areas vulnerable to sea level rise in the Shire



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 29 days, down from 39 in 2006/07
- Proactive monitoring of compliance with swimming pool fencing standards instigated that more closely meets Council's legislative obligations
- *Essential Safety Act* inspections commenced with completion of Council owned buildings
- A new fee was introduced for resolving illegal buildings, providing a disincentive for non-compliance with building requirements
- Significant increase in the level of enforcement of illegal buildings including higher numbers of Building Notices and Orders, with a high degree of coordination with Planning enforcement

Disappointments

- Despite a significant increase in monitoring of essential safety and swimming pool fencing requirements, there is still a significant backlog of inspections to be undertaken to meet Council's legislative obligations
- There continues to be a high occurrence of illegal buildings/structures
- The number of building permit applications has dropped due to competition with private building surveyors and the global financial crisis, and thus the income received has reduced

Challenges

- Adjustment to changes that have arisen to the Building Code since the 2009 Victorian Bushfires, which has increased the level of assessment concerning fire risk
- Continue to be responsive to complaints about safety issues and illegal structures and resolve long standing instances of non-compliance
- Continue to develop a systematic approach to essential safety measures and swimming pool fencing inspections that increases the level of compliance in priority areas according to relative risk
- Proactively educate the community about the need for compliance with building regulations

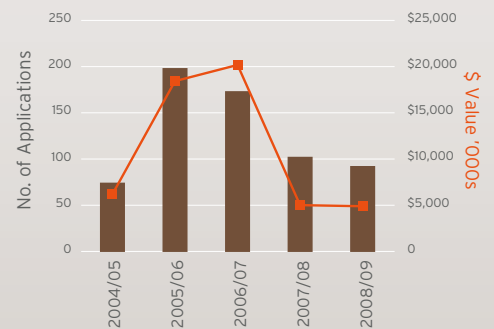
The Year Ahead

- Finalise a review of the building service to ensure that regulatory requirements are being appropriately resourced
- Increase the number of inspections relating to essential safety measures in the private sector, including education and awareness raising of land owner obligations
- Complete an audit of swimming pools in the Shire to ensure that fencing requirements are monitored in the annual program

BUILDING

- \$142,373 net expenditure (Council applications)
- 93 applications received (Council applications)

Building Applications





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.

COUNCIL PLAN COMMITMENTS

- ★ 2008/2009 Actions completed
- ▼ 2008/2009 Actions behind schedule
- ➔ Deferred or delayed beyond 2008/2009
- Council resolution not to proceed

● Advocate for the development of a Hydrotherapy Pool located at the Bluewater Fitness Centre.	<i>Council considered a number of options regarding warm water exercise facilities and determined to take no further action in 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.</i>
★ Coordinate, implement and support youth initiatives across the Shire.	<i>The Colac Otway Youth Council and the FReeZA Committee provide opportunities for youth to be involved in the development of a range of activities. The FReeZA Committee specifically provide several music related events within the Shire over the year. This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Ensure that Health and Wellbeing programs are available and accessible to all residents.	<i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Continue to support strong integration between the Colac Otway Shire and Health Services within the Shire.	<i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Assess the impact and demand implications of an ageing population.	<i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Develop a sustainable approach for our sporting grounds.	<i>Council's Regional Recreation Reserves Contribution Scheme provides financial support to the Committees of Management of the eleven regional reserves acknowledging the volunteer support provided. These funds have resulted in significant works that otherwise would have taken longer to achieve. This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Continue the renewal of Council's Playground Program.	<i>The accessible pathway from the car park to the Liberty Swing at the Botanic Gardens has been completed. The redeveloped Barwon Downs Playground provides various pieces of playground equipment in close proximity to the tennis courts. This playground redevelopment was completed in partnership with the Barwon Downs Progress Association and the local community. This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Implement the signage recommendations from the Colac Municipal Precinct Signage Access report.	<i>Strategy completed.</i>
★ Review and implement the recommendations of the Colac Otway Shire Arts and Culture Strategy.	<i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Develop, implement and review Council's Festival and Events Strategy.	<i>Active participation in trial CFA/DSE Guidelines associated with a Wildfire Risk Management approach to events. This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Investigate strategies to fund and develop Central Reserve and Bluewater Fitness Centre Precinct.	<i>The numerous user groups of the Central Reserve have contributed to the development of the Central Reserve Master Plan, which will assist to steer the future directions of the Reserve, particularly for facility improvements. Draft plans for the proposed Bluewater Fitness Centre Stadium redevelopment have been developed through consultation with the Centre user groups. Funding considerations are currently being reviewed for implementation of these design recommendations. This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>



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.

Highlights

Recreation

Regional Trails Master Plan Project, involving eight other surrounding local governments and seven State Government departments, has identified the regional iconic trails. Stretching from Queenscliff to the South Australian boarder the regions trails have been considered together with future possible trail opportunities. This Master Plan will assist the regions land managers in the future development, maintenance and management of trails. The Barwon South West Regional Trails Master Plan has been nominated for a Parks Leisure Australia Planning Award.

Facility Improvements. Securing State Government funding is always competitive particularly in light of the bushfires and the economic climate; however Colac Otway Shire's Recreation Unit has secured significant State Government funding to undertake community recreation facility improvements across the Shire. Alvie Recreation Reserve Facility redevelopment, Eastern Reserve Netball Court development, Lake Colac Oval Improvement, Birregurra Bowling Club Synthetic Surface installation and Forrest Netball Court Redevelopment projects will be completed over the coming year.

The Central Reserve Hockey Fields have been redeveloped resulting in an improved level surface, new irrigation and drainage. These multi-purpose fields will now have the capacity to cater for a range of sports.

Three cricket wickets have undergone significant improvements works in accordance with the Colac Otway Cricket Strategy. Warrion, Colac Eastern and Central Reserve Colac have all been levelled and relayed. These works were funded by the Colac Otway Shire in partnership with the Colac and District Cricket Association.

Partnership with Leisure Networks. The partnership opportunity between Council and Leisure Networks provides a consistent and face to face mechanism to train and develop community recreation groups and encourage the sharing of best practice. Over the last 12 month period, Council in partnership with Leisure Networks has conducted a series of workshops for sports and recreation groups within the Colac Otway Shire covering such topics as funding and grant writing, liquor licensing, working with children's checks and club promotion.

Old Beechy Rail Trail. An action plan has been developed for the Old Beechy Rail Trail for the coming five years including, but not limited to:

- Trail maintenance and management
- Trail (and associated infrastructure) capital development
- Marketing: Access and programmed use (e.g. events and community activities)
- Possible expansion/development opportunities
- Risk Management

RECREATION

- \$850,557 net expenditure (\$59 per rateable property)
- The concrete slab for the Joint Use Library in Queen Street Colac has been poured and the facility is expected to be operational in July 2010

Redevelopment of the Hockey Fields at Central Reserve, Colac



Health Recreation and Community Services

Recreation Week was held in November for one week with a large number of Clubs being involved. Community members were offered the opportunity to *Come 'n' Try* activities, which were free of charge. Due to the success of this event it may be run again next year.

Playgrounds are busy, important spaces throughout the Shire. The Barwon Downs community now have a very impressive playground offering a range of activities for all ages. This playground is located in close proximity to the Barwon Downs Tennis Courts within the main township park and is shaded by nearby established trees.

The Beech Forrest Community is also home to a new playground installed in January 2009, providing local children and families stopping in this historic township for a break with an opportunity to use this new facility, whilst enjoying the local park and surrounds.

The Birregurra Playground is to be redeveloped in 2009/2010 and this will commence with community consultation. The playground is located within the township park, which is used on a regular basis for the Community Markets and the annual Birregurra Festival.

Ongoing maintenance and inspections of all the playgrounds within the Shire continue on a regular basis. All of the playgrounds within the Shire are independently inspected twice yearly to consider all safety and risk aspects of the equipment provided. These inspections also include the three skate parks within the Shire located at Colac, Apollo Bay and Forrest.

The Bluewater Fitness Centre continues to be a hive of activity by all ages and abilities. The gym offers the latest in fitness training equipment and this is matched with the dedicated, qualified staff who develop tailored programs for individual needs.

The Stadium at Bluewater Fitness Centre is heavily used for seasonal sport and school physical education purposes. Further to funding secured from the Federal Government in late 2008, various stadium improvement works have been undertaken. Roof repairs, development of a small program/meeting room, new air handling in the program rooms and foyer, improvements to the corridor and viewing to the squash courts have all been possible through this funding. These works will provide further comfort for users and visitors of the Centre and offer additional space for health and wellbeing programs.

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.

'It's great to see money well spent that will improve the centre. It is a valuable asset to the community'.

Alan Tanis, Colac

BLUEWATER FITNESS CENTRE

- \$736,543 net expenditure (\$51 per rateable property)
- 795 memberships sold, with 34,189 member visits
- 11,655 attended the Learn to Swim program

Centre Attendances



Data unavailable in these categories prior to 2006/07





ARTS AND CULTURE

The Colac Otway Performing Arts and Cultural Centre (COPACC) subscription season sell-outs were recorded for *Menopause the Musical*, one performance of *Milli, Jack and the Dancing Cat*, a children's theatre production, two performances of *Check Out!* for early primary school children, the *Melbourne Comedy Festival Roadshow*, and a school's performance by the *Australian Army Band Melbourne*.

COPACC presented a total of 24 shows in its Colac Herald Subscription Season, MixxFM Comedy Season, and The Echo Morning Music Season, with 5,152 people attending these performances.

COPACC presented its first Outreach Programme in July 2008 - a comedy *The First Step on a Tram is Hell*, presented in conjunction with the not-for-profit Otway Hinterland Events at Lavers Hill Hall. More than 80 people attended the performance, which will help fund more performances in the Otways.

More than 2,000 people attended the *Footsteps from the Roof of the World* six day residency at COPACC, which featured five Tibetan monks leading chanted meditations, giving talks about their ancient culture and traditions. The monks created an intricate sand mandala over six days. More than 650 children attended educational workshops during the cultural exhibition.

Colac Otway Shire has made significant investments in the upgrading of the Civic Hall which has been refurbished and now features professional theatre lighting, which will assist with the presentation of COPACC shows and attract more business. A cinema screen has also been purchased for the Civic Hall.

COPACC has increased its number of regular hirers during the past financial year, with a catering company, an education institution and two dance schools all hiring the venue at least weekly.



COPACC

- \$355,525 net expenditure (\$25 per rateable property)
- 1,049 events were held at COPACC attracting in excess of 39,000 people
- 2008/09 has been a record year for income generated from meetings and conferences.
- 12 exhibitions conducted in the COPACC foyer over 2008/2009

"Absolutely fascinating and informative. Thank you for giving us the opportunity to learn of Tibet." - **Lois**

"Thank you for showing us such beauty and peace, and other culture" - **Janine**

"Amazingly peaceful and friendly, thank you so much." - **Sue**

"Very interesting, the beauty, the detail, the aura of peace." - **Anne**

Intricately designed Sand Mandala



Ceremony to dissolve the Sand Mandala



Health Recreation and Community Services

SIGNIFICANT PARTNERS

The State Government, through the Department of Planning and Community Development, have provided much support to the Recreation, Arts and Culture Unit through funding to undertake facility improvements and developments, program support to deliver FReeZA and to review library services in Colac.

COPACC has strong partnerships with the Colac Otway Shire corporate community, evidenced by strong sponsorship. The Centre's major sponsors are the Colac Herald, MixxFM, Corangamite Catchment Management Authority and the Echo.

COPACC has also partnered with Arts Victoria in the *Test Drive the Arts* program, which is a proven audience-building model that has been offered in the UK, New Zealand and throughout Australia. This program allows people who haven't attended a live performance in the past three years to apply for free tickets to a performance with one of 26 companies or venues across Victoria, including COPACC.

COPACC is also in the second year of a three year Local Partnerships Memorandum of Understanding, which includes funding to boost the performing arts program.

Youth in the Colac Otway Shire benefit through the ongoing partnership between Council and the Department of Planning and Community Development resulting in the delivery of the FReeZA program.

"What I enjoy most about FReeZA are the opportunities it provides. I want to work in the music industry in the future, and this is a great step to reaching that goal. Being able to work with bands and on a festival are experiences I would not have been able to do if it weren't for FReeZA."

- Chloe, FReeZA Committee Member 2009

"Events - Make them your Business!" This project was approved by Rural Councils Victoria and is an initiative of the Small Towns Victoria Program funded by Regional Development Victoria. The program is coordinated by the Municipal Association of Victoria (MAV) and aims broadly to address the issues facing small rural communities in Victoria.

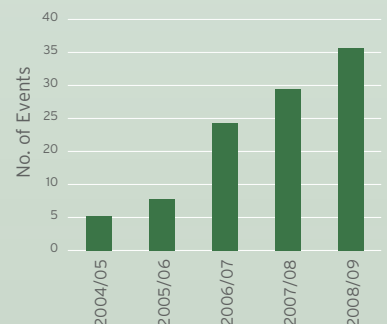
The project specifically aims to equip business and community groups with information and skills to maximise the impact of events, including the economic, marketing, promotional and public relation advantages that they afford. It will target the townships of Colac, Birregurra, Forrest and Apollo Bay.

Australia Day 2009. The annual Australia Day event moved from Colac and Apollo Bay to the locality of Forrest. A traditional Australia Day was conducted with the inclusion of local indigenous visitors and children's games such as egg and spoon races. Australia Day 2010 will be held in Birregurra.

EVENTS

- \$189,719 net expenditure (\$13 per rateable property)
- 4 FReeZA events delivered, with attendances of 1,228

Events Undergoing the Risk Management Process





Apollo Bay Music Festival 2009. Music lovers from far and wide converged on township of Apollo Bay to celebrate the annual Apollo Bay Music festival. This event brings together an eclectic mix of musicians from the south west of Victoria, interstate journeymen and women, nationally-known music icons and a spicy mix of international visitors.

Otway Odyssey 2009. 1,750 riders competed over the 10 km, 50km and 15km courses. The 100km marathon course starts in Apollo Bay on the Great Ocean Road, heads up into the Otways and over a large portion of the Forrest mountain bike trail network. This event has grown in stature and reputation and is full of epic tales, mechanical mishaps and satisfied mountain bike riders.

Colac Otway Youth Council continues to provide the youth of Colac Otway Shire with a voice with the current civic leaders. Since induction in March the Colac Otway Shire Youth Council have marched in the Anzac Day Service and placed a wreath at the Colac Shrine. The Youth Councillors have participated in various community service activities including serving morning tea at Morning Music at COPACC and attended Mercy Aged Care for an afternoon of games and conversation with elderly residents. The significant project for the Youth Council planned for 2009/10 is the painting of the Colac Skate Park.

The Primary School Leadership Talks, South West Local Learning Education Network Careers Day, FReeZA Battle of the Band and Regional Final are other activities that the Colac Otway Youth Council will be involved in over the remainder of 2009.

Disappointments

- Staff recruitment continues to be a challenge particularly for Bluewater Fitness Centre regardless of the provision of training and development support
- Learn to Swim enrolments are down on previous years
- The average show attendance figures have fallen slightly for COPACC presented shows. This has been attributed to the global economic crisis which has impacted on discretionary spending
- The number of commercial operators hiring COPACC to present touring productions has fallen marginally in 2008/09, largely due to the economic downturn
- With the raging summer bushfires during the Summer of 2009, some events were affected by reduced visitor numbers and new challenges facing event organisers

Challenges

- One of the major challenges for COPACC is to maintain and grow its market share in terms of performing arts audiences
- COPACC is beginning work on the delivery of a new business plan, intended to consolidate its existing client base and to grow the business particularly in the regional business events market
- Planning for community Events acknowledging risks associated with fire and extreme heat will result in the development of new procedures focussing on increased safety for attendees, participants and event organisers
- Improved Event Applications process to streamline the requirements for event organisers and service clubs to deliver compliant, effective community events
- Recruiting new FReeZA committee members for 2009/10 given an anticipated departure of current members who are currently completing Year 12

"Youth Council gives you the opportunity to talk to people in the community. It gives you chances you never thought you had and broadens your horizons. You have a sense of fulfilment and pride when you know you've made a difference, and Youth Council gives you that."

- Hillary Woodcroft

"Since being on Youth Council I have had a chance to help the community."

- Tim Smith

"Being on Youth Council has been a great opportunity. It has helped me in a leadership role and it is good being able to help the community."

- Vicki Andres

"My years as a Youth Councillor have been the best I'll ever experience with a constant opportunity for growth and a strong sense of belonging."

- Jenna Kettle

Health Recreation and Community Services

The Year Ahead

It is with much excitement that we will watch the development of the Joint Use Library located off Queen Street, Colac. This facility is proposed to be operational by July 2010 and will provide a range of community, recreation and educational programs and services.

Recreation

The year ahead will result in significant facility improvements including:

- Redevelopment of the Alvie Recreation Reserve Clubrooms and Netball Courts
- A new netball court, shelter and training lighting at the Forrest Recreation Reserve
- The installation of a synthetic surface for the Birregurra Bowling Club
- A drought tolerant surface including new irrigation for the Lake Colac Oval
- New netball courts and lighting at Eastern Reserve

These projects are being undertaken in partnership between State Government, Council and the respective Clubs and Associations. The respective Clubs are to be congratulated on their financial and volunteer contributions to these projects.

Further strategic planning will be undertaken in relation to soccer facilities across the region, cycling and facility design for both Central Reserve and the Bluewater Fitness Centre stadium. This planning will be undertaken in consultation with the relevant stakeholders.

Bluewater Fitness Centre

- Over the coming year the focus will primarily be on the design development for the proposed redevelopment of the Stadium, which will improve the facility to address growing demands on indoor sport
- Reviews of the health and fitness programs at the Centre will continue. These reviews assist with the development of new programs, ensuring a broad range of options are on offer for all ages, abilities and interests

Arts

- Explore the development of an Art in Public Spaces policy

COPACC

- Secure more funding from State and Federal Government grant programs to assist in the delivery of COPACC programs
- Develop a diverse performing arts program to encourage greater participation by both residents and visitors

Events

- Collaboration between the Events Unit and COPACC will result in the presentation of exciting and new events in 2009/10. New events will be sponsored for the first time through the Festival and Events Support Scheme such as The Heritage Festival, World Refugee Day and Colac Country Music Festival
- In collaboration with key agencies and event organisers, develop a Heat Policy and medical planning to support communities when conducting events
- In collaboration with Surf Coast Shire and the City of Greater Geelong, participate in the CFA and DSE Trial Guidelines for Wildfire Risk Management for community events

Mayor Brian Crook (left) and Richard Cooper (right), Principal of Colac Secondary School at the pouring of the slab for the Joint Use Library





AGED & DISABILITY SERVICES

Council's Aged & Disability Services Unit provides assessment, care management, maintenance and support services for frail older people, younger people with moderate to severe disabilities, and their carers. The primary focus of the Aged & Disability Services Unit is to support people at home and to prevent premature or inappropriate admission to residential care. The program and its services enable people with moderate to high level care needs to remain living independently at home and in the community.

Highlights

Barwon South Western Region HACC Assessment Manual. Council's Aged & Disability Services Coordinator oversaw the development of a regional HACC Assessment Manual to meet the future requirements of the HACC Assessment Services agencies operating within the Barwon South Western Region. An alliance of agency members was formed to provide an equitable and consistent approach to achieving best practice for assessing clients. Alliance members included the City of Greater Geelong, Colac Otway Shire, Surf Coast Shire, Borough of Queenscliffe, Moyne Shire, Southern Grampians Shire, Glenelg Shire Corangamite Shire, Warrnambool City Council, Barwon Health, Bellarine Community Health Inc, Otway Health & Community Services and Timboon & District Healthcare Services.

The monthly 'Out & About' tours continue to be well utilised and are generally oversubscribed. Each month there are a number of new faces that join a regular group. The tours operate within a two hour distance from Colac, with lunch included at the destination. All trips are accompanied by a staff member to support every need of the travellers.

