



Colac Otway
SHIRE

AGENDA

ORDINARY COUNCIL MEETING
OF THE
COLAC-OTWAY SHIRE
COUNCIL

26 OCTOBER 2011

at 3:00 PM

COPACC Meeting Rooms

An audio recording of this meeting is being made for the purpose of verifying the accuracy of the minutes of the meeting. In some circumstances the recording may be disclosed, such as where Council is compelled to do so by court order, warrant, subpoena or by any other law, such as the Freedom of Information Act 1982.

COLAC-OTWAY SHIRE COUNCIL MEETING

26 OCTOBER 2011

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NOTICE is hereby given that the next *ORDINARY COUNCIL MEETING OF THE COLAC-OTWAY SHIRE COUNCIL* will be held in COPACC Meeting Rooms on 26 October 2011 at 3:00 pm.

AGENDA

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

3. APOLOGIES

4. MAYORAL STATEMENT

Colac Otway Shire acknowledges the original custodians and law makers of this land, their elders past and present and welcomes any descendents here today.

Colac Otway Shire encourages active community input and participation in Council decisions. Council meetings provide one of these opportunities as members of the community may ask questions to Council either verbally at the meeting or in writing.

Please note that some questions may not be able to be answered at the meeting, these questions will be taken on notice. Council meetings also enable Councillors to debate matters prior to decisions being taken.

I ask that we all show respect to each other and respect for the office of an elected representative.

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Thank you, now question time. 30 minutes is allowed for question time. I remind you that you must ask a question, if you do not have a question you will be asked to sit down and the next person will be invited to ask a question. This is not a forum for public debate or statements.

1. Questions received in writing prior to the meeting (subject to attendance and time)
2. Questions from the floor

5. QUESTION TIME

6. DECLARATION OF INTEREST

7. CONFIRMATION OF MINUTES

- Ordinary Council Meeting held on the 28/09/11
- Special Council Meeting held on the 12/10/11

Recommendation

That Council confirm the above minutes.

OFFICERS' REPORTS

Chief Executive Officer

- OM112610-1 CEO'S PROGRESS REPORT TO COUNCIL
- OM112610-2 LOAN SERVICES TENDER
- OM112610-3 GREAT SOUTH COAST GROUP

Corporate and Community Services

- OM112610-4 COUNCIL ANNUAL REPORT 2010/2011
- OM112610-5 COUNCIL SUPPORT TO NEIGHBOURHOOD HOUSES POLICY
- OM112610-6 COLAC COMMUNITY LIBRARY AND LEARNING CENTRE – SERVICE REVIEW
- OM112610-7 LOCAL GOVERNMENT ELECTIONS 2012
- OM112610-8 END OF YEAR FINANCIAL MANAGEMENT REPORT
- OM112610-9 APPOINTMENT OF NEW MEMBER - SWAN MARSH HALL AND TENNIS RESERVE COMMITTEE OF MANAGEMENT
- OM112610-10 FIRST QUARTER PERFORMANCE REPORT 2011-2012

Infrastructure and Services

- OM112610-11 ROAD MANAGEMENT PLAN COMPLIANCE REPORT
- OM112610-12 STRUCTURAL ASSESSMENT OF COUNCIL BRIDGES

Sustainable Planning and Development

- OM112610-13 COMMUNITY REFERENCE GROUP - BIRREGURRA STRUCTURE PLAN AND NEIGHBOURHOOD CHARACTER STUDY
- OM112610-14 PROPOSED PLANNING SCHEME AMENDMENT C65
- OM112610-15 G21 REGIONAL GROWTH PLAN UPDATE - PHASE 2: GROWTH SCENARIOS AND PRINCIPLES

