



Colac Otway
SHIRE

MEETING OF SPECIAL COUNCIL

MINUTES

WEDNESDAY 12 SEPTEMBER 2018

AT 5PM

COPACC



COLAC OTWAY SHIRE SPECIAL COUNCIL MEETING

12 SEPTEMBER 2018

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COLAC OTWAY SHIRE SPECIAL COUNCIL MEETING

MINUTES of the *SPECIAL MEETING OF THE COLAC OTWAY SHIRE COUNCIL* held at COPACC
on 12 September 2018 at 5pm.

1. OPENING PRAYER

*Almighty God, we seek your
blessing and guidance in our
deliberations on behalf of the
people of the Colac Otway Shire.
Enable this Council's decisions to be
those that contribute to the true
welfare and betterment of our community.*

AMEN

2. PRESENT

Cr Brian Crook
Cr Kate Hanson
Cr Joe McCracken (Mayor)
Cr Jason Schram
Cr Chris Smith

Peter Brown, Chief Executive
Errol Lawrence, General Manager, Corporate Services
Tony McGann, General Manager, Infrastructure & Leisure Services
Gareth Smith, General Manager, Development & Community Services
Sarah McKew, Manager, Governance & Communications
Lyndal McLean, Governance Coordinator
Nicholas Welsh, Coordinator, Management Accounting
Jason Clissold, Manager, Financial Services
Lyndal Redford, Governance Officer
Toni Saunders, Management Accountant
Glen Bernoth, Acting Communications Officer
Sarah Osborne, Acting Communications Coordinator
Frank Castles, Acting Manager, Services and Operations

3. APOLOGIES

Cr Stephen Hart
Cr Chris Potter

Statement from the Mayor

I note that Cr Hart and Cr Potter are apologies this afternoon. At this time, I would like to correct a statement in the agenda on page 18 that may have given the wrong impression of why I have been asked to sign the accounts instead of Cr Hart.

Councillor Hart is absent on holiday. Cr Hart informed Council of the period of his holiday well before leaving on 24 August 2018. Despite being absent, Cr Hart participated in the Audit Committee on 29 August 2018 remotely so he could sign the accounts on his return. However, the time for signing the accounts has been brought forward due to changed deadlines ahead of the State election. This means that Cr Hart will not be back in time to sign the accounts by the new deadline and Council needs to appoint another Councillor to sign the accounts which will most likely be myself.

I hope this clarifies the matter for my fellow Councillors, officers present and members of the gallery this afternoon.

4. WELCOME & ACKNOWLEDGEMENT OF COUNTRY

I would like to start this evening by acknowledging the traditional custodians and law makers of this land, their elders past and present and welcome any descendants here today.

I would also like to advise that all Council meetings are audio recorded, with the exception of confidential matters. This includes the public participation sections of meetings.

Audio recordings of meetings are taken to facilitate the preparation of the minutes of open Council and Committee meetings and to ensure their accuracy.

In some circumstances a recording will be disclosed to a third party. Those circumstances include, but are not limited to, circumstances, such as where Council is compelled to disclose an audio recording because it is required by law, such as the Freedom of Information Act 1982, or by court order, warrant, or subpoena or to assist in an investigation undertaken by the Ombudsman or the Independent Broad-based Anti-corruption Commission.

Council will not use or disclose the recordings for any other purpose. It is an offence to make an unauthorized recording of the meeting.

The sole purpose of tonight's Special Council Meeting is to consider the 2017-2018 Financial and Performance Reporting Statements.

5. QUESTION TIME

A public question time of thirty minutes is allowed but I need to emphasise to everyone here that Council's meeting procedures in our Local Law do not allow you to ask questions on topics that aren't on the agenda tonight.

If you have general questions about other matters, I encourage you to ask them at the next Ordinary Council meeting.

To ensure that everyone has the opportunity to ask questions, I may need to limit the number of questions from each person to two. Then, once everyone has had an opportunity to ask their initial questions, and if time permits, I will invite further questions.

As I call you to the lectern, please remember this is not a forum for debate or statements; you must ask a question. If you do not ask a question you will be asked to sit down and the next person will be invited to ask a question.