The Seniors Festival week was extended for an extra week to encompass the number of activities that were available to the seniors through Colac Otway Shire. Some of the highlights were a meal provided by the Apollo Bay RSL staff, an evening Harness Racing meeting in Ballarat and a tour of the MCG. All were great successes, with over 400 seniors participating in activities. Congratulations and thank you to all the staff who make this week a wonderful experience each year.

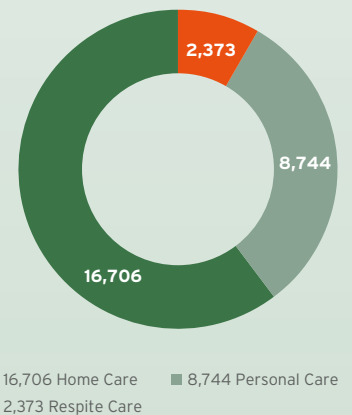
Draft sketch plans have been developed for an office, storage facilities and a new toilet block at the Kanyana Centre. A local architect has been engaged to develop working drawings after consulting with members from the Kanyana Seniors, U3A and The Meeting Place to make sure that all ideas are included. The court yard at the rear of the centre has been cleared and ready for an upgrade. These activities follow the installation of a new kitchen last year.

Training for assessment and community care staff has been very active. Eight community care workers have completed Certificate IV in Aged Care and Disabilities, two staff have completed their Service Coordination Certificate IV and the Coordinator and two Service Delivery Team Officers completed 6 modules towards their Diploma in Community Welfare Work specific to HACC Assessments. Other training courses staff undertook included Acquired Brain Injury, First Aid Level 2 and CPR updates. A number of day courses, which were well attended, were instigated by the Home & Community Care Training Advisory Committee (HACCTAC).

AGED & DISABILITY SERVICES

- \$136,575 net expenditure (\$10 per rateable property)
- 4,668 community transports provided
- 1,217 hours of home maintenance provided

Hours of Aged Care Support



Meals on Wheels Delivered



Health Recreation and Community Services

The community transport car continues to be in demand. Medical treatment and appointments in Geelong and Melbourne continue to be well used. The community car also transports rural clients into Colac for medical appointments, rehabilitation programs and dialysis. The community bus has a busy schedule during the working week as it transports people to the Colac Area Health Day Activity program, centre based meals, well-being programs and for three evenings a week it is used to support The Meeting Place with activities and the transport of people to and from home.

Disappointments

- Unsuccessful in obtaining additional Commonwealth Community Aged Care Packages to assist in providing services for people with complex and high level needs
- Unable to re-establish an admission and discharge coordination process with Colac Area Health's acute services.

Challenges

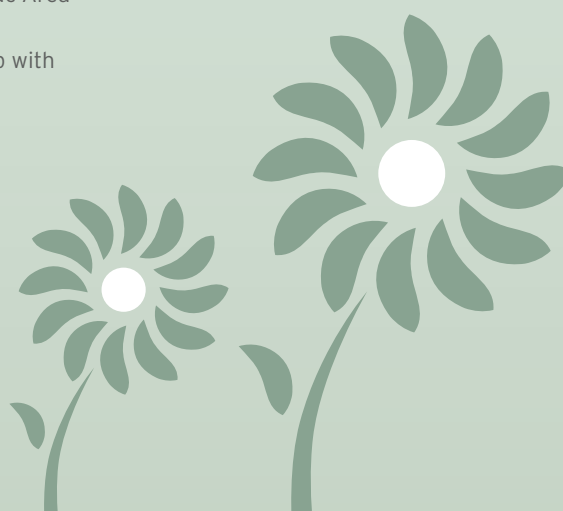
- Recruiting and retaining community care workers to replace those who are retiring
- Limited information being provided on HACC clients' needs by external discharge staff, which impacts on Council providing appropriate services in a timely manner.

The Year Ahead

- Develop regional Medication and Personal Care Protocols policies and procedures to be adopted by alliance members
- Work with the CFA on the Community Safety and Inclusion Partnership project to develop a support strategy for vulnerable people in fire prone areas to access information and meetings on fire safety
- Review the content and format of the Client Hand Book provided to each new client
- Review of all Aged & Disability Services Policies, Procedures and Work Instructions
- Re-establish arrangements with Colac Area Health Acute services to support information flow on HACC client admission and discharge
- Continue with the Knock out the Risks project in Partnership with Colac Area Health to support the frail and aged
- Complete the Seniors Eco-Wise project being conducted in partnership with Environment Victoria.

RURAL CARE

We continue to increase services for the rural community sector who require Aged & Disability Services. Up to 180 people have received a range of services in 2008/09. This involved some 724 visits, taking more than 600 direct care hours. Weekend personal care and medication has seen a higher demand for this service during 2008/09. The demand for rural services has increased the mileage cost to the unit and this continues to be monitored closely. The unit is actively seeking to recruit community care staff in rural locations to counter some of the travel costs and travel time.



MATERNAL AND CHILD HEALTH

The Maternal & Child Health Service provides support for families with children aged from birth to school age. Key priorities of this program are home visiting to families in need, support and reassurance to mothers and families, developmental assessments of children, appropriate referrals and the provision of information and parent education.

Highlights

The Maternal & Child Health Service now has a revised Service Activity Framework. This comprises three key components; assessment, health promotion and intervention and identifies the core activities for the ten universal consultations that the Maternal & Child Health Service should offer to all children and their families. All Council Maternal & Child Health Nurses have completed the further professional development training programme required to implement the MCH Key Ages and Stages Framework.

St John of God Health Care's Raphael Centre in Geelong has commenced a satellite service in Colac to help mothers experiencing anxiety or depression during pregnancy and in the two years following childbirth. This service commenced in April and is able to help families work through the changes and challenges of parenting.

Disappointments

- Breastfeeding rates did not increase as hoped; however, strategies are being developed with Colac Area Health staff to improve support initiatives.

Challenges

- A new approach to conducting Key Ages & Stages developmental assessments has been developed by the Department of Education and Early Childhood Development. The new approach will have the benefit of providing consistent and validated information for women across the State. The challenge will be in learning and delivering on this new method.

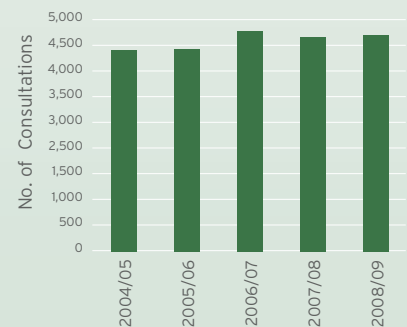
The Year Ahead

- Establish a pram walking group, proposed to be launched in late spring
- Review family and children's buildings throughout the Shire to support universal access for kindergarten
- Implement the action identified in Council Service Improvement Plan negotiated with the Department of Education and Early Childhood Development.

MATERNAL & CHILD HEALTH

- \$75,318 net expenditure (\$5 per rateable property)
- 265 birth notifications

Maternal Health and Child Health Consultations



Health Recreation and Community Services

CHILDREN AND FAMILY SERVICES

The Family Day Care Unit supports families by coordinating quality care for children from birth to twelve 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 has been successful in gaining a provisional licence, as per Victorian Regulations, to operate a Family Day Care Scheme. This licence will be transferred to a full licence within one year.

The Coordinator and Field Officer attended a National Conference in Hobart along with staff and Carer's from all States and Territories of Australia. The conference focused on all aspects of Children's Services with a strong message on planning for the future and the education of children.

Council continues to work in partnership with Glastonbury and other agencies to develop an integrated model for early years services within Colac.

Disappointments

- The development of the Colac Family and Children's Centre has been delayed

Challenges

- Being able to plan for and implement administration and service requirements in the new Children's Regulations being introduced in Victoria
- Research and plan how to introduce Universal Access so that children can receive 50% more time at kindergarten (10 hours to 15 hours per week by 2013)
- Understand and implement the recommendations from the national reform on early years childhood development.

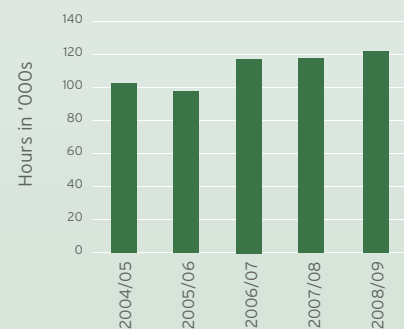
The Year Ahead

- Attain the Provisional Licence for providing Family Day Care services
- Work with Glastonbury and other agencies on developing the Colac Family and Children's Centre
- Review all policies and procedures by December 2009
- Complete a Capacity Assessment Report and Plan to guide the development of Universal Access to kindergartens in Colac Otway
- Complete the Colac Otway Early Years Plan
- Plan for a consistent approach to introduce initiatives from the National Reform on early childhood development, including the Early Years Blueprint, the MAV/DEECD Bilateral Agreement, the national Early Years Childhood Development Strategy, quality reforms in the Early Years Learning Framework and its Regulatory Impact Statement.

CHILDREN & FAMILY SERVICES

- \$136,909 net expenditure (Family Day Care) (\$10 per rateable property)
- 372 children registered for Family Day Care

Family Day Care Hours Provided





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 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

Pandemic flu Plan completed and initiated for the current Swine flu outbreak where necessary. The plan is currently being revised to conform with a regional Flu Action Plan that will allow the respective councils to apply for funding for education and printing of coordinated pamphlets and advice.

Disaster recovery training extended, revised and practised for last year's fire season. This places the health department in a much better and competent position to provide relevant disaster recovery services.

Completed a review of the performance of septic tank systems in the Separation Creek and Wye River townships. Defective systems were identified and measures taken to rectify them. Information gathered also allowed positive input into recommendations for waste water control in those areas.

Participation in judging food at two community festivals in Forrest and Gellibrand by Council's Food Safety Officer raised the profile of food safety in the community and promoted Council's involvement in the community.

Challenges

- In response to the Swine Flu pandemic a vaccine has been produced and Victoria will receive 5 million doses to be distributed starting in September 2009. This will be a challenge as Council will most likely be responsible to vaccinate 'at risk' children in the 10-19 age groups through the school immunisation program, and may be required to provide mass immunisation for the general community. The government is still deciding on which 'at risk' groups have priority and the method of vaccine distribution
- The *Food Act* will be amended in 2010 with the addition of a new category of food premises and a centralised registration of food vending vehicles. Although the changes will not greatly affect the way in which the health department works, it will require different registration and recordkeeping procedures.

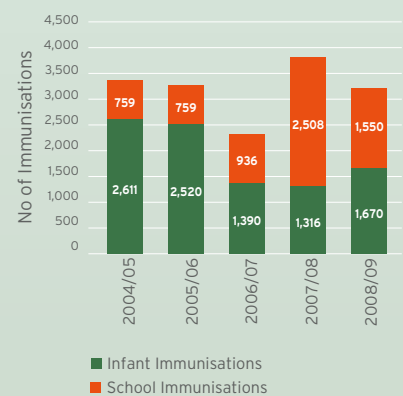
The Year Ahead

- Continue with planning for a flu pandemic
- Further refine recovery response in fire related context.

MATERNAL & CHILD HEALTH

- \$194,599 net expenditure (\$14 per rateable property)
- 367 premises and other outlets selling food
- 1,012 food safety inspections undertaken

Immunisations Services Provided



Figures are for the calendar year

Decrease in school immunisations reflects the normalising process after the introduction of the Gardasil vaccine program in 2007.

Increase in infant immunisations is a result of the introduction of the Rotavirus program.

Health Recreation and Community Services

RURAL ACCESS

Rural Access is a State Government initiative which aims to enhance the capacity of rural and regional communities in Victoria to plan and develop strategies that mobilise and increase opportunities for people with disabilities to influence Council. Rural Access operates from Community Building principles and uses Access and Inclusion as the platform to engage with community, increase community participation and provides a cross government response across a range of divisions including Infrastructure (Building and Facilities), Employment, Communication, Tourism, Events, Community Consultation, Organisational Capacity, Transport and policy directions with regards to the positive ageing strategies youth and early years.

Highlights

The Antz Pants all-abilities amateur theatre troupe from The Meeting Place performed at the *Having a Say Conference* in February 2009 on behalf of the Disability Services Commissioner (DSC). The performance delivered the message that *'It's OK to complain!'* to participants at the conference. The *Having a Say Conference* is the largest conference attended by people with disabilities in Australia, with this year's conference attracting over 1,000 participants.

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 Rural Access participated in a number of partner projects including *Healthy Lifestyles Step into Summer* pedometer challenge, which included involvement from Bluewater Fitness Centre, Colac Otway Disability Accommodation, Otway Community College and Colanda during Recreation Week and International Day for People with Disability.

Internet Training for People with Disability Pilot Project. Colac Otway Shire was chosen as one of the six organisations across Victoria to auspice the *Internet Training for People with a Disability Pilot Project*. This project is part of the Victorian Government's Connecting Communities; the second wave policy which recognises that due to a range of barriers, the level of Internet uptake in Victoria is unequal across the communities.

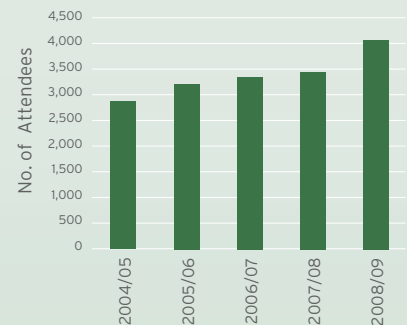
This is a particularly relevant project given that ABS data indicates that only 42% of Colac Otway adults have broadband Internet access at home. This is 19% below the Victorian average of 61% and the lowest in the Barwon West region (DPCD, Community Indicators, 2007). The *Internet Training for People with a Disability project* will address disadvantage within the community, specifically for people with a disability, with funding providing the necessary skills, equipment and access to the Internet.

The broad partnership approach is an inclusion strategy to increase access to the IT training, which is offered at the Neighbourhood House on weekdays (evenings and mornings), the Botanical Gardens on Saturdays and Cass House as a residential setting option.

RURAL ACCESS

- \$309 net expenditure (\$0.02 per rateable property)

'Meeting Place' attendances
(For People of All Abilities)



The cast of the Antz Pants theatre troupe with a poster of the play they wrote and performed





International Day of People with Disability was celebrated with a cabaret and awards evening that were 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.

Disappointments

- Key partnership commitments to The Healthy Lifestyles project are on hold until DHS funding allocation is resolved

Challenges

- Changes to funding arrangements by the Department of Human Services, from 'block' funding for disability services to Individual Support Packages, may revise The Meeting Place operations
- Increase the focus on access and inclusion at the inception of projects to enhance community participation

The Year Ahead

- Development of the Colac Otway Shire Access and Inclusion plan
- Review funding of The Meeting Place, in partnership with the Department of Human Services to develop a long term strategy for The Meeting Place
- Auspice and Provide Internet Training for people with disabilities
- Continue to develop community partnerships
- Re-establish the Colac Access Reference Group (CARG) to ensure community engagement, community building principles and community consultation are considered in Council infrastructure and events proposals regarding access and inclusion



Health Recreation and Community Services

TRANSPORT CONNECTIONS PROJECT

Transport Connections is more than just transport. Funded by the State Government, Transport Connections is about finding new ways to make participation in community life easier for rural communities who have limited transport options. The project is a joint partnership between Colac Otway Shire and Surf Coast Shire.

The Transport Connections Coordinator works with community groups and transport providers to develop innovative solutions to transport disadvantage through use of existing transport resources and services. Through partnerships, the Community Engagement and Local Action Plans focus on rural isolation, youth, aged and disability transport needs.

Transport Connections links with other local projects including CFA 'Community Safety and Inclusion Partnership Project - accessible transport', Victorian Council of Social Service 'Transport and Disadvantage Report', Neighbourhood Renewal 'Whole of Government Agreements', Regional Trails Master Plan, and shared pathways 'TravelSmart' and Local Area Access Program.

Highlights

Colac Otway Shire communities have contributed enthusiastically to identifying community transport needs and tailoring local connections to existing public transport.

4,603 passengers travelled on the Colac-Lorne summer bus over the 9 week period. Community support was so successful that the Department of Transport will now operate the Colac-Lorne summer bus from Christmas 2009 to Easter 2010.

Two Ministerial launches in 2008: Gayle Tierney, Member for Western Victoria launched the new Colac Transit bus shelters in August and Peter Batchelor, Minister for Community Development launched the Colac-Lorne summer bus in November.

The Apollo Bay-Colac Wednesday bus averaged 12 passengers per trip. Operating one day a week since starting on 1 July 2009. The bus provides transport connections to a range of medical, recreational, social and retail options within Colac.

53% of passengers on the Colac-Lorne summer bus were under 18 years of age. This youth focus was assisted by Transport Connections updates on the Colac Otway Shire website.

Disappointments

- Passenger numbers on the City Transit bus were lower than anticipated

Challenges

- Supporting Council initiatives to develop sustainable, accessible, low carbon footprint alternatives
- Advocating sustainability and accessibility for the Colac town bus operated by Department of Transport
- Supporting Council's advocacy for increased V/Line services between Warrnambool and Geelong to assist Colac passengers with accessible public transport for specialist medical needs, university and TAFE students, and other commuters. Shorter term measures such as bus services will be helpful while longer term infrastructure is being developed.

The Year Ahead

- Coordinate Local Advisory Groups to prioritise local transport initiatives
- Cressy-Beeac loop and Colac-Cororoake-Beeac loop to connect with Beeac-Colac transport for medical, social, recreational and retail services
- December 2009 Ministerial launch of the Colac-Apollo Bay summer bus.

Cr Brian Crook and Trina Ebeling, Transport Connections Coordinator, at the 'Making the Transition' exhibition on sustainable alternatives



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.

COUNCIL PLAN COMMITMENTS

★ 2008/2009 Actions completed ▼ 2008/2009 Actions behind schedule → Deferred or delayed beyond 2008/2009

★ Review the impacts of population growth and the need for workforce planning.	<i>Research completed in 2005 and updated in 2008/2009 review of the Economic Development and Tourism Strategy. This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Continue Implementation of Small Town Improvement Program in partnership with community groups.	<i>This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Continue support for and attract additional Major Events to be held within the Municipality.	<i>Strategy completed.</i>
★ Continue to implement the Economic Development and Tourism Strategy.	<i>Strategy completed.</i>
★ Undertake a review of Council funding of tourism activities.	<i>Strategy completed.</i>
★ 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.	<i>Strategy completed.</i>
★ Advocate for the provision of a natural gas supply for Birregurra and extension of coverage for the whole of the Colac urban area.	<i>Strategy completed.</i>
★ Work with the State Government to explore the possible co-uses of the Colanda site.	<i>State Government has completed a review of Colanda. Colac Otway has been consulted as a key stakeholder. This strategy is ongoing and is incorporated into the Council Plan 2009-2013.</i>
★ Support an increase in nature based tourism opportunities across the Shire.	<i>Strategy completed. Nature Based Tourism Committee set up including State and local authorities and tourism industry</i>
★ Complete implementation of Old Beechy Rail Trail and undertake promotion of the Trail.	<i>Strategy completed.</i>

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.

Over 2008/09 the Economic Development Action Agenda 2009 - 2013 was developed to guide the resources of the Economic Development Unit over the next four years in the key areas of

- Climate Change
- Business Development
- Regional Development Planning
- Marketing and Promotion
- Infrastructure
- Economic Development Leadership

Highlights

Business Development

In 2008/09 approximately 160 people attended Business Training and Development Forums on a wide range of topics to help them begin or grow their businesses. Special forums were held in response to the Global Financial Crisis and changes in Government legislation and incentives.