General Business

- OM112610-16 ASSEMBLY OF COUNCILLORS

Notices of Motion

- OM112610-17 ORDINARY COUNCIL MEETING AGENDAS
- OM112610-18 LOCAL GOVERNMENT INFRASTRUCTURE PROGRAM

Rob Small
Chief Executive Officer

CONSENT CALENDAR**OFFICERS' REPORT**

D = Discussion

W = Withdrawal

ITEM	D	W
<p><u>CHIEF EXECUTIVE OFFICER</u></p> <p><u>OM112610-1 CEO'S PROGRESS REPORT TO COUNCIL</u></p> <p>Department: Executive</p> <p><u>Recommendation(s)</u></p> <p><i>That Council notes the CEO's Progress Report to Council.</i></p>		
<p><u>OM112610-2 LOAN SERVICES TENDER</u></p> <p>Department: Executive</p> <p><u>Recommendation(s)</u></p> <p><i>That Council notes that the resolution from In-Committee item OM102605-9 Loan Services Tender has been publicly disclosed.</i></p>		
<p><u>OM112610-3 GREAT SOUTH COAST GROUP</u></p> <p>Department: Executive</p> <p><u>Recommendation(s)</u></p> <p><i>That Council:</i></p> <ol style="list-style-type: none"> <i>1. Formally endorses its membership of the Great South Coast Group until June 2012.</i> <i>2. Refers consideration of ongoing funding of the Great South Coast Group to its 2012/2013 and 2013/2014 Budgets.</i> <i>3. Agrees to work closely with the Great South Coast Group, its Board, Pillar Groups and associated working groups to further the Great South Coast objectives.</i> 		

Recommendation

That recommendations to items listed in the Consent Calendar, with the exception of items, be adopted.

MOVED **.....**

SECONDED **.....**

OM112610-1**CEO'S PROGRESS REPORT TO COUNCIL**

AUTHOR:	Rhonda Deigan	ENDORSED:	Rob Small
DEPARTMENT:	Executive	FILE REF:	CLF11/8

EXECUTIVE**Great Ocean Road Regional Tourism Board**

The CEO, together with the General Manager Sustainable Planning & Development and Manager Economic Development, met with Tourism Victoria on 29 September 2011 to discuss the structure of the new Great Ocean Road Regional Tourism Board.

Six key points remain unresolved concerning the proposed restructuring which was supposed to be implemented by October. Many of these concerns have been highlighted as long as 6 months ago and still remain unresolved. All G21 Councils (but especially Surf Coast) share similar issues. The meeting was attended by representatives from Colac Otway Shire, Surf Coast Shire, City of Greater Geelong, Corangamite Shire and Warrnambool City Councils.

A number of issues were also raised in the discussion including Council's September meeting resolutions. Tourism Victoria agreed to provide Council with a letter outlining the current state of play in regard to funding and agreement or not with issues raised at the meeting. This has not yet been received.

G21 Regional Alliance

The G21 Board met in Geelong on 30 September 2011. The meeting, attended by the Mayor and CEO included:

- Presentations from:
 - Department of Transport
 - Geelong Active in Parks – Healthy Parks Healthy People
 - V/Line
- Priority Projects List
- Risk Framework development
- Regional Growth Plan.

Following this meeting, the Mayor and General Manager Infrastructure and Services attended a meeting with the Shadow Federal Minister for Infrastructure and Transport, Warren Truss MHR, where presentations included:

- Avalon
- Port of Geelong
- G21 Regional Priorities
- Great Ocean Road
- Roads to Recovery program.

The Mayor also attended a meeting of the G21 Health & Wellbeing Pillar on 10 October 2011. The agenda included:

- Medicare Locals - Memorandum of Understanding
- Early Years report
- Armstrong Creek Update

- Healthy Parks Healthy People Launch
- Central Reserve/Beechy Precinct project
- Disadvantage Taskforce update
- Department of Human Services update
- Strategic Review
- Statewide Public Health and Wellbeing Plan 2012-2020
- G21 Board update.