Please note that whilst we will do our best, it may not be possible to answer all questions without notice tonight. If this is the case, they will be answered later.

QUESTIONS RECEIVED VERBALLY AT THE MEETING

Yvonne Francis, Apollo Bay

May I welcome Councillor Crook and congratulate him on the countback.

1. My question relates, I hope, to the Agenda and is relevant to be considered. In today's *Colac Herald* it was exposed that the Council surplus for the financial year of 2017/2018 (that is the immediate past financial year) was \$3.3 million. I would like to know if this is a direct result of a failure to do works authorized in the relevant budget? For example, like your primary responsibility to pay attention to repairing Council roads. I'd like to give you an example of the Hardy Street [Apollo Bay] Council responsibility road that is the bearer of an outrageous pothole right in front of our supermarket. It has been repaired once but not properly. Now, if you are cutting back on your major primary responsibility to look after our roads, is this the reason why the Council is running in surplus?

Response from General Manager, Corporate Services

Any work that was not completed last year was then re-assessed as to whether we would carry the project forward. If you are referring to work not being completed in the previous budget, there was certainly some work not completed in the previous budget that wouldn't have an effect on the surplus. It would be carried forward into a carried forward reserve for the work to be carried on in this year.

Response from the Mayor

I might ask the CEO to make comment too, just to add to the answer and give a full picture.

Response from Chief Executive

To clarify the first part of the question, which is in relation to a \$3.3 million surplus: that's an accounting surplus that doesn't represent a real surplus to this Council. Where Council receives grants for capital works, that is treated as revenue but the coinciding expenditure is treated as an asset through the year and that produces this discrepancy in Council's books every year. So we really don't have a cash surplus of \$3.3 million.

Response from General Manager, Infrastructure & Leisure Services

Thank you for bringing the Hardy Street issue to my attention. We will certainly get that repaired as a matter of urgency.

- 2. The Hardy Street pothole is just one example. I drive up and down the Forrest-Apollo Bay Road regularly and it's in an appalling state. We need much more attention paid to our roads and we do not want to see this Council running at a surplus when the very roads which cause people to die are neglected.**

Response from the Mayor

I agree. The Forrest-Apollo Bay Road is a State Government road and I totally agree with you. I know that State Government has committed, I think, \$10 million to the road but I think works are yet to commence on extra overtaking lanes for the road and some upgrades.

So you're saying they are the responsibility of the Council?

Response from the Mayor

I am saying that it is the responsibility of the State Government. It's a State road.

Yes. Then why were you mentioning the pull-over lanes?

Response from the Mayor

Because you mentioned the road and I'm saying that the State Government has committed money to it but as I say, it's a State Government road so they are responsible for that work, not Council.

Of course they are but Council should be providing to the State Government evidence of the need, the dire need, of communities like Apollo Bay to have safe roads and particularly one which is the only road out of the place when the Great Ocean Road is

closed – as it is now for some bicycle event or something – but normally it is the major road that the people of Apollo Bay use.

Response from the Mayor

I agree with you.

We are dependent upon on our Local Government to speak up to the next level of government, which is the Victorian Government. That’s my point.

Response from the Mayor

Absolutely. All of the opportunities that I have had with Government Ministers and indeed even members of the Opposition have been predominantly about the state of our roads, particularly with the weather we’ve had which hasn’t left them in great condition. I agree with your point.

James Judd, Colac

1. **Could the State Government caretaker period of Government for the State election on 24 November 2018 until after the election, at least until a new government is declared, have any effect on the time needed for State Auditor to process the Colac Otway Shire Council’s 2017-2018 Annual Accounts since Council has already produced its 2018-2019 budget without knowing the actual financial position of Council on 30 June 2018?**

Response from the Mayor

If I can just clarify Mr Judd, is the question how can the Colac Otway Shire prepare the 2018-2019 accounts when they haven’t ratified the 2017-2018 accounts?

That is not. The thing is there’s a caretaker period of government prior to the election until after the new government is elected and sworn in. Will that have any effect on the Auditor General’s ability to process the accounts from this Council for 2017-2018?

Response from Chief Executive

In the report that we have prepared for Council, it identifies the need to sign the accounts one week earlier than we normally would and that is intended to give the Auditor General and Parliament the time to receive those accounts.