- Keep Colac Working - to explain new State and Federal Government funding and tender projects for local contractors
- Surviving Economic Crisis - in partnership with WHK to explain business taxation and new Government incentives, insurance and business planning
- Industrial Relations - In partnership with Colac Otway Work Force to explain the new "Fair Work" legislation

Business 'round table' discussions were facilitated for:

- Federal Minister for Finance Lindsay Tanner
- State Minister for Industrial Relations Martin Pakula
- Consultation with Council on the development of the Economic Development Action Agenda 2009-2013

The Action Agenda process also included the Business Expansion and Retention program (BEAR) in partnership with Colac Community Hub to consult with over 60 individual local businesses.

Business Week included:

- The ANZ Business Breakfasts
- The Economic Development Unit - Report to the community on the 2007/08 performance
- Powercor Colac Otway Business Awards with Otway Business Inc

Other Business Development Activities:

- Facilitated cooperative relationship between Otway Business Inc and Otways Tourism to create the successful Colac and the Otways TV advertising
- Completed establishment of the on-line Colac Otway Business Data base
- Established Working Women's Network
- 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
- Implemented the "Life's Good on the Farm" program through the Dairy Industry Training Group to encourage young people into the Dairy Industry

Commenting on a campaign to maintain the Turf Club status as a training venue:

"The help we got from ... the Shire Economic Development Unit in helping us with our submission was excellent. I think that showed that it wasn't just a turf club issue, it was the whole city."

- Jim Ryan

President, Colac Turf Club





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 2008/09 a number of initiatives have resulted in increased income to the Visitor Information Centres that reduces the cost of the Centres to Council

- Increased access to internet for travellers
- Paid advertising for Tourism Operators
- Promotion of the Book Victoria web based booking service
- Improved the range of retail stock and displays to attract more visitors to buy in the Centres

The Economic Development Unit has worked closely with Otways Tourism and Geelong Otway Tourism to guide development and promotion of the Tourism Industry both locally and within the Region.

Visitor numbers to Colac Otway Shire continue to be comparatively strong due to the strength of the Great Ocean Road and its attraction to international visitors.

Capital Works Projects

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

Lake Colac

Facilitated and supported the Lake Colac Coordinating Committee, a community Council and State Government body that works on improving the lake and its environs.

Apollo Bay Harbour

The Apollo Bay Harbour Precinct Master Plan has been completed following the participation of the community Council and State Government in a five day Enquiry by Design consultation process. The next step is a Planning Scheme Amendment to incorporate the Master Plan into the Colac Otway Planning Scheme. It is expected that implementation of the Master Plan would take place over a 20 year period with a combination of public funds and private investment.

"The Enquiry by Design has just been amazing for me as a resident for 50 odd years in Apollo Bay and a commercial fisherman. The Enquiry has certainly satisfied the needs of all people that use the harbour. I believe this has been the best thing I've seen in all the years looking after the local people and the business people of Apollo Bay."

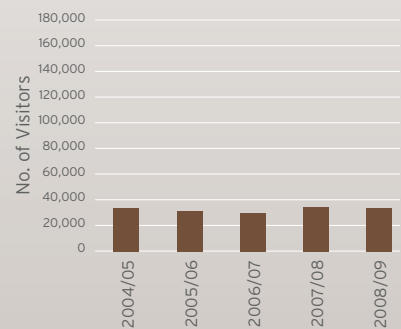
- Nick Polgeist

Manager Apollo Bay Fishermans Coop

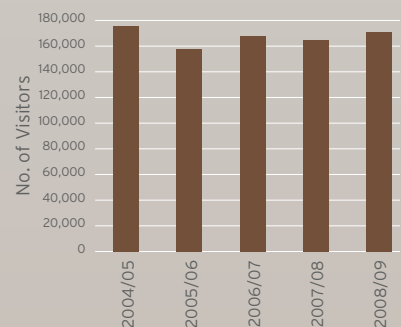
TOURISM

- 320,680 net expenditure - Tourism (\$22 per rateable property)
- \$373,808 net expenditure - Visitor Information Centres (VIC) (\$26 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

Colac Visitor Information Centre



Apollo Bay Visitor Information Centre



Economic Development

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 2008/09 and was utilised to leverage matching funds from State and Federal Governments.

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:
 - Consultation on the Economic Development Action Agenda 2009-2013
 - Community Enterprise - Hub Inc. 'Plan B' Consultation Services and 'Copy to Go'
 - Neighbourhood Renewal

Disappointments

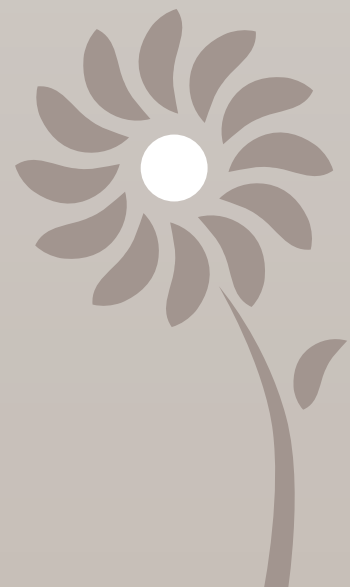
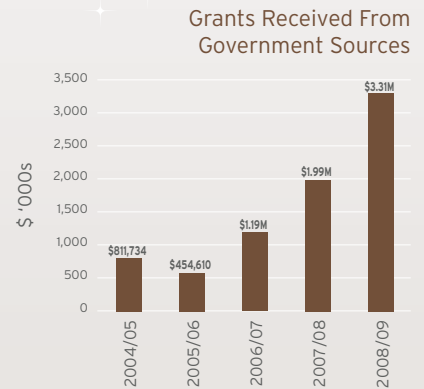
- The next stage of the Apollo Bay Harbour Precinct Master Plan has not yet been able to attract government funding
- Capital works projects on the Lake Colac Foreshore have not been implemented due to a delay in the approval of the Lake Colac Cultural Heritage Management Plan

Challenges

- Understanding the transition to a carbon trading economy and working with business to recognise growth potential from climate change initiatives such as a Carbon Pollution Reduction Scheme (CPRS) and Emissions Trading Scheme (ETS)
- Improving Colac Otway Shire access to tertiary education and training
- Colac does not have access to tertiary education and training as do other similar sized towns. Council's challenge is to work with educational institutions to improve access, which will have benefits for the wider community

The Year Ahead

- Implement key initiatives in the Economic Development Action Agenda
- Detailed plans for the upgrade and development of Colac CBD
- Implement strategies to improve the take up of the Book Victoria web-based accommodation booking system by local tourism operators Centres
- Implement the Lake Colac Master Plan
- Funding for the Apollo Bay Harbour Precinct Master Plan Amendment to the Planning Scheme
- Develop new projects under the Small Town Improvement Program
- Improved business development and networking opportunities for local business





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.

COUNCIL PLAN COMMITMENTS

★ 2008/2009 Actions completed ▼ 2008/2009 Actions behind schedule → Deferred or delayed beyond 2008/2009

★ Focus on the Control of weeds on both Council and privately owned land.	<i>This is an ongoing strategy and is incorporated into the Council Plan 2009-2013.</i>
★ Implementation of approved recommendations from the three Towns Stormwater Management Strategy (concept Study).	<i>This is an ongoing strategy and is incorporated into the Council Plan 2009-2013.</i>
▼ Pursue waste water issues in the towns of, Colac East, Birregurra, Cressy, Beac, Forrest, Gellibrand, Kennett River, Separation Creek, Wye River.	<i>Cressy and Gellibrand delayed due to sewerage planning for Birregurra, Separation Creek and Wye River. This is an ongoing strategy and is incorporated into the Council Plan 2009-2013.</i>
★ Determine a location for the development of an Apollo Bay Transfer Station.	<i>Strategy completed. Land for new site purchased.</i>
★ 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.	<i>Awaiting a regional report on hard waste collection. This is an ongoing strategy and is incorporated into the Council Plan 2009-2013.</i>
★ Investigate options for a future waste management system to be implemented following completion of the existing contracts in September 2009.	<i>Strategy completed. New contract negotiated that will deliver new technology for treatment of waste.</i>
★ Raise awareness of environmental issues through increased community engagement and improved access to information.	<i>This is an ongoing strategy and is incorporated into the Council Plan 2009-2013.</i>
★ 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).	<i>This is an ongoing strategy and is incorporated into the Council Plan 2009-2013.</i>
★ 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.	<i>This is an ongoing strategy and is incorporated into the Council Plan 2009-2013.</i>
▼ Working in partnership with other responsible authorities and environmental groups to improve facilitation of environmental projects.	<i>This is an ongoing strategy and is incorporated into the Council Plan 2009-2013.</i>

ENVIRONMENT

Colac Otway Shire is regarded as one of the most environmentally diverse municipalities in Victoria. It comprises spectacular coastal areas, lush rainforested hinterlands and vast open plains with rare native grasslands. The diverse environments of the Shire provide the basis for the social and economic integrity of the local community and have values that are recognised at state, national and international level. Therefore, it is important that the environmental values within the Shire are protected from degradation and, where possible, enhanced and restored. Accordingly, Council aims to protect and enhance environmental assets in the Shire, promote sustainable use of natural resources, strengthen partnerships with key stakeholders and build community capacity through environmental education and awareness raising programmes.

It is important to highlight that environmental management is carried out across the organisation and although the Environment Unit is an important element to Council's environmental management it works closely with other business units to achieve multiple benefits from Council programmes.

Highlights

Council is committed to tackling climate change by implementing actions set out in the Greenhouse Action Plan (GAP) 2006-2008 and the Sustainable Water Use Plan (SWUP) 2007. Council committed a further \$30,000 in 2008/09 to sustainability improvements and received an award from Cities for Climate Protection Australia in February 2009 for achieving Milestone 4 in a five-milestone program. Council has implemented and then quantified greenhouse gas reduction actions from its local action plan, including: delamping, installing timers, heating and air-conditioning management, more energy efficient office equipment and a more fuel efficient light vehicle fleet.

Local Communities taking local action. Council has coordinated a diverse range of events aimed at getting a broad range of people directly involved in local environmental projects. Events were organised for National Threatened Species Day, World Wetland Day, World Environment Day and National Tree Planting Day. 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 1,500 people in environmental education in 2008/09.

Council promoted and actively participated in Earth Hour by organising a Free Family Movie Night on 28 March 2009 at the Colac Cinemas. The movie was powered by 100% accredited and certified renewable energy and over 100 people attended. Earth Hour reached more than one billion people in 1,000 cities around the world and is a powerful example of local action having a global impact.

ENVIRONMENT

- \$457,587 net expenditure (\$32 per rateable property)

GREENFLEET

Council has introduced a new fleet policy that supports the purchase of more fuel efficient vehicles; however the vehicles still emit harmful greenhouse gases.

To manage this Council has off-set nearly 250 tonnes of carbon emitted by the fleet through joining Greenfleet.

Greenfleet, in partnership with the Upper Barwon Landcare Network, will plant 17 trees per vehicle to absorb the equivalent amount of carbon that is expected to be emitted over one year. The trees will be planted within the municipality and be monitored by the Upper Barwon Landcare Network to ensure they remain healthy.



Implementation of the Lake Colac Revegetation and Weed Control Plan, adopted in March 2009, has led to the removal of exotic trees along the banks of Barongarook Creek between the Murray Street Bridge and the foot bridge. Re-vegetation with indigenous species will be undertaken in September 2009. This initiative will improve the health of both the creek and the lake by reducing the incidence of blue-green algae outbreaks and making a better habitat for native animals. Community response has been very positive Odyssey

Forestry Auditing has been carried out by Council under the Code of Practice for Timber Production (2007) for the first time. The Code of Practice applies to all private land in the State that is being used for timber production. The Code allows local governments to monitor plantation management and, where appropriate, undertake compliance works. The auditing process will help timber producers and the community work together to enhance protection of environmental assets and improve an important regional industry.

ENVIRONMENTAL PERFORMANCE

Work commenced on the development of an Environment Strategy that will provide direction for environmental activity for the next eight years. The strategy will influence all Council operations, policies and procedures. Performance indicators and targets from the Environment Strategy will allow Council to measure progress and successes and report on these to the broader community.

Council is working towards an environmental performance report. A significant amount of baseline data has been collected over the past five years and is now formally being collated. These figures will be used as a basis for measuring environmental performance improvements e.g. energy efficiency, water conservation, waste reduction and native vegetation offsets/gains.

Environmental awareness is increasing across the organisation and is reflected in the changes to the Fleet Policy and the new Procurement Policy, both of which require environmental considerations to be taken into account.

2010 target for greenhouse gas emissions achieved ahead of time

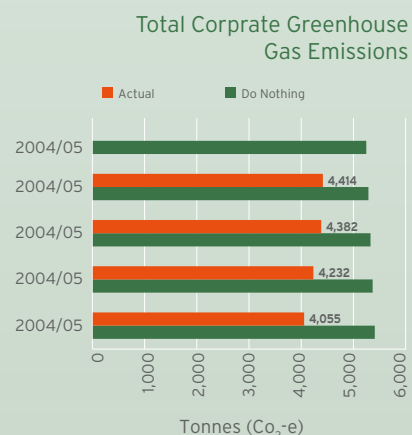
In 2000 Council completed an inventory from which a baseline figure for corporate emissions was calculated by CCP Greenhouse software at 5,084 tonnes. A 20% reduction target was set at 4,067 tonnes, to be achieved by 2010. We are extremely pleased to note that this target was reached in 2008/09, calculated at 4,055 tonnes by Planet Footprint.

Other notable environmental performance improvements include:

- Organisational Greenhouse footprint tracking and reporting including vehicle fuel consumption, street lighting, energy use and waste
- Created an Environmental Infrastructure Officer position to ensure all capital and maintenance works are environmentally sound and comply with all guidelines and regulations
- Achieved runner up Eco-Buy award for purchasing 100% green power for 95% of Council facilities, resulting in zero greenhouse emissions from those facilities during 2008/09
- Commissioned the first photovoltaic solar power generation system for a renewable energy supply to Council's Colac Visitor Information Centre (VIC). The VIC will house an interpretative display to educate and encourage broader use of renewable energy options



When Lake Colac dried out completely in February 2009, native Fairy Grass (*Sporobolus caroli*) grew on the banks and created a mess, and a possible fire hazard. A workshop was organised by Council in June to learn from the experiences of people who managed fairy grass in other areas to identify possible management actions for Lake Colac. A key outcome was that a working group would be formed comprising a local landowner, and officers from Council, Department of Sustainability and Environment, Parks Victoria and Corangamite Catchment Management Authority to examine the possible management actions, particularly as the Fairy Grass is expected to be a problem again next summer given the continuing drought conditions.



Data unavailable from 2001 to 2005/06

Source: Planet Footprint, ICLEI CCP

'Do Nothing' comparison depicts the 2010 CCP forecast level of emissions at 5,491 tonnes if Council had continued with a 'business as usual' approach

Environmental Sustainability

- Waste Wise certification of Council's main office, with plans in place for other Council facilities to achieve this status during 2009/10. Examples of actions undertaken to continually improve waste minimisation include:
 - Workstation split bins to efficiently capture office paper for recycling
 - Cigarette butt bins at high use Council facilities to minimise this significant litter stream entering our natural waterways
 - E-waste collection on World Environment Day
- Water audits completed for four of the top ten Council facilities based on annual water consumption. Commenced implementation of audit recommendations e.g. installation of rain water tanks at the Lake Colac public amenities. Rainwater tanks will also be installed at the Bluewater Fitness Centre and Colac Livestock Selling Centre during 2009/10

Disappointments

- Delays in launching the Private Forestry web tool has meant that the anticipated benefits of improved accuracy and consistency of industry information required by Council to approve forestry operations has not been realised

Challenges

- The ongoing challenge for Council is to protect and enhance the environment within the Shire and promote sustainable use of natural resources by working in partnership with key agencies local communities

The Year Ahead

- Ensure a comprehensive strategic direction for Environmental Management throughout all levels of Council operations through the finalisation of an Environment Strategy in December 2009
- Maintaining and ensuring compliance with the Code of Practice for Timber Production for Forestry Operators operating within the Shire
- Continuing to improve the condition of Lake Colac and the adjoining creeks through the removal of Elm trees and revegetation with indigenous species
- Implement additional strategic and innovative Energy Conservation and Water Conservation initiatives across the organisation
- Continue to engage the community in environmental events to raise awareness and build the capacity of the community to protect the environment



Council's Sustainability Officer, Dora Novak in front of the 15 Tonnes of e-waste collected for recycling on World Environment Day
Photo courtesy of the Colac Herald





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 the 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)
- Waste education
- Kerbside waste bin inspections
- Organics processing facility (includes sorting and decontamination)

Highlights

A new recycling contract, to be signed in early in the next financial year and will commence in July 2010. This will see a new recycling plant in the Barwon region with updated technology to maximise recovery of recyclable material and so minimise waste to landfill. The new contract will provide significant cost savings to Council.

A **Mattress Recycling shed** was constructed with funding assistance from Sustainability Victoria at the Alvie Transfer Station for the storing of mattresses, which can then be recycled instead of going to landfill.

Council delivered waste education workshops as part of a wider environmental campaign in partnership with Sustainability Victoria and the Australian Conservation Foundation. Workshops covered a wide range of topics including waste reduction, 'what can I put in my recycling bin', light bulb disposal and composting. In addition Council sponsored school visits to the BWMG waste education facility in Geelong, which allows the students through visual displays and 'hands on' activities to experience how waste impacts our environment.

An **Electronic Waste Collection** was successfully held on World Environment Day, 5 June 2009, at both Apollo Bay and Colac. A combined total of 15 tonnes of e-waste and small electrical appliances were collected and forwarded to Geelong for reuse and recycling.

Disappointments

- Contamination levels in organic waste continues to fluctuate despite an ongoing public education program; however it is expected that the move to a new waste system in late 2010 will address this issue

Challenges

- The ongoing challenge for Council is to provide a greater range of affordable recycling options as an alternative to landfill and to change the community's focus from recycle to reduce

The Year Ahead

- Finalisation of Waste Management Contract specifications, tendering and awarding of contract early in 2010
- Construction of the Apollo Bay transfer station
- Ongoing implementation of Council's long-term landfill rehabilitation program with Gellibrand landfill scheduled to be rehabilitated 2009/10
- Finalisation of test trial for Regional organic waste treatment plant by November 2010

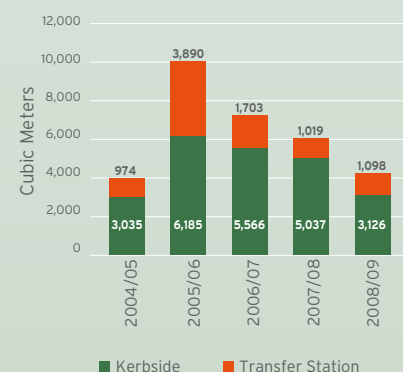
WASTE MANAGEMENT

- \$792,205 net expenditure (\$55 per rateable property)
- 9,156 Households receiving collection services

Mixed Waste and Recycling Collection



Greenwaste Collected



Greenwaste continues to reduce due to the changes to gardening practices as a result of drought conditions.



Environmental Sustainability

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.

Highlights

The Domestic Animal Management Plan was created as per the requirements of the *Domestic (Feral & Nuisance) Animals Act 1994* and endorsed by Council on 25 November 2008. This plan guides Council's direction for domestic animal management over the next three years. There is growing recognition that enforcement of laws will not, on its own, result in lasting, voluntary changes in behaviours. The Plan will enable the Colac Otway Shire Council to move towards creating a better environment that encourages responsible pet ownership, where people and their animals integrate harmoniously and safely into the community.

Rehousing of suitable unclaimed dogs and cats from the Council Pound continued to be of high importance for Local Laws staff, with 54 dogs & cats being given a second chance of life with their new owners in 2008/09.

Domestic Animal Registration Fees were reviewed to promote responsible pet ownership and a new fee structure was introduced to reward pet owners who de-sexed and micro-chipped their pets.

Permit processes relating to A-Frames, display goods, street furniture etc were improved through Local Laws Officers fostering a better working relationship between Council and business operators.

Fire Prevention Duties were performed by Local Laws Officers by way of assistance to the Municipal Fire Prevention Officer. Non-compliance once again decreased indicating that awareness of fire prevention matters has increased.

School Crossing Supervisors attended regular meetings to discuss common concerns and the development of best practice procedures relating to risk assessment and service delivery at school crossings.

Disappointments

- The number of unclaimed impounded animals is still an issue and highlights the problem of people getting a dog or cat when they are either unable to afford the upkeep or are incapable of caring for the pet. The number of de-sexed and micro-chipped animals being registered is still below a satisfactory level

Challenges

- Working in partnership with the community to develop and administer local laws that make the Shire a safer and better place to live

The Year Ahead

- The implementation of a Communication Plan designed to raise the profile of the Local Laws Unit within the Community
- Introduce a media campaign to encourage desexing and micro-chipping of domestic animals
- Local Laws staff to undertake training in Certificate IV Government Statutory compliance and Certificate IV in Animal Control & Regulation
- Implement Council's Domestic Animal Management Plan

NEW RECYCLING PROCESS

Significant work has been undertaken exploring options for processing facilities to reduce waste to landfill. Barwon Regional Waste Management Group (BRWMG), on behalf of Council, is closely monitoring outcomes from a total waste treatment plant in Western Australia. Pending expected results, Council will formalise negotiations, which would see 75% of future waste diverted from landfill.

LOCAL LAWS

- \$334,400 net expenditure (\$23 per rateable property)
- 4,781 Dogs registered
- 1,575 cats registered
- 160 Dogs (140) & cats (20) returned to their owner
- 40 Cats & 20 dogs euthanised
- 761 Permits (various) issued





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

A comprehensive fire inspection process minimised the threat of fire across the Shire last summer by reducing the build up of flammable material on land. Council also undertook slashing of grass on its own properties including road reserves. More extensive slashing works were carried out on roadsides that were identified as strategic breaks.

Fire Prevention duties included carrying out inspections across the whole of 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 2008/09 Fire Danger Period:

- Over 8,000 courtesy letters were sent to landholders in "at risk" areas
- From Courtesy letter stage less than 0.65% of 'at risk' properties required enforcement
- Inspections were carried out identifying over 1,300 properties that required service of a Fire Prevention Notice to remove hazards
- 52 of the 1,300 received infringement notices and invoices for costs associated with hazard removal

Disappointments

- Where fire notices were issued there was resistance to comply. Although it is disappointing it is only the second year of this programme being implemented and the inspection process was more rigorous in 2008/09 than in 2007/08 due to improved technology being used

Challenges

- Implementing the recommendations in the Teague Royal Commission interim report given limited resources available
- Further improvements to the fire inspections process through use of more advanced mobile information collection technology

The Year Ahead

- The Municipal role in the Integrated Fire Management Planning process will be clarified by involvement through formation of a new Municipal Fire Management Planning Committee that will be a sub-committee of the Municipal Emergency Management Planning Committee
- Carry out the inspection process for the 2009/10 Fire Danger Period
- Work with other government agencies and the community to develop plans that align with the interim findings of the Teague Royal Commission

MUNICIPAL FIRE PREVENTION

- \$141,409 net expenditure (\$10 per rateable property)





Financial Sustainability

COUNCIL PLAN OBJECTIVE

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

COUNCIL PLAN COMMITMENTS

★ 2007/2008 Actions completed ▼ 2007/2008 Actions behind schedule ➔ Deferred or delayed beyond 2007/2008

★ Ensure our Financial Plan is sustainable.	<i>This is an ongoing strategy and is incorporated into the Council Plan 2009-2013.</i>
★ Ensure our debt is managed and levels are maintained below prudential guidelines.	<i>This is an ongoing strategy and is incorporated into the Council Plan 2009-2013.</i>
★ Advocate for increased State Government recognition and funding as compensation for the Shire's larger than average area of non-rateable land.	<i>This is an ongoing strategy and is incorporated into the Council Plan 2009-2013.</i>
★ 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.	<i>This is an ongoing strategy and is incorporated into the Council Plan 2009-2013.</i>
★ 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.	<i>This is an ongoing strategy and is incorporated into the Council Plan 2009-2013.</i>
★ Maintain internal audit program based on the outcomes of the Risk Assessment Audit.	<i>This is an ongoing strategy and is incorporated into the Council Plan 2009-2013</i>

HIGHLIGHTS

Implementation of new financial management systems commenced in the second half of the year. These will enhance Council's ability to manage and monitor services and works.

Reduction in Loan Liability. For the fifth consecutive year Council did not undertake any new loan borrowings. Total loan liability has reduced from \$4.87 million in 2003/04 to \$2.46 million in 2008/09. It is however expected to increase to \$5.41 million in the 2009/10 year as Council funds the Apollo Bay Waste Transfer Station and the Joint Use Library.

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.

2009 Property revaluations were completed for all properties within the municipality.

FINANCIAL SUSTAINABILITY

- 98% Rates collected by year end
- 14,335 Property assessments
- 1,991 Pension rebates
- 164 Drought relief concessions
- 846 Land information certificates issued
- 29,850 Debtor invoices issued
- 6,055 Supplier payments processed
- 18,057 Receipts issued



Challenges

- Guiding and assisting the organisation through the transition from old systems and processes to new best practice financial management

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, with a particular focus on the procurement function.
- Continue implementation of actions identified in the best value review of Customer Services and Property & Rates
- A major focus of the coming year is the bedding down of the new corporate and financial IT system that has been implemented across the organisation

FINANCIAL PERFORMANCE

In brief

- Achieved a \$1.85 million surplus for the period, which was \$1.63 million above budget expectations. This large variation is partly due to Commonwealth grants being received early
- Ended the 2008/09 financial year with a cash balance of \$9.65 million
- Increased Non-Current Assets by \$11 million

Operating Results

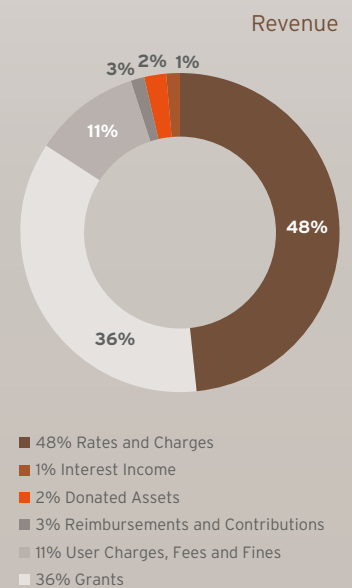
Council achieved a \$1.85 million surplus for the 2008/09 financial year. This is the third successive year that we have achieved a surplus, which is a tremendous result given the increasing demands placed upon Council services and tightening of revenue opportunities during the year. One of the major challenges of Council will be to maintain ongoing surpluses to fund infrastructure renewal requirements.

Revenue

Council's total revenue for the 2008/09 year was \$36.33 million as per the Standard Income Statement.

A breakdown of Council's revenue sources highlights that 95% of Council's income comes from three income categories:

- Rates and Charges 48%
- Grants 36%
- User Charges, fees and fines 11%



Financial Sustainability

Expenditure

Council's total expenses for the 2008/09 year were \$34.94 million as per the Standard Income Statement (excluding net loss on disposal of assets).

A breakdown of Council's expenses highlights that 94% relates to three expenditure categories.

• Employee Benefits	32%
• Materials and Services	37%
• Depreciation and Amortisation	25%

Capital Works

During the financial year, Council spent \$8.03 million on Capital Works projects. The amount spent on Capital Works in the last four years has increased significantly to address the major issue of the Infrastructure Renewal Gap.

Assets

Council's total assets are \$248 million, an \$11 million increase over the previous year. The major components of assets are:

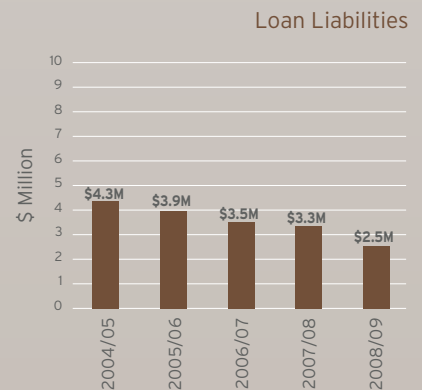
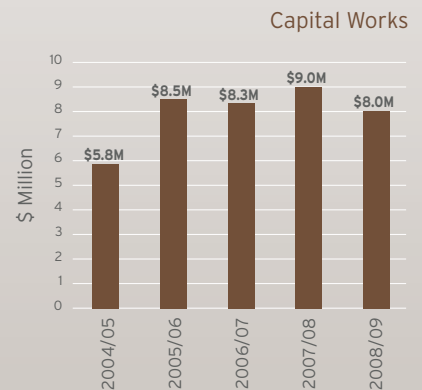
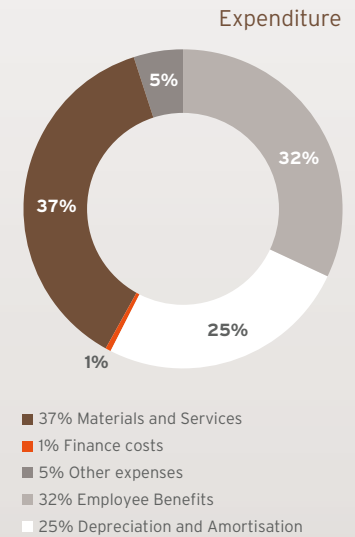
- Property, plant, equipment and infrastructure (land, buildings, roads, bridges etc)
- Cash Assets (mainly short term investments)

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 continued to decrease during the year. Current debt levels mean that we are operating well within the Victorian State Government prudential ratio limits.





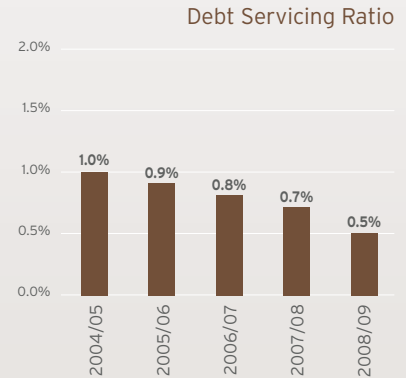
FINANCIAL INDICATORS

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

Debt Servicing Ratio

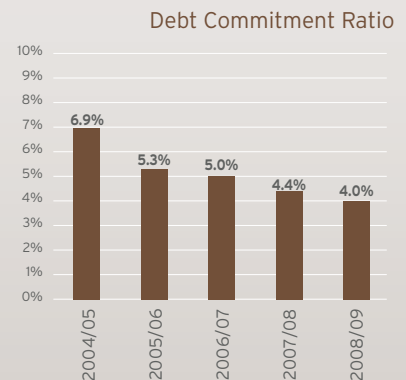
The Debt Servicing Ratio essentially shows how much Council spends on maintaining our outstanding debts compared with how much revenue Council earns. The lower the ratio, the better off Council is. These debt-servicing costs refer to the payment of interest on loan borrowings, finance lease interest 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 0.5% being well under the prudential limit of 5% set by the Victorian State Government.



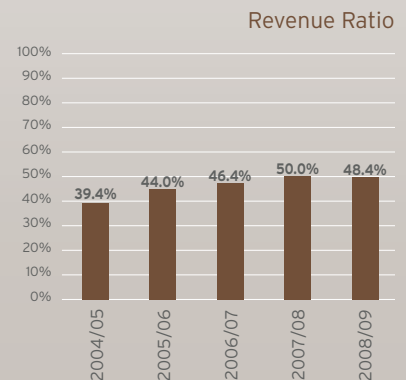
Debt Commitment Ratio

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

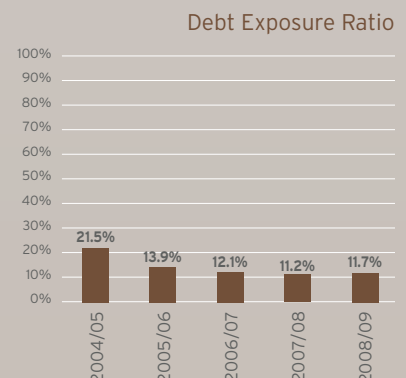
The Revenue Ratio shows the level of Council's reliance on rate revenue. It is an indication of how much of Council's total revenue comes from rates and charges. It is influenced by other revenue sources such as government grants, contributions, special charges, user fees and charges. Rate income is 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. The preferred position is to rely heavily on both rates and other commercial revenue, with a low dependency on 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 2008/2009 ratio of 10.9% is well under the limit of 50% set by the Victorian State Government.



Financial Sustainability



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 indicators contained have not been prepared by the Victorian Auditor General but are based upon the methodologies used by the Victorian Auditor General in preparing financial sustainability indicators.

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

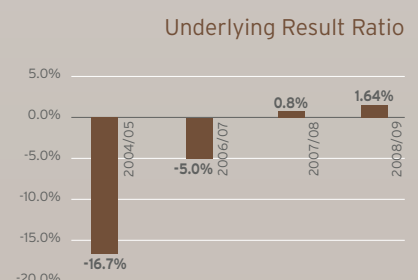
Indicators	Colac Otway Result	Risk Levels		
		High	Medium	Low
Underlying Result Ratio	1.64%	Negative 10% or less	Between negative 10% and zero	Greater than zero
Liquidity Ratio	226.8%	Equal to or less than 100%	Between 100% and 150%	Greater than 150%
Indebtedness Ratio	21.1%	Greater than 60%	Between 40% and 60%	Less than 40%
Self-Financing Ratio	31.8%	Less than 10%	Between 10% and 20%	Greater than 20%
Investment Gap Ratio	90.2%	Equal to or less than 100%	Between 100% and 150%	Greater than 150%

The indicators contained have not been prepared by the Victorian Auditor General but are based upon the methodologies used by the Victorian Auditor General in preparing financial sustainability indicators.

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.



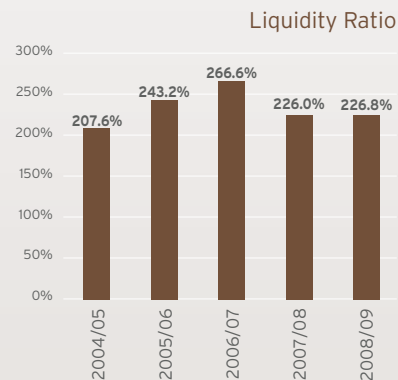


Liquidity Ratio (or Working Capital Ratio)

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.

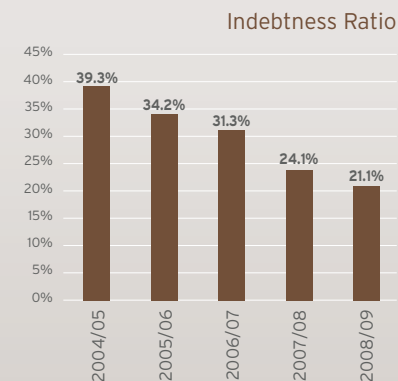
Council's Working Capital Ratio is higher than forecast due to receiving government grants for 2009/2010 in advance and the expenditure for some Capital Works being carried forward to 2009/2010.

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.



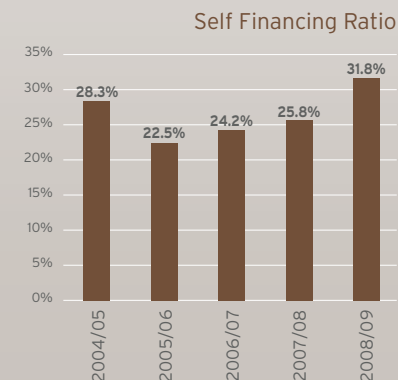
Indebtedness Ratio

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

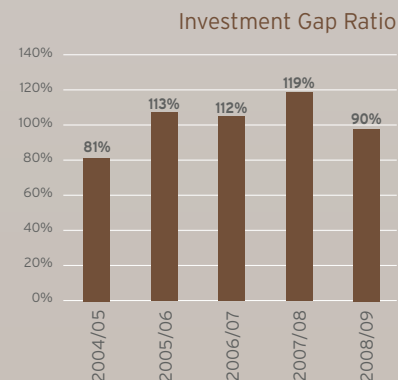
Results indicate that the Shire is generating enough cash from operations to fund the acquisition of new assets and the renewal of existing assets. This is also a positive result for Council and falls within the 'Low' risk category of the Victorian Auditor General Risk assessment for financial sustainability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



Investment Gap Ratio

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

As a result of the delay in construction of the Apollo Bay Transfer Station, the ratio falls into the high risk category of the Victorian Auditor General's risk assessment. However, anticipated works in the coming year will see this position reversed.



Financial Sustainability

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 2008/2009 financial year and the overall position at the end of the financial year (30 June 2009).

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 thirty-eight 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

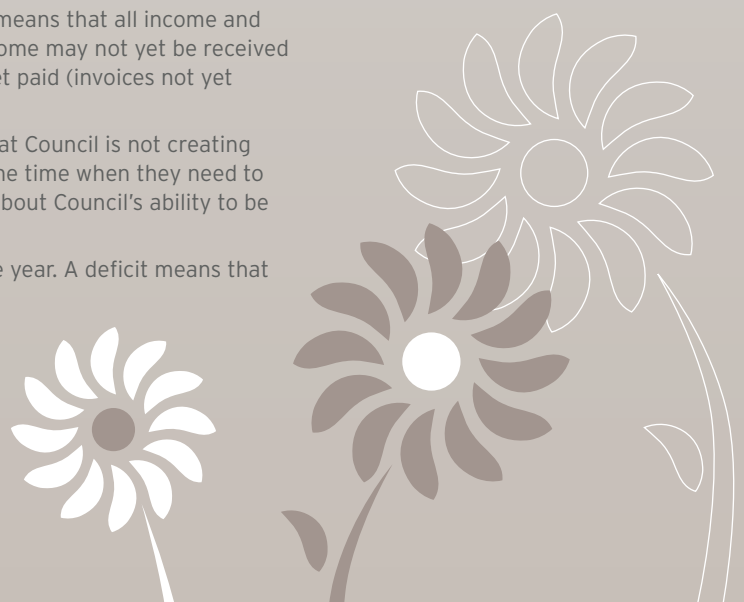
The Income Statement measures Council's performance over the year and shows if a surplus or a deficit has been made in delivering services.

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 2009. 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 below.

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 2009
- 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 2009. 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



Financial Sustainability

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.





Standard Statements

for the year ended 30 June 2009

COLAC OTWAY SHIRE - ANNUAL FINANCIAL REPORT

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Standard Balance Sheet	96
Standard Cash Flow Statement	98
Standard Statement of Capital Works	100
Certification of Standard Statements	101

NOTES TO THE STANDARD STATEMENTS

Note 1 - Basis of preparation of Standard Statements

The Colac Otway Shire 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. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

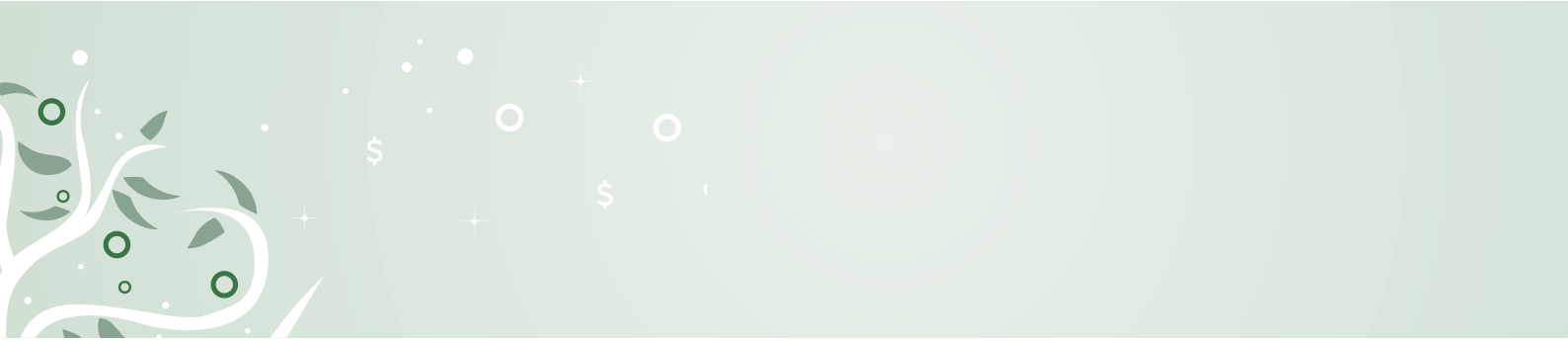
The Standard Statements compare the Council's financial plan, expressed through its budget, with actual performance. *The Local Government Act 1989* requires explanation of any material variances. The Council has adopted a materiality threshold of 10 per cent. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Statements are those adopted by the Council on 30 July 2008. 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 the 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.