6. DECLARATIONS OF INTEREST

Nil

SPECIAL COUNCIL MEETING
**2017-18 FINANCIAL & PERFORMANCE
STATEMENTS**

SC181209-1

LOCATION / ADDRESS	COPACC	GENERAL MANAGER	Errol Lawrence
OFFICER	Lynne Stevenson	DIVISION	Corporate Services
TRIM FILE	F18/7487	CONFIDENTIAL	No
ATTACHMENTS	1. 2017-2018 Colac Otway Shire Financial Statements 2. 2017-2018 Performance Statement 3. 2017-2018 Port of Apollo Bay Financial Statements 4. Accounting Policy Position Paper		
PURPOSE	To present the 2017-18 Financial and Performance Statements for approval and signing for submission to the Victorian Auditor-General's Office		

RESOLUTION

RESOLUTION 1

MOVED Cr Jason Schram seconded Cr Kate Hanson

That Council:

- 1. Notes the recommendations of the Audit Committee at its meeting held on 29 August 2018;*
- 2. Notes the engagement of Mr John Gavens, Crowe Horwath, a person sufficiently experienced in the Australian Accounting Standards to review all relevant documentation since the 2012 Port of Apollo Bay Management Agreement, including subsequent correspondence from the Victorian Auditor-General's Office, pertaining to the reporting of the Port of Apollo Bay financial transactions and report these findings to the next Audit Committee meeting;*
- 3. Receives the professional opinion of Mr John Gavens on the matters referred to in Point 2.*
- 4. Approves, in principle, the 2017-2018 Colac Otway Shire Council Financial Statements, subject to:*
 - 4.1. amendments to exclude the Port of Apollo Bay 'fixed and floating assets' managed on behalf of Transport for Victoria; and*

- 4.2. *any changes that are recommended or agreed by the auditor in accordance with Section 132(2) of the Local Government Act 1989;*
5. *Approves, in principle, the 2017-2018 Colac Otway Shire Council Performance Statement, subject to:*
- 5.1. *amendments to exclude the Port of Apollo Bay 'fixed and floating assets' managed on behalf of Transport for Victoria; and*
- 5.2. *any changes that are recommended or agreed by the auditor in accordance with Section 132(2) of the Local Government Act 1989;*
6. *Makes provision for the 2017-18 Colac Otway Shire Council Financial Statements and Performance Statement to be referred back to the Audit Committee for information, if there is any significant change recommended or agreed by the auditor in accordance with Section 132(2) of the Local Government Act 1989 prior to certification; and*
7. *Approves, in principle, the 2017-18 Port of Apollo Bay Financial Statements, subject to any changes that are recommended or agreed by the auditor to be used to meet the reporting requirements of the Port of Apollo Bay Management Agreement.*

CARRIED 4 : 1

RESOLUTION 2

MOVED Cr Kate Hanson seconded Cr Brian Crook

That Council authorises Crs Joe McCracken and Jason Schram to:

- 1.1. *certify the final 2017-18 Colac Otway Shire Council Financial Statements and Performance Statement in accordance with Section 132(5)(a) of the Local Government Act 1989; and*
- 1.2. *certify the final 2017-18 Port of Apollo Bay Financial Statements to meet the reporting requirements of the Port of Apollo Bay Management Agreement.*

CARRIED 4 : 1

DIVISION

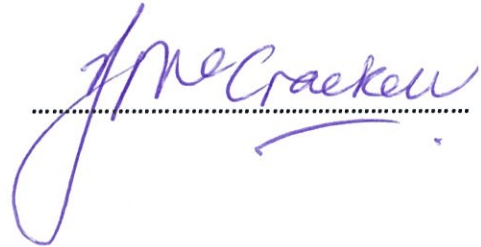
For the motion: Cr Jason Schram, Cr Brian Crook, Cr Kate Hanson, Cr Joe McCracken

Against the motion: Cr Chris Smith

Frank Castles attended the meeting at 5:33pm.

The meeting was declared closed at 5.47pm

CONFIRMED at the meeting held on 26 SEPTEMBER 2018



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