Detailed information on the actual financial results are contained in the General Purpose Financial Report. 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.





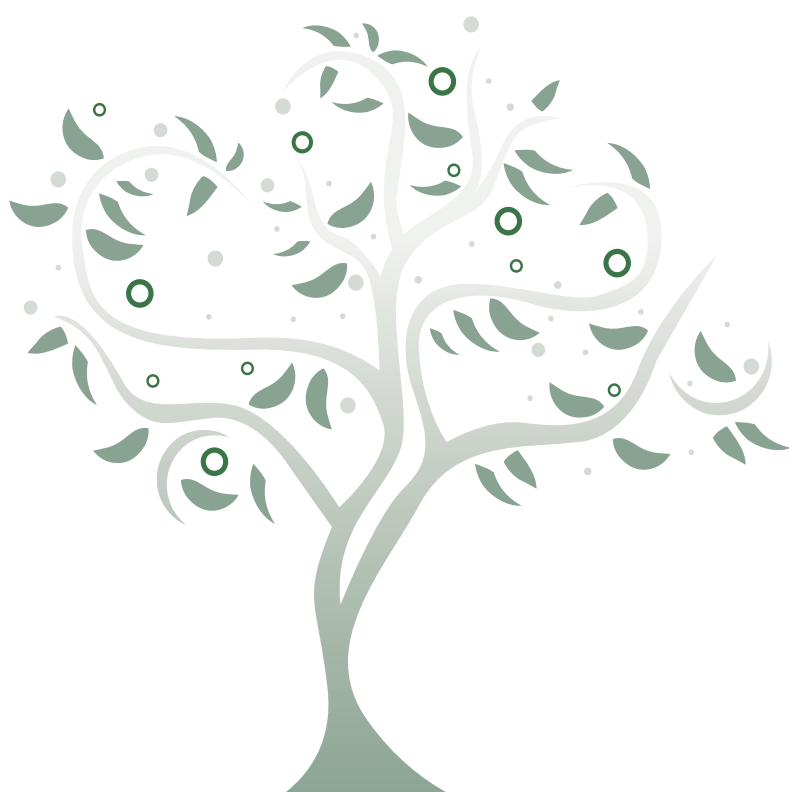
STANDARD INCOME STATEMENT (for the year ended 30 June, 2009)

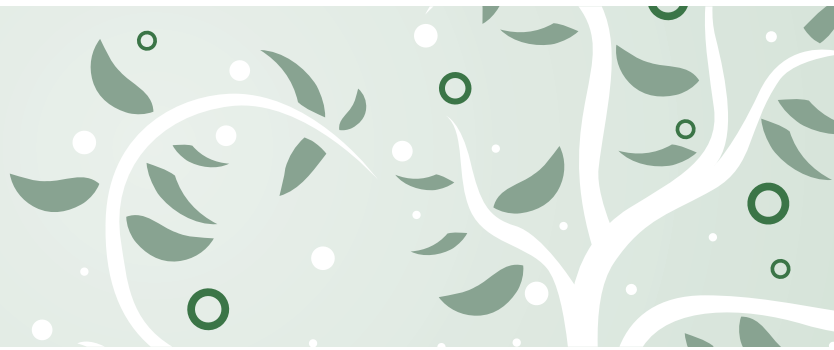
	Note	Actual \$	Budget \$	Variance \$	Variance %
Revenue					
Rates and Charges		17,602	17,602	0	0%
User Fees		3,855	3,863	(8)	(0%)
Contributions and Reimbursements	1	588	443	145	33%
Contributions - Non-monetary assets	2	792	139	653	470%
Grants - Recurrent	3	8,961	7,476	1,485	20%
Grants - Non-recurrent	4	4,105	3,096	1,009	33%
Other revenue		426	420	6	1%
Total Revenue		36,329	33,039	3,290	10%
Expenses					
Employee Benefits		11,250	10,875	(375)	(3%)
Materials and Services	5	12,869	11,671	(1,198)	(10%)
Depreciation and Amortisation		8,902	8,430	(472)	(6%)
Finance Costs		185	191	6	3%
Plant Expenses		396	427	31	7%
Grants and Donations		142	156	14	9%
Other Expenses	6	1,209	922	(287)	(31%)
Total Expenses		34,953	32,672	(2,281)	(7%)
Net gain (loss) on disposal of assets	7	(210)	0	(210)	(100%)
Share of result of investment in associate	8	28	0	28	100%
Found assets	9	1,414	0	1,414	100%
Property, Plant and Equipment written off	10	(763)	(150)	(613)	(409%)
Surplus (Deficit) for the year		1,845	217	1,628	750%

Standard Statements

for the year ended 30 June 2009

Note	Item	Explanation
1	Contributions and Reimbursements	Higher than budgeted contributions from special charge schemes due to the completion of projects carried forward from the previous financial year.
2	Contributions - Non-monetary assets	Higher sub-division activity.
3	Grants - Recurrent	Early receipt of Grants Commission and Local Roads Grant for \$1.2 million for the first quarter 2009/10 that was not budgeted for.
4	Grants - Non-recurrent	Receipt of Government Grants in advance eg Federal Stimulus Funding, Joint Use Library Funding and Joint Use Hockey Ground Grant. At the time the budget was prepared there was no indication that this additional funding would be available.
5	Material and Services	Unbudgeted expenditure on Elliminyt Gas Scheme and additional expenditure in various Council services eg Bluewater Fitness Centre and additional costs associated with roadworks rehabilitation.
6	Other Expenses	Provision was made for the rehabilitation of the Cressy-Shelford Road that was not previously budgeted for.
7	Net gain (loss) on disposal of assets	Council does not budget to make a profit from the sale of assets, unless otherwise known.
8	Share of result of investment in associate	Council has not traditionally budgeted to record a profit or loss from the activities of the Coranagamite Regional Library Corporation (CRLC). The CRLC is expected to break even.
9	Found assets	Recognition of buildings owned by Council not previously identified and included in the asset register.
10	Property, Plant and Equipment written off	The property written off relates to building assets previously recorded in the asset register of Council. These assets were deemed not to be controlled by Council and were therefore removed from the list of Council's assets. The 2008/09 year has also seen higher asset written down values of disposable assets, including plant.





STANDARD BALANCE SHEET (as at 30 June, 2009)

	Note	Actual \$	Budget \$	Variance \$	Variance %
Current Assets					
Cash and cash equivalents	11	9,651	3,883	5,768	149%
Trade and other receivables	12	2,055	2,510	(455)	(18%)
Inventories	94	91	3	3%	
Other assets	13	139	78	61	78%
Total Current Assets		11,939	6,562	5,377	82%
Non-Current Assets					
Investment in associates		486	448	38	8%
Property, Plant and Equipment, Infrastructure	14	235,502	200,085	35,417	18%
Total Non-Current Assets		235,988	200,533	35,455	18%
Total Assets		247,927	207,095	40,832	20%
Current Liabilities					
Trade and other payables	15	1,910	1,046	(864)	(83%)
Trust fund and other deposits	16	242	0	(242)	0%
Employee entitlements		2,104	2,019	(85)	(4%)
Provision for landfill & road rehabilitation	17	703	121	(582)	(481%)
Interest Bearing Loans and Borrowings		305	305	0	0%
Total Current Liabilities		5,264	3,491	(1,773)	(51%)
Non-Current Liabilities					
Employee entitlements	18	247	270	23	9%
Provision for landfill rehabilitation		2,258	2,351	93	4%
Interest Bearing Loans and Borrowings		2,157	2,157	0	0%
Total Non-Current Liabilities		4,662	4,778	116	2%
Total Liabilities		9,926	8,269	(1,657)	(20%)
Net Assets		238,001	198,826	39,175	20%
Equity					
Accumulated Surplus		92,218	92,513	(295)	(0%)
Asset Revaluation Reserve	19	141,508	104,417	37,091	36%
Other Reserves	20	4,275	1,896	2,379	125%
Total Equity		238,001	198,826	39,175	20%

Standard Statements

for the year ended 30 June 2009

Note	Item	Explanation
11	Cash and cash equivalents	Higher cash balances due to lower capital spending and Government grants received in advance.
12	Trade and other receivables	Movement in receivables consistent with prior year. Budgeted amount over estimated in current year.
13	Other Assets	Increase in prepayments due to early payment of insurance costs.
14	Property, Plant & Equipment, infrastructure	The budget did not factor in the valuation of the roads, buildings and land that have occurred over the last two financial years.
15	Trade and other payables	With the conversion to new finance software a larger amount of accrued expenses were recognised. This occurred due to systems closing down earlier than would normally have been the case.
16	Trust Fund and other deposits	Trust deposits were not budgeted for.
17	Provision for landfill & road rehabilitation	Activities planned for the rehabilitation of landfill sites was not fully completed during the year. As they are still to be completed over the next twelve months the level of the current provision is higher than was budgeted for. Provision was made for expenditure on rehabilitation of the Cressy-Shelford Road.
18	Employee entitlements	Increase in Long Service Leave and Annual Leave Provisions due to increase in number of employees and changes in calculation factors.
19	Asset Revaluation Reserve	The budget did not factor in the valuation of the roads, buildings and land that have occurred over the last two financial years.
20	Other Reserves	The overall change in reserve levels over the course of the year was expected to be minimal. The variation from budget is a result of landfill rehabilitation works not undertaken, an increase in the plant replacement reserve due to major plant items being held over the next financial year, recognition of the Saleyards reserve for the first time, the waste management reserve transfer being higher than anticipated and a substantial increase in the recreational lands reserve due to increased developer contributions.

STANDARD CASH FLOW STATEMENT (for the year ended 30 June, 2009)

	Note	Actual \$	Budget \$	Variance \$	Variance %
Cash flows from Operating Activities					
Rates and Charges		17,857	17,560	297	2%
Government Grants	3, 4	12,960	10,572	2,388	23%
Council User charges and reimbursements received		3,590	3,942	(352)	(9%)
Contributions and donations received	1, 2	717	443	274	62%
Council payments to employees		(11,503)	(10,785)	(718)	7%
Council payments to suppliers	5	(10,830)	(12,357)	1,527	(12%)
Interest received		426	420	6	1%
Council Grants and Donations Paid		(142)	(156)	14	(9%)
Net GST refund/(payment)		(67)	0	(67)	100%
Other payments	21	(1,699)	(897)	(802)	89%
Net cash inflow from Operating Activities		11,309	8,742	2,567	29%
Cash flows from Investing Activities					
Payments for Property, Plant & Equip., & Infrastructure	22	(8,027)	(9,663)	1,636	(17%)
Proceeds from Sale of Property, Plant & Equip., & Infrastructure	23	760	550	210	38%
Net cash outflow from Investing Activities		(7,267)	(9,113)	1,846	(20%)
Cash flows from Financing Activities					
Repayment of interest bearing loans and borrowings		(518)	(518)	0	0%
Lease payments		(26)	(26)	0	0%
Trust funds and deposits	24	(74)	0	(74)	(100%)
Finance costs		(185)	(191)	6	(3%)
Net cash outflow from Financing Activities		(803)	(735)	0	0%
Net increase (decrease) in cash and cash equivalents		3,239	(1,106)	4,345	(393%)
Cash and cash equivalents at the beginning of the year	25	6,412	4,989	1,423	29%
Cash and cash equivalents at the end of the year		9,651	3,883	5,768	149%

Standard Statements

for the year ended 30 June 2009

Note	Item	Explanation
21	Other payments	Provision was made for the rehabilitation of the Cressy-Shelford Road that was not previously budgeted for.
22	Payments for Property, Plant and Equipment & Infrastructure	A number of capital works projects were not completed due to various factors such as, the ability to obtain planning approval, negotiations for acquisitions and contracts taking longer than expected and delays in obtaining cultural heritage approval for projects. The major project that makes up the bulk of the variance is the Apollo Bay Waste Transfer Station. This large project was delayed due to negotiations for the land acquisition.
23	Proceeds from Sale of Property, Plant and Equipment & Infrastructure	The major item that contributes to the variance from budget is the sale of 101 Queen Street Colac for approximately \$300,000. The sale of this site was not considered at the time the budget was prepared.
24	Trust funds and deposits	Cash movements resulting from Trust funds and deposits are not traditionally budgeted for and so a variation from budget is expected.
25	Cash and cash equivalents	A net decrease in funds was expected to occur for the year. The actual result, due to projects not being undertaken(e.g. carry over items) and the additional funds received from the Commonwealth government as part of the federal stimulus package and the early receipt of grants has seen a net increase in cash funds.

STANDARD STATEMENT OF CAPITAL WORKS (for the year ended 30 June, 2009)

	Note	Actual \$	Budget \$	Variance \$	Variance %
Capital Works Area					
Land	26	0	1,000	1,000	100%
Buildings	27	1,024	623	(401)	(64%)
Plant and Machinery		1,184	1,200	16	1%
Furniture and Equipment	28	175	302	127	42%
Roads and Streets		4,755	4,803	48	1%
Bridges	29	455	565	110	19%
Footpaths, Kerb & Channelling		229	250	21	8%
Parks and Gardens	30	96	531	435	82%
Drainage	31	111	390	279	72%
Total Capital Works		8,029	9,664	1,635	17%
Represented by:					
Renewal		4,868	6,135	1,267	21%
Upgrade		2,606	3,521	915	26%
New		555	8	(547)	(6,838%)
Total Capital Works		8,029	9,664	1,635	17%

Note	Item	Explanation
26	Land	Carry over of Apollo Bay Transfer Station to the 2009/10 financial year.
27	Buildings	Purchase of former Skills Connect building at rear of COPACC and renovation works to the building.
28	Furniture and Equipment	Less furniture and equipment acquired reached the asset recognition threshold. With the stricter adherence to the threshold limits and less actual furniture and equipment being purchased, a lower level of expenditure occurred in this area.
29	Bridges	Completion of Binns Road bridge to be carried over to the 2009/10 financial year.
30	Parks and Gardens	Projects to be completed in 2009/10 financial year, including Botanic Gardens works and Birregurra skate park works.
31	Drainage	Lower maintenance requirements than budgeted.

Standard Statements

for the year ended 30 June 2009

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*.



Brett Exelby
Principal Accounting Officer

Date: 23 September, 2009

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 23 September, 2009 to certify the Standard Statements in their final form.



Stephen Hart
Councillor

Date: 23 September, 2009



Stuart Hart
Councillor

Date: 23 September, 2009



Rob Small
Chief Executive Officer

Date: 23 September, 2009

Annual Financial Statements

For the Year Ended 30 June 2009

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INCOME STATEMENT (for the year ended 30 June, 2009)

	Note	2009 \$'000	2008 \$'000
Revenue			
Rates and charges	2	17,602	16,384
User fees	3	3,855	3,601
Contributions - Cash	5(a)	397	863
Contributions - Non-monetary assets	5(b)	792	425
Grants - Recurrent	4	8,961	7,121
Grants - Non-recurrent	4	4,105	3,697
Reimbursements	6	191	280
Other revenue	7	426	579
Total revenue		36,329	32,950
Expenses			
Employee benefits	8	(11,250)	(10,058)
Materials and services	9	(12,869)	(12,476)
Depreciation and amortisation	10	(8,902)	(7,508)
Finance costs	11	(185)	(220)
Other expenses	12	(1,747)	(1,692)
Total expenses		(34,953)	(31,954)
Net gain/(loss) on disposal of property, plant and equipment, infrastructure		(210)	(98)
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	13	28	18
Found assets	14	1,414	-
Property, plant and equipment, infrastructure written off.		(763)	(237)
Surplus/(deficit) for the year		1,845	679

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



BALANCE SHEET As at 30 June 2009

	Note	2009 \$'000	2008 \$'000
Assets			
Current assets			
Cash and cash equivalents	15	9,651	6,412
Trade and other receivables	16	2,055	2,022
Inventories	17	94	90
Other assets	18	139	78
Total current assets		11,939	8,602
Non-current assets			
Investments in associates accounted for using the equity method	13	486	458
Property, plant and equipment, infrastructure	19	235,502	228,126
Total non-current assets		235,988	228,584
Total assets		247,927	237,186
Liabilities			
Current liabilities			
Trade and other payables	20	1,910	696
Trust funds and deposits	21	242	316
Provisions	22	2,807	2,250
Interest-bearing loans and borrowings	23	305	544
Total current liabilities		5,264	3,806
Non-current liabilities			
Provisions	22	2,505	2,540
Interest-bearing loans and borrowings	23	2,157	2,462
Total non-current liabilities		4,662	5,002
Total liabilities		9,926	8,808
Net Assets		238,001	228,378
Equity			
Accumulated surplus		92,218	91,896
Reserves	24	145,783	136,482
Total Equity		238,001	228,378

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

Annual Financial Statements

For the Year Ended 30 June 2009

STATEMENT OF CHANGES IN EQUITY (for the year ended 30 June, 2009)

	Note	Asset Total 2009 \$'000	Accumulated Surplus 2009 \$'000	Revaluation Reserve 2009 \$'000	Other Reserves 2009 \$'000
2009					
Balance at beginning of the financial year		228,378	91,896	133,730	2,752
Surplus (deficit) for the year		1,845	1,845	-	-
Net asset revaluation increment(decrement)	24(a)	7,778	-	7,778	-
Transfers to other reserves	24(b)	-	(2,067)	-	2,067
Transfers from other reserves	24(b)	-	544	-	(544)
Balance at end of the financial year		238,001	92,218	141,508	4,275
2008					
Balance at beginning of the financial year		198,385	91,879	104,417	2,089
Surplus(deficit) for the year		679	679	-	-
Net asset revaluation increment(decrement)	24(a)	29,313	-	29,313	-
Transfers to other reserves	24(b)	(1,816)	(1,239)	-	(577)
Transfers from other reserves	24(b)	1,817	577	-	1,240
Balance at end of the financial year		228,378	91,896	133,730	2,752

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



CASH FLOW STATEMENT (for the year ended 30 June, 2009)

	Note	2009 \$'000	2008 \$'000
Cash flows from operating activities			
Rates		17,857	16,384
User charges and other fines (inclusive of GST)		3,590	5,098
Grants (inclusive of GST)		12,960	11,111
Reimbursements and Contributions (inclusive of GST)		717	727
Interest		426	579
Net GST refund/payment		(67)	1,347
Payments to suppliers (inclusive of GST)		(11,503)	(10,910)
Payments to employees (including redundancies)		(10,830)	(14,644)
Other payments		(1,841)	(1,168)
Net cash provided by (used in) operating activities	25	11,309	8,524
Cash flows from investing activities			
Payments for property, plant and equipment, infrastructure	19	(8,027)	(8,968)
Proceeds from sale of property, plant and equipment, infrastructure		760	560
Net cash provided by (used in) investing activities		(7,267)	(8,408)
Cash flows from financing activities			
Finance costs		(185)	(224)
Trust funds and deposits		(74)	40
Lease payments		(26)	(22)
Repayment of interest bearing loans and borrowings		(518)	(486)
Net cash provided by (used in) financing activities		(803)	(692)
Net increase (decrease) in cash and cash equivalents		3,239	(576)
Cash and cash equivalents at the beginning of the financial year		6,412	6,988
Cash and cash equivalents at the end of the financial year	26	9,651	6,412

Financing arrangements - see note 27

Restrictions on cash assets - see note 28

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

Annual Financial Statements

For the Year Ended 30 June 2009

NOTES TO THE FINANCIAL REPORT For the Year Ended 30 June 2009

Introduction

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

The Council's main office is located at 2-6 Rae Street Colac Victoria 3250.

- (b) 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 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(d), 1(h), 1(k) and 1(s).

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 39 for further details.*

(b) Change in accounting policies

In accordance with AASB1045 "Land Under Roads" the Council has elected to recognise land under roads acquired after 30 June 2008 using the deemed cost basis. This equated to income recognised of \$89,000 for the current financial year.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

(c) Revenue recognition

Rates, grants and contributions

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.

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

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 4. 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.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

User fees and fines

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.

A provision for doubtful debts is recognised when collection in full is no longer probable.

Sale of property, plant and equipment, infrastructure

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

Interest and rents

Interest and rents are 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.

(d) 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.

Note 1 - Significant accounting policies (cont)

(e) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles

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

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

Road earthworks are not depreciated.

Straight line depreciation is charged based on the residual useful life as determined each year.

Annual Financial Statements

For the Year Ended 30 June 2009

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

Property	Period
Land	
Buildings	
buildings	50 - 100 years
Plant and Equipment	
plant, machinery and equipment	3 - 10 years
fixtures, fittings and furniture	3 - 21 years
leased plant and equipment	5 - 10 years
Infrastructure	
Roads	
roads and streets	12 - 60 years
road kerb, channel and minor culverts	35 - 80 years
bridges	50 - 70 years
footpaths and cycleways	30 - 80 years
drainage	100 years
parks, open space and streetscapes	10 - 100 years

(f) 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.

(g) 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. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

(h) 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 19. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold Limit
	\$
Property	
Land	
land	1,000
land under roads	1,000
Buildings	
buildings	5,000
leasehold building improvements	1,000
Plant and Equipment	
plant, machinery and equipment	1,000
fixtures, fittings and furniture	1,000
leased plant and equipment	1,000
Infrastructure	
Roads	
roads and streets	10,000
road kerb, channel and minor culverts	10,000
bridges	
footpaths and cycleways	10,000
drainage	10,000
parks, open space and streetscapes	5,000

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant, machinery, parks and gardens & land under roads, are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

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 either by experienced council officers or independent experts.

Annual Financial Statements

For the Year Ended 30 June 2009

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

(h) Recognition and measurement of assets (cont.)

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

Land under roads

Land under roads acquired after 30 June, 2008 is brought to account using the cost basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

(i) Cash and cash equivalents

For the purposes of the cash flow 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.

(j) Investments

Investments, other than investments in associates, are measured at cost.

(k) 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.

(l) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (*refer to note 21*).

(m) Employee benefits

Wages and salaries

Liabilities for wages and salaries and rostered days off are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date.

Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

Annual 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.

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.



NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

(m) Employee benefits (cont)

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 29.*

(n) 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.

(o) 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.

(p) Agreements equally proportionately unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the balance sheet. Such agreements are recognised on an 'as incurred' basis.

(q) Web site costs

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

(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.

Annual Financial Statements

For the Year Ended 30 June 2009

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

(s) 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.

(t) Rounding

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

(u) 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	App. date of Std	App. date for Council
AASB 2008-11	AASB 3 Business Combinations	Amends an earlier version of AASB 3 issued in July 2004. However, before the mandatory application of this Standard the Australian Accounting Standards Board will consider the suitability of this Standard for combinations in the not for profit sector. This may result in further amendments to this Standard or an additional scope exclusion. Consequently, it is not possible to assess the likely impact of this Standard on Council.	1-Jul-09	1-Jul-09
AASB 2007-06	AASB 101 Presentation of Financial Statements	Amends an earlier version of AASB 101 issued in July 2006. This Standard introduces the concept of a "complete set of financial statements" and amends the title of some statements in the accounts. The other change of some relevance to Council relates to reporting owner changes in equity and comprehensive income. No significant impacts are expected to arise from this Standard.	1-Jan-09	1-Jan-09
AASB 2007-08	AASB 123 Borrowing Costs	Amends an earlier version of AASB 123 issued in July 2004. This Standard requires borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset to be capitalised. Previously, entities had the option of expensing such costs. Subject to the existence of borrowings for the purpose of funding capital expenditure, this standard will require related borrowing costs to be capitalised rather than expensed. It is not expected that this will have a material impact on the reported financial performance or position of Council.	1-Jan-09	1-Jan-09
AASB 2008-5	AASB 127 Consolidated and Separate Financial Statements	Amends an earlier version of AASB 127 issued in July 2004. This standard makes various relatively minor changes. This Standard is not expected to have any impact on Council.	1-Jul-09	1-Jul-09
AASB 2008-1, AASB 2008-2, AASB 2008-3, AASB 2008-5, AASB 2008-6, AASB 2008-7,	Various	These standards make revisions, which are generally minor, to a range of other accounting standards. It is not expected that these Standards will have any significant impact on Council.	1-Jan-09	1-Jan-09

NOTE 2 - RATES AND CHARGES

Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The valuation base of a property is its capital improved value as assessed by independent valuations undertaken every two years.

The valuation base used to calculate general rates for 2008/2009 was \$4,863,768,038 (2007-2008 \$4,345,796,700). Council applied differential rating.

	2009 \$'000	2008 \$'000
Residential	7,397	7,288
Commercial	2,048	1,878
Industrial	265	210
Farm/Rural	3,745	3,061
Supplementary rates and rate adjustments	-	97
Municipal charge	2,005	1,834
Garbage charge	2,142	2,016
	17,602	16,384

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2008, and the valuation was first applied in the rating year commencing 1 July 2008.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2006, and the valuation first applied to the rating period commencing 1 July 2006.

NOTE 3 - USER FEES

	2009 \$'000	2008 \$'000
Bluewater Fitness Centre	784	561
Colac Livestock Selling Centre	550	427
Performing Arts Centre	417	462
Home Care and Delivered Meals	412	557
Visitor Information Centres	356	245
Parking, animal Control and Local Laws	344	170
Town Planning and Building	302	371
Waste Disposal	162	167
Council Properties	116	119
Private Works	59	210
Other fees and charges	353	312
	3,855	3,601

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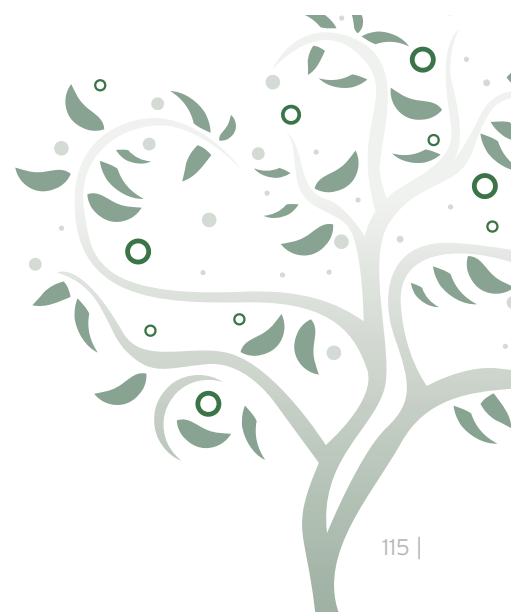
For the Year Ended 30 June 2009

NOTE 4 - GRANTS

Grants were received in respect of the following :

	2009 \$'000	2008 \$'000
Summary of grants		
Federally funded grants	7,862	6,257
State funded grants	5,204	4,561
Total	13,066	10,818

	2009 \$'000	2008 \$'000
Recurrent		
Grants Commission - Untied Base Grant	3,638	2,678
Grants Commission - Local Roads Grant	2,619	1,955
Aged & Home Care	998	929
Port of Apollo Bay Operational Subsidy	637	622
Family Day Care	403	336
Maternal & Child Health	227	161
Transport Connections	128	129
Community Transport	72	70
Rural Access Project	62	61
Meeting Place	45	45
School Crossings	34	34
Preventative Services - Immunisation Subsidy	29	36
Regional Development Victoria Cadets Grants	23	-
Senior Citizens	21	23
SES Operations Subsidy	11	10
Beach Cleaning Subsidy	10	7
Tobacco Act Administration	4	4
Regional Development victoria Tourism Officer Grant	-	13
Recreation Centre - Child Care Subsidy	-	5
Sue Hickey Grant	-	3
Bush Tender Funding	-	1
Total recurrent	8,961	7,121





NOTE 4 - GRANTS (cont)

	2009 \$'000	2008 \$'000
Non-recurrent		
RTR - Federal Grant (DTRS)	1,202	1,123
Bluewater Fitness Centre - Upgrade	300	-
Binns Road Bridge Grant	297	-
Binns Road - Better Roads Grant	275	-
Joint Use Hockey Ground Grant	192	-
Replace Slipway Rails - Port Risk Mitigation	140	-
A Bay/ Birregurra/Lavers Hill Pathways	135	-
Living Libraries Beechy Centre Grant	127	-
Dairy Industry Road Program - Grant	115	125
Neighbourhood Renewal Grant	100	-
Larpent Road Grant	100	-
Moving Forward Grant	96	94
Forrest Tiger Rail Trail	85	-
Corangamite Landslide Mapping grant	80	-
Birregurra Bowling Club Synthetic Green - SRV	60	-
Drought Relief for Community Sport & Recreation	60	-
Breakwater Re-Armouring	50	-
Country Football/Netball Projects - SRV Grant	48	-
Fire Prevention Notice System grants	46	-
Sand Study Grant	45	-
COPACC - Arts Victoria Grant	45	-
Apollo Bay Transfer Station Grant	40	-
BCLGRP Capacity Building	33	-
Port of Apollo Bay Precinct Plan grant	33	-
Rural Access Project - Internet Training Grant	30	-
Beechy Precinct Enhanced Library Services - Grant	30	-
Apollo Bay Coastal Trail	30	-
Apollo Bay Static Library - Grant	27	20
Heatwave Strategy - Grant	25	-
Environment Strategy grants	23	-
Make them Your Business MAV Grant	22	-
Pirron Yallock Clubrooms - RDV Grant	20	20
Colac VIC - Upgrade	20	-
Go for Your Life Grant	19	-
Fire Access Bridge Grant	19	53
HACC Minor Works - Grant	18	28
Bus Stop Improvements - Grant	16	11
Regional Trails Masterplan SRV Grant	15	25
Estuary Monitoring Grant (CMA)	10	-

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For the Year Ended 30 June 2009

NOTE 4 - GRANTS (cont)

	2009 \$'000	2008 \$'000
Non-recurrent (cont.)		
Neighbourhood Renewal Stage 2 - Grant	10	-
BCGLRP On Ground Works	9	-
Redevelopment of Cricket Wickets	8	-
BWFC Stadium Feasibility Study Grant	8	16
Economic Development Strategy Grant	8	-
Static Tanks CFA Grants	5	5
Apollo Bay Structure Plan - DSE Grant	5	5
Heritage Advisor Grant	5	5
Colac Structure Plan Grant	5	5
MECC Equipment Grant	4	-
Veteren Affairs Weight Resistance Grant	4	5
Volunteer Co-ordination Grant	3	3
Forrest/Birregurra Drought Projects - SRV Grant	3	69
ICLEI Grant	2	2
Marina Replacement	-	1,115
Marina Reconstruction Grant	-	300
Bus Shelters Colac Grant	-	120
Lake Colac Mgmt Plan - RDV Grant	-	100
GOR VIC Upgrade - Grant	-	80
Colac Otway Community Plan grant	-	50
Birregurra Skatepark Grant	-	48
Rural Living Strategy Grant	-	35
STIP - Rex Norman Park Grant	-	33
Catch A Carp grant	-	33
Relocation of GOR Powerlines - DPI Grant	-	26
Better Roads - Grant	-	26
Lake Colac ED Study - RDV/DOTARS Grants	-	24
HACC Minor Works - IT	-	23
Great Ocean Road Sports Festival Grant	-	20
GORLASS DSE Grant	-	20
GOR Plaques - Grant	-	20
Meredith Park Upgrade - DSE Grant	-	18
Small Town Improvement Program - RDV Grant	-	17
STIP - Forrest Upgrade RDV Grant	-	17
Volunteer Project	-	17
Western Oval Netball grant	-	15
Safety and Environment Plan Grant	-	15
BioDiversity Mapping	-	14
Climate Change	-	10

NOTE 4 - GRANTS (cont)

	2009 \$'000	2008 \$'000
Non-recurrent (cont.)		
Lake Colac DSE/CCMA Grants	-	10
Lake Colac - Stoddart St DSE Grant	-	10
Port of Apollo Bay Plan RDV Grant	-	8
Memorial Square - Shrine Grant	-	7
Enviromark Implement Grant	-	7
Roadside Gorse Project DPI Grant	-	6
Bluewater Fitness Centre grants	-	6
Saleyards - Office Improvements Grant	-	6
Country Action Scheme DVC Grant	-	5
KRWRSK Structure Plan grant	-	5
Ragwort Project DPI Grant	-	5
Bluewater - Sponsorship	-	3
Public Place Recycling - SV Grant	-	2
National Youth Week Grant	-	2
Community Choir Grant	-	2
Local Government ELP Grant	-	2
Progress Association Workshops Grant -	2	
Bluewater Fitness - Access for All Grant	-	1
Total non-recurrent	4,105	3,697

Conditions on Grants

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

	2009 \$'000	2008 \$'000
Aged Care	110	69
Apollo Bay Harbour	-	188
Economic Development	43	73
Environment	23	-
Recreation	153	125
Roads related	-	267
Other	118	47
	447	769



Annual Financial Statements

For the Year Ended 30 June 2009

NOTE 4 - GRANTS (cont)

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

	2009 \$'000	2008 \$'000
Conditions on Grants		
Aged Care	69	27
Apollo Bay Harbour	188	87
Economic Development	73	330
Environment	-	110
Recreation	125	18
Roads related	267	635
Other	47	27
	769	1,234

NOTE 5 - CONTRIBUTIONS

	2009 \$'000	2008 \$'000
(a) Cash		
Special Charge Schemes	210	222
Recreational Lands Contributions	38	291
FREEZA Contributions	23	14
Apollo Bay Harbour - Fisherman's Co-op	22	23
COPACC Sponsorship	18	20
Car Parking Contributions	-	131
Recreation Facilities Contributions	-	64
Other	86	98
	397	863
(b) Non-monetary assets		
Roads	213	161
Drainage	208	129
Footpaths	200	32
Land under roads	89	-
Kerb and channelling	82	103
	792	425
Total	1,189	1,288

NOTE 6 - REIMBURSEMENTS

	2009 \$'000	2008 \$'000
Vic Roads Agency Reimbursement	91	89
Administration Fees	69	77
Barnard Trust	13	41
Drought Relief	5	11
Other	13	62
	191	280

NOTE 7 - OTHER REVENUE

	2009 \$'000	2008 \$'000
Interest	293	453
Interest on rates	133	126
	426	579

NOTE 8 - EMPLOYEE BENEFITS

	2009 \$'000	2008 \$'000
Wages and salaries	8,084	7,039
Superannuation	862	768
Annual leave and long service leave	754	743
Casual staff	644	651
Workcover	299	268
Vehicles	245	245
Training	223	213
Fringe benefits tax	81	79
Other	58	52
	11,250	10,058

NOTE 9 - MATERIALS AND SERVICES

	2009 \$'000	2008 \$'000
Waste Management	2,564	2,552
Governance	1,908	1,435
Roads, Parks & Gardens	1,308	1,430
Arts, Culture & Recreation	955	743
Eliminyt Gas Scheme	652	-
Colac Otway Performing Arts & Culture Centre	629	569
Town Planning	628	516
Council Properties	481	294
Tourism	461	467
Environment & Fire Prevention	420	374
Bluewater Fitness Centre	394	244
Family Day Care	337	373
Economic Development	272	181
Insurance	245	316
Street Lighting	164	137
Delivered Meals	161	156
Aged & disability	150	137
Local Laws	116	115
Port of Apollo Bay	108	1,931
Auditor's Remuneration	27	28
Other	889	478
	12,869	12,476

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For the Year Ended 30 June 2009

NOTE 10 - DEPRECIATION AND AMORTISATION

	2009 \$'000	2008 \$'000
Property		
Buildings	1,268	940
Plant and Equipment		
Plant, machinery and equipment	860	628
Fixtures, fittings and furniture and equipment	198	143
Leased plant and equipment	23	23
Infrastructure		
Roads	5,237	4,490
Bridges	253	248
Drainage	240	235
Parks, open space and streetscapes	235	228
Footpaths and cycleways	167	153
Other infrastructure - Kerb and channel	421	420
	8,902	7,508

NOTE 11 - FINANCE COSTS

	2009 \$'000	2008 \$'000
Interest - Borrowings	184	217
Interest - Finance leases	1	3
	185	220

NOTE 12 - OTHER EXPENSES

	2009 \$'000	2008 \$'000
Library Contribution	406	405
Plant Costs	396	548
Cressy-Shelford Road Rehabilitation	250	-
Councillor's allowances	193	131
Grants and donations paid	142	176
Tourism Subscriptions	70	64
Councillor's travel	40	39
Town Planning Legal Fees	30	40
Economic Development Contributions	-	37
Other	220	252
	1,747	1,692



NOTE 13 - INVESTMENT IN ASSOCIATES

	2009 \$'000	2008 \$'000
Investments in associates accounted for by the equity method are:		
- Corangamite Regional Library Corporation	486	458
	486	458
Council's share of accumulated surplus(deficit)		
Council's share of accumulated surplus(deficit) at start of year	(63)	(81)
Reported surplus(deficit) for year	28	18
Council's share of accumulated surplus(deficit) at end of year	(35)	(63)
Council's share of reserves		
Council's share of reserves at start of year	521	521
Transfers (to) from reserves	-	-
Council's share of reserves at end of year	521	521
Movement in carrying value of specific investment		
Carrying value of investment at start of year	458	440
Share of surplus(deficit) for year	28	18
Carrying value of investment at end of year	486	458

NOTE 14 - FOUND ASSETS NOT PREVIOUSLY RECOGNISED

	2009 \$'000	2008 \$'000
Buildings as owned by Council	1,414	-
	1,414	-

NOTE 15 - CASH AND CASH EQUIVALENTS

	2009 \$'000	2008 \$'000
Cash on hand	7	6
Cash at bank	8,317	5,159
Short term deposits	1,327	1,247
	9,651	6,412

Background

The Corangamite Regional Library Corporation is a corporation owned by four (4) councils: Colac Otway Shire, Corangamite Shire, Moyne Shire and Warrnambool City. Colac Otway Shire Council currently has a 24.42% equity interest (2007/08 24.48%).

Users of the financial report should refer to Note 28 for details of restrictions on cash assets and note 30 for details of existing Council commitments.

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For the Year Ended 30 June 2009

NOTE 16 - TRADE AND OTHER RECEIVABLES

	2009 \$'000	2008 \$'000
Current		
Government grants	523	417
Other debtors	522	270
Rates debtors	393	321
Special charge schemes contributions	256	294
Net GST receivable	250	180
User charges	81	64
Private works	20	111
Harbour	10	13
Farm rate rebates	-	327
Reimbursement unfunded supeannuation loan - CRLC	-	24
Parking infringement debtors	-	1
Total	2,055	2,022

NOTE 17 - INVENTORIES

	2009 \$'000	2008 \$'000
Inventories held for sale	59	53
Inventories held for distribution	35	37
	94	90

NOTE 18 - OTHER ASSETS

	2009 \$'000	2008 \$'000
Current		
Prepayments	139	78
	139	78



NOTE 19 - PROPERTY, PLANT, EQUIPMENT AND INFRASTRUCTURE

Valuation of land (excluding land under roads) and buildings were undertaken by the qualified independent valuers Southern Cross Property Services, effective from 1 July 2008. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions.

Land under roads is valued at deemed cost. Deemed cost is based on site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.

	2009 \$'000	2008 \$'000
Summary		
at cost	19,282	14,952
Less accumulated depreciation	5,626	4,747
at fair value	29,571	75,185
Less accumulated depreciation	-	23,956
at Council valuation	275,440	219,928
Less accumulated depreciation	83,565	53,236
Works in progress	400	-
Total	235,502	228,126
Property		
Land		
at fair value as at 30 June 2005	-	29,784
at fair value as at 1 July 2008	29,571	-
	29,571	29,784
Land under roads		
at cost	89	-
	89	-
Total Land	29,660	29,784
Buildings		
Works in progress	400	-
at cost	624	1,957
Less accumulated depreciation	3	39
	1,021	1,918
at fair value as at 30 June 2008	-	45,401
Less accumulated depreciation	-	23,956
	-	21,445
at fair value as at 1 July 2008	53,313	-
Less accumulated depreciation	24,012	-
	29,301	-
Total Buildings	30,322	23,363
Total Property	59,982	53,147

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For the Year Ended 30 June 2009

NOTE 19 - PROPERTY, PLANT, EQUIPMENT AND INFRASTRUCTURE (cont)

	2009 \$'000	2008 \$'000
Plant and Equipment		
Plant, machinery and equipment		
at cost	8,421	7,908
Less accumulated depreciation	4,675	3,928
	3,746	3,980
Fixtures, fittings and furniture		
at cost	2,074	1,900
Less accumulated depreciation	666	468
	1,408	1,432
Leased plant and equipment		
at cost	-	187
Less accumulated amortisation	-	146
	-	41
Total Plant and Equipment	5,154	5,453
Infrastructure		
Roads		
at cost	4,968	-
Less accumulated depreciation	36	-
	4,932	-
at Council valuation as at 30 June 2008	157,376	157,594
Less accumulated depreciation	36,225	31,115
	121,151	126,479
Total Roads	126,083	126,479
Bridges		
at cost	664	209
Less accumulated depreciation	60	56
	604	153
at Council valuation as at 30 June 2006	15,223	15,351
Less accumulated depreciation	4,295	4,093
	10,928	11,258
Total Bridges	11,532	11,411

Valuation of roads has been determined in accordance with valuation undertaken by Adam Lehmann (BEng) dated 30 June 2008. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Valuation of bridges has been determined in accordance with valuation undertaken by Adam Lehmann (BEng) dated 30 June 2006. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

NOTE 19 - PROPERTY, PLANT, EQUIPMENT AND INFRASTRUCTURE (cont)

	2009 \$'000	2008 \$'000		
Valuation of footpaths and cycleways & kerb and channelling has been determined in accordance with valuation undertaken by Adam Lehmann (BEng) dated 30 June 2009. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.	Footpaths and cycleways			
	at cost	-	630	
	Less accumulated depreciation	-	13	
		-	617	
	at Council valuation as at 30 June 2006	-	7,108	
	Less accumulated depreciation	-	2,411	
		-	4,697	
	at Council valuation as at 30 June 2009	8,311	-	
	Less accumulated depreciation	2,998	-	
		5,313	-	
	Total Footpaths and cycleways	5,313	5,314	
Valuation of drainage has been determined in accordance with valuation undertaken by Adam Lehmann (BEng) dated 30 June 2007. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.	Drainage			
	at cost	569	250	
	Less accumulated depreciation	8	5	
		561	245	
	at Council valuation as at 30 June 2007	18,527	18,527	
	Less accumulated depreciation	6,905	6,668	
		11,622	11,859	
		Total Drainage	12,183	12,104
	Valuation of parks and gardens has been determined in accordance with valuation undertaken by Adam Lehmann (BEng) dated 30 June 2005. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.	Kerb and channelling		
		at cost	-	134
Less accumulated depreciation		-	3	
		-	131	
at Council valuation as at 30 June 2007		-	18,344	
Less accumulated depreciation		-	6,859	
		-	11,485	
at Council valuation as at 30 June 2009		19,686	-	
Less accumulated depreciation		6,894	-	
		12,792	-	
	Total Kerb and channelling	12,792	11,616	
Valuation of parks and gardens has been determined in accordance with valuation undertaken by Adam Lehmann (BEng) dated 30 June 2005. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.	Parks and gardens			
	at cost	1,873	1,777	
	Less accumulated depreciation	178	89	
		1,695	1,688	
	at Council valuation as at 30 June 2005	3,004	3,004	
	Less accumulated depreciation	2,236	2,090	
		768	914	
		Total Parks and gardens	2,463	2,602
		Total Infrastructure	170,366	169,526
		Total Property, Plant and Equipment, Infrastructure	235,502	228,126

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For the Year Ended 30 June 2009

NOTE 19 - PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE (cont)

2009	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 24)	Depreciation and amortisation (note 10)	Written down value of disposals	Impairment losses/assets written off recognised in profit or loss (a)	Non-monetary assets contributed	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property									
land	29,784	-	182	-	(395)	-	-	-	29,571
land under roads	-	-	-	-	-	-	89	-	89
Total land	29,784	-	182	-	(395)	-	89	-	29,660
buildings	23,363	1,024	6,271	(1,268)	-	(482)	1,414	-	30,322
Total buildings	23,363	1,024	6,271	(1,268)	-	(482)	1,414	-	30,322
Total property	53,147	1,024	6,453	(1,268)	(395)	(482)	1,503	-	59,982
Plant and Equipment									
plant, machinery and equipment	3,980	1,183	-	(860)	(575)	-	-	18	3,746
fixtures, fittings and furniture	1,432	174	-	(198)	-	-	-	-	1,408
leased plant and equipment	41	-	-	(23)	-	-	-	(18)	-
Total plant and equipment	5,453	1,357	-	(1,081)	(575)	-	-	-	5,154
Infrastructure									
roads	126,479	4,755	-	(5,237)	-	(127)	213	-	126,083
bridges	11,411	456	-	(253)	-	(82)	-	-	11,532
footpaths and cycleways	5,314	219	(181)	(167)	-	(72)	200	-	5,313
drainage	12,104	111	-	(240)	-	-	208	-	12,183
kerb and channelling	11,616	10	1,506	(421)	-	-	81	-	12,792
parks and gardens	2,602	96	-	(235)	-	-	-	-	2,463
Total infrastructure	169,526	5,647	1,325	(6,553)	-	(281)	702	-	170,366
Total property, plant and equipment, infrastructure	228,126	8,028	7,778	(8,902)	(970)	(763)	2,205	-	235,502

(a) Impairment losses

Impairment losses are recognised in the income statement under other expenses.

Reversals of impairment losses are recognised in the income statement under other revenue.





NOTE 19 - PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE (cont)

	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 24)	Depreciation and amortisation (note 10)	Written down value of disposals	Impairment losses/assets written off recognised in profit or loss (a)	Non-monetary assets contributed	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Property								
land	29,784	-	-	-	-	-	-	29,784
land under roads	-	-	-	-	-	-	-	-
Total land	29,784	-	-	-	-	-	-	29,784
buildings	23,724	579	-	(940)	-	-	-	23,363
Total buildings	23,724	579	-	(940)	-	-	-	23,363
Total property	53,508	579	-	(940)	-	-	-	53,147
Plant and Equipment								
plant, machinery and equipment	3,817	1,403	-	(628)	(612)	-	-	3,980
fixtures, fittings and furniture	1,349	284	-	(143)	(46)	(12)	-	1,432
leased plant and equipment	64	-	-	(23)	-	-	-	41
Total plant and equipment	5,230	1,687	-	(794)	(658)	(12)	-	5,453
Infrastructure								
roads	95,954	5,697	29,315	(4,490)	-	(158)	161	126,479
bridges	11,564	151	-	(248)	-	(56)	-	11,411
footpaths and cycleways	5,219	227	-	(153)	-	(11)	32	5,314
drainage	12,089	121	-	(235)	-	-	129	12,104
kerb and channelling	11,902	31	-	(420)	-	-	103	11,616
parks and gardens	2,355	475	-	(228)	-	-	-	2,602
Total infrastructure	139,083	6,702	29,315	(5,774)	-	(225)	425	169,526
Total property, plant and equipment, infrastructure	197,821	8,968	29,315	(7,508)	(658)	(237)	425	228,126

(a) Impairment losses

Impairment losses are recognised in the income statement under other expenses.

Reversals of impairment losses are recognised in the income statement under other revenue.

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For the Year Ended 30 June 2009

NOTE 20 - TRADE AND OTHER PAYABLES

	2009 \$'000	2008 \$'000
Trade payables	328	379
Accrued expenses	1,582	317
	1,910	696

Trust deposits are refundable deposits held as guarantees for compliance with Council regulations.

NOTE 21 - TRUST FUNDS AND DEPOSITS

	2009 \$'000	2008 \$'000
Refundable landscaping bond deposits	67	67
Refundable planning permit deposits	58	84
Refundable builders footpath deposits	49	67
Refundable re-erection of dwellings deposits	33	48
Refundable contract deposits	26	41
Other refundable deposits	9	9
	242	316

NOTE 22 - PROVISIONS

	Annual leave \$'000	Long service leave \$'000	Landfill restoration \$'000	Other \$'000	Road rehabilitation \$'000	Total \$'000
2009						
Balance at beginning of the financial year	794	1,237	2,736	23	-	4,790
Additional provisions	662	325	-	17	250	1,254
Amounts used	(616)	(91)	(25)	-	-	(732)
Balance at the end of the financial year	840	1,471	2,711	40	250	5,312

	Annual leave \$'000	Long service leave \$'000	Landfill restoration \$'000	Other \$'000	Road rehabilitation \$'000	Total \$'000
2008						
Balance at beginning of the financial year	802	1,293	2,936	24	-	5,055
Additional provisions	512	264	-	41	-	817
Amounts used	(520)	(320)	(200)	(42)	-	(1,082)
Balance at the end of the financial year	794	1,237	2,736	23	-	4,790



NOTE 22 - PROVISIONS (cont)

	2009 \$'000	2008 \$'000
(a) Employee benefits		
Current (i)		
Annual leave	840	794
Long service leave	1,224	1,129
Other	40	23
	2,104	1,946
Non-current (ii)		
Long service leave	247	108
	247	108
Aggregate carrying amount of employee benefits:		
Current	2,104	1,946
Non-current	247	108
	2,351	2,054
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.50%	4.75%
Weighted average discount rates	5.23%	4.73%
Weighted average settlement period	12	12
(i) Current		
All annual leave and the long service leave entitlements representing 10 or more years of continuous service		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	1,880	1,794
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	224	129
	2,104	1,923
(ii) Non-current		
Long service leave representing less than 10 years of continuous service measured at present value	247	108
(b) Provision for Landfill restoration		
Current	453	304
Non-current	2,258	2,432
Total	2,711	2,736
(c) Provision for Road rehabilitation		
Current	250	-
Non-current	-	-
Total	250	-

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For the Year Ended 30 June 2009

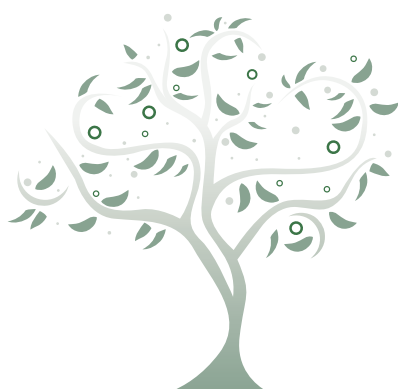
NOTE 23 - INTEREST-BEARING LOANS AND BORROWINGS

	2009 \$'000	2008 \$'000
Current		
Borrowings - secured	305	544
	305	544
Non-current		
Borrowings - secured	2,157	2,462
Total	2,462	3,006
The maturity profile for Council's borrowings is:		
Not later than one year	305	518
Later than one year and not later than five years	1,185	1,075
Later than five years	972	1,387
	2,462	2,980

Finance leases

Council had the following obligations 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):

	2009 \$'000	2008 \$'000
Not later than one year	-	27
Minimum lease payments	-	27
Less: Future finance charges	(1)	
Recognised in the balance sheet as:	-	26
Current		
Leases	-	26
Non-current		
Leases	-	-
Total	-	26
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	305	544
Non-current	2,157	2,462
	2,462	3,006



NOTE 24 - RESERVES

	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation of by associate	Balance at end of reporting period
	\$ '000	\$ '000	\$ '000	\$ '000
(a) Asset revaluation reserves				
2009				
Property				
Land	22,229	182	-	22,411
Buildings	8,877	6,271	-	15,148
Furniture and Equipment	293	-	-	293
Share of CRLC Asset Revaluation Reserve	512	-	-	512
	31,911	6,453	-	38,364
Infrastructure				
Roads	83,905	-	-	83,905
Bridges	8,019	-	-	8,019
Footpaths and cycleways	1,150	(181)	-	969
Drainage	3,004	-	-	3,004
Kerb and channel	5,189	1,506	6,695	
Parks and gardens	552	-	-	552
	101,819	1,325	-	103,144
Total Asset revaluation reserves	133,730	7,778	-	141,508
2008				
Property				
Buildings	8,877	-	-	8,877
Furniture and Equipment	293	-	-	293
Share of CRLC Asset Revaluation Reserve	514	-	(2)	512
	31,913	-	(2)	31,911
Infrastructure				
Roads	54,590	29,315	-	83,905
Bridges	8,019	-	-	8,019
Footpaths and cycleways	1,150	-	-	1,150
Drainage	3,004	-	-	3,004
Kerb and channel	5,189	-	5,189	
Parks and gardens	552	-	-	552
	72,504	29,315	-	101,819
Total Asset revaluation reserves	104,417	29,315	(2)	133,730

The Asset Revaluation Reserves have been established to disclose revaluation movements.

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NOTE 24 - RESERVES (cont)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$ '000	\$ '000	\$ '000	\$ '000
(b) Other reserves				
2009				
Landfill Rehabilitation (Alvie)	300	60	-	360
Plant Replacement	504	618	(397)	725
Share of CRLC Plant Replacement	8	-	-	8
Apollo Bay Transfer Station	225	-	-	225
Saleyards Reserve	86	10	-	96
Waste Management Reserve	170	365	-	535
Car Parking	246	-	(36)	210
Recreational Lands	358	74	-	432
Lakeside Estate	855	-	(111)	744
Port of Apollo Bay (a)	-	940	940	
Total Other reserves	2,752	2,067	(544)	4,275
2008				
Landfill Rehabilitation (Alvie)	250	50	-	300
Plant Replacement	478	512	(486)	504
Share of CRLC Plant Replacement	7	-	1	8
Apollo Bay Transfer Station	225	-	-	225
Saleyards Reserve	-	86	-	86
Waste Management Reserve	-	170	-	170
Car Parking	115	131	-	246
Recreational Lands	84	291	(17)	358
Lakeside Estate	930	-	(75)	855
Total Other reserves	2,089	1,240	(577)	2,752

Other Reserves record funds allocated for various purposes including the future acquisition or replacement of non-current assets.

(a) Port of Apollo Bay reserve is a non-cash backed reserve consisting of the net assets of the entity



NOTE 25 - RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS (DEFICIT)

	2009 \$'000	2008 \$'000
Surplus/(deficit) for the year	1,845	679
Depreciation/amortisation	8,902	7,508
(Profit)/loss on disposal of property, plant and equipment, infrastructure	210	98
Share of result of associate	(28)	(18)
Finance costs	185	224
Contributions - Non-monetary assets	(792)	(425)
Found assets	(1,414)	-
Plant, property and equipment, infrastructure written off	763	237
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(33)	576
(Increase)/decrease in prepayments	(61)	(5)
Increase/(decrease) in trade and other payables	1,214	(84)
(Increase)/decrease in inventories	(4)	(1)
Increase/(decrease) in provisions	522	(265)
Net cash provided by/(used in) operating activities	11,309	8,524

NOTE 26 - RECONCILIATION OF CASH AND CASH EQUIVALENTS

	2009 \$'000	2008 \$'000
Cash and cash equivalents (see note 15)	9,651	6,412
	9,651	6,412

NOTE 27 - FINANCING ARRANGEMENTS

	2009 \$'000	2008 \$'000
Bank overdraft	1,000	1,000
Used facilities	-	-
Unused facilities	1,000	1,000

NOTE 28 - RESTRICTED ASSETS

Council has cash and cash equivalents (note 15) 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).

	2009 \$'000	2008 \$'000
Long service leave (note 22)	1,471	1,237
Car Parking Reserve (note 24b)	210	246
Recreational Lands Reserve (note 24b)	432	358
Trust Deposits (note 21)	242	316
	2,355	2,157

Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 22 due to a different basis of calculation prescribed by the regulation.

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NOTE 29 - 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, accumulation and defined benefit, 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.

Defined Benefit Plan

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.

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 2008, the 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);

Fund surplus or deficit (ie the difference between fund assets and liabilities) are calculated differently for funding purposes (ie calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in a council's financial statements. AAS 25 requires that the present value of the benefit liability which is calculated in respect of membership completed at the calculation date makes no allowance for future benefits that may accrue. The actuarial investigation concluded that although the Net Market Value of Assets was in excess of Accrued Benefits at 31 December 2008, based on the assumptions adopted, there was a shortfall of \$71 million when the funding of future benefits was also considered. However, the council has been advised that no additional contributions will be required as at 30 June 2009. The Actuary will undertake the next actuarial investigation as at 30 June 2010 to ascertain if additional contributions are required.

Accounting Standard Disclosure

The Fund's liability for accrued benefits was determined by the Actuary at 31 December 2008 pursuant to the requirements of Australian Accounting Standard AAS25 follows:

	31-Dec-08
	\$'000
Net Market Value of Assets	3,630,432
Accrued Benefits (per accounting standards)	3,616,422
Difference between Assets and Accrued Benefits	14,010
Vested Benefits	3,561,588

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	8.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

	2009	2008
	\$'000	\$'000
Fund		
Defined benefits fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	170	221
	170	221
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	692	547
	692	547

NOTE 30 - COMMITMENTS

The Council has entered into the following commitments:

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2009					
Operating					
Waste management	1,677	-	-	-	1,677
Cleaning contracts for council buildings	190	-	-	-	190
Property Valuation Services	78	-	-	-	78
Planning Consultants	68	-	-	-	68
Total	2,013	-	-	-	2,013
Capital					
Road construction	139	-	-	-	139
Plant and equipment	310	-	-	-	310
Joint Use Library Facility	2,520	-	-	-	2,520
Other infrastructure	86	-	-	-	86
Total	3,055	-	-	-	3,055
Total Commitments	5,068	-	-	-	5,068

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2008					
Operating					
Waste management	1,863	318	-	-	2,181
Cleaning contracts for council buildings	205	205	-	-	410
Beeac Landfill	10	-	-	-	10
Electoral Services	115	-	-	-	115
Total	2,193	523	-	-	2,716
Capital					
Road construction	233	-	-	-	233
Plant and equipment	181	-	-	-	181
Other infrastructure	46	-	-	-	46
Total	460	-	-	-	460
Total Commitments	2,653	523	-	-	3,176

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NOTE 31 - OPERATING LEASES

(a) Operating lease commitments

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of office equipment for use within Council's activities (these obligations are not recognised as liabilities):

	2009 \$'000	2008 \$'000
Not later than one year	89	57
Later than one year and not later than five years	356	-
	445	57

NOTE 32 - CONTINGENT LIABILITIES

The Council is presently involved in a confidential legal matter, which is being conducted through Council's solicitors.

This matter is yet to be finalised, and the financial outcome is unable to be reliably estimated, no allowance for this contingency has been made in the financial report.

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets the likelihood of making such contributions in future periods has increased. At this point in time it is not known if additional contributions will be required, their timing or potential amount.



NOTE 33 - FINANCIAL INSTRUMENTS

(a) Accounting Policy, terms and conditions			
Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	15	Cash on hand and at bank and short term deposits are valued at face value.	On call deposits returned a floating interest rate of 4.61% (6.72% in 2007/2008). The interest rate at balance date was 2.90% (7.15% in 2007/2008).
		Interest is recognised as it accrues.	Funds returned fixed interest rate of between 2.90% (6.15% in 2007/2008), and 7.15% (7.15% in 2007/2008) net of fees.
Other debtors	16	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears attract a nil interest rate (nil in 2007/2008). Credit terms are based on 30 days.
Financial Liabilities			
Trade and other payables	20	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.
Interest-bearing loans and borrowings	23	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.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.70% (6.76% in 2007/2008).
		Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.	As at balance date, the Council had no finance leases.
Bank overdraft	27	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 and is subject to annual review. If utilised, it is secured by a mortgage over Council's general rates and is repayable on demand.

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NOTE 33 - FINANCIAL INSTRUMENTS (cont)

(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:

	Fixed interest maturing in:					Total \$ '000
	Floating interest rate \$ '000	1 year or less \$ '000	Over 1 to 5 years \$ '000	More than 5 years \$ '000	Non-interest bearing \$ '000	
2009						
Financial assets						
Cash and cash equivalents	9,651	-	-	-	-	9,651
Trade and other receivables	-	-	-	-	2,055	2,055
Total financial assets	9,651	-	-	-	2,055	11,706
Weighted average interest rate	6.69%	5.65%				
Financial liabilities						
Trade and other payables	-	-	-	-	1,910	1,910
Trust funds and deposits	-	-	-	-	242	242
Interest-bearing loans and borrowings	-	305	1,185	972	-	2,462
Total financial liabilities	-	305	1,185	972	2,152	4,614
Weighted average interest rate		6.41%	6.20%	6.42%		
Net financial assets (liabilities)	9,651	(305)	(1,185)	(972)	(97)	7,092

	Fixed interest maturing in:					Total \$ '000
	Floating interest rate \$ '000	1 year or less \$ '000	Over 1 to 5 years \$ '000	More than 5 years \$ '000	Non-interest bearing \$ '000	
2008						
Financial assets						
Cash and cash equivalents	6,412	-	-	-	-	6,412
Trade and other receivables	24	-	-	-	1,676	1,700
Total financial assets	6,436	-	-	-	1,676	8,112
Weighted average interest rate	6.72%	-	-	-		
Financial liabilities						
Trade and other payables	-	-	-	-	696	696
Trust funds and deposits	-	-	-	-	316	316
Interest-bearing loans and borrowings	-	544	1,075	1,387	-	3,006
Total financial liabilities	-	544	1,075	1,387	1,012	4,018
Weighted average interest rate	-	6.45%	6.62%	7.04%		
Net financial assets (liabilities)	6,436	(544)	(1,075)	(1,387)	664	4,094



NOTE 33 - FINANCIAL INSTRUMENTS (cont)

(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:

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2009 \$ '000	2008 \$ '000	2009 \$ '000	2008 \$ '000
2009				
Financial assets				
Cash and cash equivalents	9,651	6,412	9,651	6,412
Trade and other receivables	2,055	1,700	2,055	1,700
Total financial assets	11,706	8,112	11,706	8,112
Financial liabilities				
Trade and other payables	1,910	696	1,910	696
Trust funds and deposits	242	316	242	316
Interest-bearing loans and borrowings	2,462	3,006	2,101	2,394
Total financial liabilities	4,614	4,018	4,253	3,406

(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.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue. We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development each year.

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NOTE 33 - FINANCIAL INSTRUMENTS (cont)

(e) Risks and mitigation (cont)

Interest rate risk (cont)

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

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 some 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 have a recognised credit rating specified in our investment policy.

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 transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. *Details of our contingent liabilities are disclosed in note 32.*

Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade & Other Receivables was:

	2009 \$'000	2008 \$'000
Current (not yet due)	1,905	951
Past due by up to 30 days	29	83
Past due between 30 and 90 days	121	988
Total Trade & Other Receivables	2,055	2,022

NOTE 33 - FINANCIAL INSTRUMENTS (cont)

(e) Risks and mitigation (cont)

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 a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

(f) 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 Reserve Bank of Australia):

- A parallel shift of +1% and -2% in market interest rates (AUD) from year-end rates of 4.4%.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year-end, if the above movements were to occur.

		Interest rate risk			
		-2		+1	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2009	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Financial assets					
Cash and cash equivalents	9,651	(193)	(193)	97	97
Trade and other receivables	2,055	-	-	-	-
Financial liabilities:					
Interest-bearing loans and borrowings	2,157	43	43	(22)	(22)

		Interest rate risk			
		-2		+1	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2008	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Financial assets					
Cash and cash equivalents	6,412	(128)	(128)	64	64
Trade and other receivables	2,022	-	-	-	-
Financial liabilities:					
Interest-bearing loans and borrowings	2,462	49	49	(25)	(25)

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NOTE 34 - AUDITORS' REMUNERATION

	2009 \$'000	2008 \$'000
Audit fee to conduct external audit		
Victorian Auditor-General	27	28
Audit fee to conduct internal audit		
- WHK Horwarth	29	-
- DJK Consulting	-	29
	56	57

NOTE 35 - EVENTS OCCURRING AFTER BALANCE DATE

There were no events occurring after balance date which impact upon the balances shown in these financial statements.

NOTE 36 - RELATED PARTY TRANSACTIONS

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors

Councillor Brian Crook	(Elected Councillor 1/12/08 Mayor 5/12/08)
Councillor Chris Smith	(Mayor 01/07/08 to 29/11/08) (Re-elected 1/12/08)
Councillor Frank Buchanan	(Elected 1/12/08)
Councillor Stephen Hart	(Elected 1/12/08)
Councillor Stuart Hart	(Elected 1/12/08)
Councillor Geoff Higgins	(Elected 1/12/08)
Councillor Lyn Russell	(Elected 1/12/08)
Councillor Warren Riches	(Term ended 29/11/08)
Councillor Peter Mercer	(Term ended 29/11/08)
Councillor Fran Lehmann	(Term ended 29/11/08)
Councillor Tony Graham	(Term ended 29/11/08)
Councillor Carol Wilmink	(Term ended 29/11/08)
Councillor Joe Di Cecco	(Term ended 25/11/08)

Chief Executive Officer

Rob Small	(Appointed 11/05/09)
Jack Green	(Acting 29/11/08 to 11/05/09)
Tracey Slatter	(01/07/08 to 28/11/08)

NOTE 36 - RELATED PARTY TRANSACTIONS (cont)

(ii) Remuneration of Responsible Persons

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands:

	2009 No.	2008 No.
\$0 - \$ 9,999	5	6
\$10,000 - \$19,999	4	2
\$20,000 - \$29,999	3	1
\$30,000 - \$39,999	1	1
\$40,000 - \$49,999	1	-
\$60,000 - \$69,999	1	-
\$100,000 - \$109,999	1	-
\$180,000 - \$189,999	-	1
16	11	

	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	417	309

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2007/08, \$Nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2007/08, \$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 (2007/08, \$Nil), except that an entity controlled by Cr Geoff Higgins rendered services to the Shire on commercial rates and terms to the value of \$82,694 (2007/08 \$59,708) during the period.

(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:

Income Range:	2009 No.	2008 No.
<\$100,000	4	2
\$100,000 - \$109,999	1	-
\$110,000 - \$119,999	1	-
\$120,000 - \$129,999	-	1
\$130,000 - \$139,999	-	2
\$140,000 - \$149,999	1	-
	7	5

	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	651	493

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For the Year Ended 30 June 2009

NOTE 37 - JOINT VENTURE INFORMATION

Colac Otway Shire has engaged in a Joint Venture arrangement with the Victorian Department of Education and Early Childhood Development and the Colac Secondary College to construct and operate a Joint Use Library Facility. The value of Colac Otway Shire's overall contribution to the construction of the library facility is \$2.921 million with additional provision of up to \$151,000 making a total of \$3.072 million.

As at 30 June 2009, Colac Otway Shire has contributed \$400,000 to the construction of the facility, with the remainder of the funds to be paid during the 2009/2010 financial year.

NOTE 38 - INCOME, EXPENSES BY FUNCTION

	2009 \$'000	2008 \$'000
Income		
Infrastructure	8,205	9,711
Governance	24,708	21,291
Strategic Development	3,416	2,508
Total Income	36,329	33,510
Expenses		
Infrastructure	14,616	17,507
Governance	12,291	8,312
Strategic Development	7,577	7,012
Total Expenses	34,484	32,831
Surplus for the year	1,845	679

*Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.

NOTE 39 - 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:

	2009 \$'000	2008 \$'000
Assets		
Current assets		
Trade and other receivables	973	539
Total current assets	973	539
Total assets	973	539
Liabilities		
Current liabilities		
Provisions	19	50
Total current liabilities	19	50
Non-current liabilities		
Provisions	14	10
Total non-current liabilities	14	10
Total liabilities	33	60
Net Assets	940	479
Equity		
Accumulated surplus	940	479
Total Equity	940	479

The operation of the Port of Apollo Bay is an agreement between Colac Otway Shire and the Department of Sustainability and Environment and any assets are returnable on cessation of agreement.



NOTE 40 - FINANCIAL RATIOS (PERFORMANCE INDICATORS)

	2009 \$ '000	2009 (%)	2008 (%)	2007 (%)
(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)				
Debt servicing costs	185	= 0.51%	0.67%	0.80%
Total revenue	36,329			
<p>Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.</p> <p>The ratio expresses the amount of interest paid as a percentage of Council's total revenue.</p>				
(b) Debt commitment ratio (to identify Council's debt redemption strategy)				
Debt servicing & redemption costs	703	= 3.99%	4.44%	4.96%
Rate revenue	17,602			
<p>The strategy involves the payment of loan principal and interest, finance lease principal and interest.</p> <p>The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.</p>				
(c) Revenue ratio (to identify Council's dependence on non-rate income)				
Rate revenue	17,602	= 48.45%	49.72%	46.39%
Total revenue	36,329			
<p>The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.</p>				
(d) Debt exposure ratio (to identify Council's exposure to debt)				
Total indebtedness	8,213	= 10.66%	11.16%	12.09%
Total realisable assets	77,075			
<p>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.</p> <p>Any liability represented by a restricted asset (<i>note 28</i>) is excluded from total indebtedness.</p> <p>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.</p>				
(e) Working capital ratio (to assess Council's ability to meet current commitments)				
Current assets	11,939	= 226.80%	226.01%	266.58%
Current liabilities	5,264			
<p>The ratio expresses the level of current assets the Council has available to meet its current liabilities.</p>				

Annual Financial Statements

For the Year Ended 30 June 2009

NOTE 40 - FINANCIAL RATIOS (PERFORMANCE INDICATORS) (cont)

	2009 \$ '000	2009 (%)	2008 (%)	2007 (%)
(f) Adjusted working capital ratio (to assess Council's ability to meet current commitments)				
Current assets	11,939	= 236.88%	321.33%	373.46%
Current liabilities	5,040			
<p>The ratio expresses the level of current assets the Council has available to meet its current liabilities.</p> <p>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.</p> <p>Auditor General KPI ratios</p> <p>The following five ratios are used by the Victorian Auditor General to assess Council's financial sustainability level.</p>				
(g) Underlying Result (removes non-cash developer contributions and other one-off items from the Operating Result)				
Adjusted Net Operating Result	584	= 1.64%	0.8%	-5.0%
Total Underlying Revenue	35,537			
(h) Liquidity Ratio (to assess Council's ability to pay its liabilities in the next 12 months)				
Current assets	11,939	= 226.8%	226.0%	266.6%
Current liabilities	5,264			
(i) Indebtedness Ratio (to assess Council's ability to cover longer term liabilities from its own sourced revenue)				
Non-current liabilities	4,662	= 21.1%	24.1%	31.3%
Own-sourced revenue	22,074			
(j) Self-Financing Ratio (to assess Council's ability to replace assets from cash generated by operations)				
Net operating cash flows	11,313	= 31.8%	25.8%	24.2%
Underlying revenue	35,537			
(k) Investment Gap Ratio (measures whether Council is spending on infrastructure at a faster rate than infrastructure is depreciating)				
Capital Spend	8,027	= 90.2%	119.4%	112.0%
Depreciation	8,902			



NOTE 41 - CAPITAL EXPENDITURE

		2009 \$'000	2008 \$'000
Capital expenditure areas			
Roads		4,755	5,697
Plant and equipment		1,184	1,687
Buildings		1,024	579
Drainage		111	121
Parks, open space and streetscapes		96	475
Other		859	409
Total capital works		8,029	8,968
Represented by:			
Renewal of infrastructure	(a)	3,812	4,633
Renewal of plant and equipment		1,184	1,403
Upgrade of infrastructure	(b)	2,088	2,069
New infrastructure		46	-
Upgrade of buildings		298	477
New plant and equipment		-	205
Other		601	181
Total capital works		8,029	8,968

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:

		2009 \$'000	2008 \$'000
Total capital works		8,029	8,968
Depreciation/amortisation	10	(8,902)	(7,508)
Written down value of assets sold	19	(970)	(658)
Asset revaluation movement	24(a)	7,778	29,315
Contributions - non-monetary assets	5(b)	792	425
Found assets	14	1,414	-
Assets written off	19	(763)	(237)
Net movement in property, plant and equipment, infrastructure	19	7,377	30,305

(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.

Annual Financial Statements

For the Year Ended 30 June 2009

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.



Brett Exelby
Principal Accounting Officer
Date : 23 September, 2009

In our opinion the accompanying financial statements present fairly the financial transactions of the Colac Otway Shire for the year ended 30 June, 2009 and the financial position of the Council as at 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 23 September, 2009 to certify the financial statements in their final form.



Stephen Hart
Councillor
Date: 23 September, 2009



Stuart Hart
Councillor
Date: 23 September, 2009



Rob Small
Chief Executive Officer
Date: 23 September, 2009



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Colac-Otway Shire Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2009 of Colac-Otway Shire Council which comprises of 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 statement has been audited.

The accompanying standard statements for the year ended 30 June 2009 of the Council which comprises of standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

The Councillors 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 judgement, 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 the 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 the accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

Level 24, 35 Collins Street, Melbourne Victoria 3000

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Auditing in the Public Interest

I believe that the audit evidence I have 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 Statement

This auditor's report relates to the financial report and standard statements published in both the annual report and on the website of the Colac-Otway Shire Council for the year ended 30 June 2009. The Councillors of the Colac-Otway Shire Council are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. 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 Council's website.

Independence

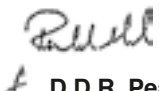
The Auditor-General's independence is established by the Constitution Act 1975. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with 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 Colac-Otway Shire Council as at 30 June 2009 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
24 September 2009


D.D.R. Pearson
Auditor-General

Performance Statement

To financial statements and standard statements

PERFORMANCE MEASURES FOR STRATEGIC OBJECTIVES:

Strategic Objective	Performance Measure	2008 - 2009 Targets	2008 - 2009 Actuals	Target achieved Yes / No
Governance	Ensure that Council Plan Priorities are implemented.	80%	94%	Yes
	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	63%	57%	No
	Increase the Index Mean for Council's engagement in decision making on key local issues to be equal to or better than the median of the Large Rural Shires	62%	51%	No
	Increase the Index Mean for overall performance generally of the Council to equal or better than the median of the Large Rural Shires	63%	57%	No
Financial Sustainability	Ensure the Working Capital Ratio (Current Assets to Current Liabilities) is maintained at 1.50:1 (Est AIFRS Adj)	1.50:1	2.15:1	Yes
Roads & Infrastructure	Ensure the Asset Renewal Gap is reduced	100%	87%	No
	Percentage of Capital Works expenditure projects completed	90%	78%	No

NOTES TO AND FORMING PART OF THE PERFORMANCE STATEMENT FOR 2008/2009

Introduction to the Performance Statement

Section 127 of the *Local Government Act 1989* includes the requirement for a budget to contain "separately identified Key Strategic Activities to be undertaken during the financial year and performance targets and measures in relation to each Key Strategic Activity".

Sections 131(1)(d) and 132(2) of *the Act* also require the Performance Statement component of the Annual Report to include the actual results achieved for the relevant Key Strategic Activities, having regard to the stated performance targets and measures.

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 is 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 2008/2009 financial year has been prepared in accordance with the *Local Government Act 1989*.

Principal Accounting Officer:

Date: 23 September, 2009

In our opinion, the accompanying Performance Statement of the Colac Otway Shire Council in respect of 2008/2009 financial year is presented fairly in accordance with Section 132 of the *Local Government Act 1989*.

The statement outlines the separately identified Key Strategic Activities contained in the budget under Section 127 of the *Local Government Act 1989* and describes the actual results achieved in the financial year.

As at the time of signing, we are not aware of any circumstance which would render any particulars in the statement to be misleading or inaccurate.

Stephen Hart
Councillor

Date: 23 September, 2009

Stuart Hart
Councillor

Date: 23 September, 2009

Rob Small
Chief Executive Officer

Date: 23 September, 2009

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Colac-Otway Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2009 of the Colac-Otway Shire Council which comprises the statement, the related notes and the certification of 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 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 the 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 I have 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 performance statement published in both the annual report and on the website of the Colac-Otway Shire Council for the year ended 30 June 2009. The Councillors are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. 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 website.

VAGO

Victorian Auditor-General's Office


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 2009 financial year presents fairly, in all material respects, in accordance with the Local Government Act 1989.

Melbourne
24 September 2009


† **D.D.R. Pearson**
Auditor-General

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Auditing in the Public Interest

Additional Information

ACRONYMS AND DEFINITIONS

BGANZ	Botanic Gardens Australia and New Zealand
BRWMG	Barwon Regional Waste Management Group
CAH	Colac Area Health
CARG	Colac Access Reference Group
CBD	Central Business District
CCP	Cities for Climate Protection
CEO	Chief Executive Officer
CFA	Country Fire Authority
CMP	Civic Mutual Plus
COPACC	Colac Otway Performing Arts and Cultural Centre
COSWORKS	Colac Otway Shire Works Unit
CPR	Cardio Pulmonary Resuscitation
CPRS	Carbon Pollution Reduction Scheme
DEECD	Department of Education and Early Childhood Development
DEM	Digital Elevation Model
DR	Disaster Recovery
DSC	Disability Services Commission
DSE	Department of Sustainability and Environment
EFT	Equivalent Full Time employees
EPA	Environment Protection Authority
ETS	Emissions Trading Scheme
GAP	Greenhouse Action Plan
G21	Geelong Regional Alliance
GIS	Geographic Information 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
Interplan®	Council's Corporate Performance Management software system
ISU	Information Services Unit
JLTA	Jardine Lloyd Thompson Australia
JMAPP	Jardine Municipal Asset Protection Package
LG	Local Government
MAV	Municipal Association of Victoria
MCH	Maternal and Child Health
MCG	Melbourne Cricket Ground
OH&S	Occupational Health and Safety
OSD	Organisational Support and Development
PES®	Council's Corporate Personnel Evaluation software system
RSL	Returned Servicemen's League
SafetyMAP	Accreditation through the Victorian WorkCover Authority
SEMP	Safety and Environmental Management Plan
SWUP	Sustainable Water Use Action Plan
TAFE	Technical And Further Education
VCAT	Victorian Civil and Administrative Tribunal

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Additional Information

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Cr Stuart Hart	15 Berry's Lane Gellibrand River, Victoria 3249	Phone: 5235 8391 Email: hartstuarate@gmail.com
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Colac Otway
SHIRE

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