Vic Roads Cluster Group Meeting

Together with representatives from other G21 municipalities, the Mayor, CEO and General Manager Infrastructure & Services met with Vic Roads on 7 October 2011. The strategic issues raised by participating municipalities for discussion with Vic Roads included:

- Great Ocean Road
- Cape Otway Road
- Colac Heavy Vehicle Bypass Route
- Transport Connections Program
- Inland Routes upgrade
- Bike lanes
- Resumption of passenger rail between Ballarat and Geelong
- TIRES funding program continuation
- Bannockburn Heavy Vehicle Bypass
- Midland Highway duplication
- Condition of the arterial road network
- Bacchus Marsh Road duplication
- Freight access to port
- Breakwater Road opening
- Armstrong Creek river crossing and arterial extension
- Stage 4C of Geelong Ring Road resolution
- Grubb Road duplication
- Bellarine Highway duplication/extension
- Heales Road
- Forest Road
- Drysdale Ring Road.

G21 Regional Justice Reference Group

The State Government has allocated \$39.05 million to dedicated community crime prevention initiatives over the next four years. To assist in the rollout of this program, two Regional Justice Groups have been established for the Barwon South West Region, one for the G21 region and the other for the Great South Coast. These groups will provide effective mechanisms for the engagement of key stakeholders at all levels and will help to empower and support local communities to take an active role in identifying and developing responses to community safety issues. The first meeting of the G21 Regional Justice Reference Group was held on 10 October 2011.

CORPORATE & COMMUNITY SERVICES

Older Persons & Ability Support Service

Government House Reception and Seniors Week.

Councillor Lyn Russell joined six of the eight successful nominees who attended the Government House Reception for their contribution to voluntary work within their communities.

Mrs Barbara Leorke, Mrs Ailsa Fabb, Mr Frank Lawrence, Mrs Lisbeth Daly, Mr Edward Cole, Mrs Jess Corbett-Connell and community care worker Jan Riordan, have reported that they thoroughly enjoyed the reception and the visit to Government House. Unfortunately, Mrs Helen Arnold and Mrs William Bell were unable to attend. Congratulations and thank you to all the successful nominees for their contribution to the community.

Seniors Festival Week: 3 - 8 October 2011

The 2011 Seniors Festival was well attended by people shire wide. Highlights included bus trips to Rupertswood Mansion in Sunbury, the Geelong National Wool Museum and Geelong Harness Racing which were all very successful.

Morning Tea at the Botanic Café enticed about 80 people to come for a cuppa and cake with the emphasis on some social catch up with friends. The morning tea at Illuka in Apollo Bay was also well attended and enjoyed by all.

The Jamie Redfern Concert and morning tea had a great turnout. Jamie entertained and wooed around 160 people for over an hour.

A number of older persons also used the occasion to use their free rail and bus service passes to attend other venues throughout Victoria.

Overall a very successful Seniors Festival week.

Barwon Sub-Region Common Assessment Process - Memorandum of Understanding

This Memorandum of Understanding has been developed using the referral pathways and indicators that guide the Australian Commonwealth Assessment Services (ACAS) and our regional Home & Community Care (HACC) assessment services.

The outcome of this MoU is to ensure that frail older people have the right to get an assessment. The MoU will ensure that the assessment for each person:

- will be at the right time
- minimise the number of times the client or their carers have to tell their story
- to reduce the waiting time for assessment by using resources as efficiently as possible.

The committee meets bi-monthly and envisages that this agreement will be in place by February 2012.

Maternal & Child Health

The Maternal & Child Health (MCH) service has advertised for a 0.6 position to fill an existing shortfall and to reduce reliance on casual staff. This is to ensure that the service operates on a recommended ratio of 1 EFT for up to 120 births.

Participation rates in Key Ages and Stages visits have been down. Our data suggests that families tend not to fully engage with the service if they have seen a number of different staff especially in the early weeks. We look forward to a full complement of staff to address this issue of continuity.

Number of infants enrolled from birth notifications	22
First Time mothers	8

Key Ages and Stages Consultations for the month of September 2011

Home visits	21				
2wks	19	8mths	23	3.5yrs	14
4wks	22	12mths	14		
8wks	31	18mths	4		
4mths	19	2yrs	10		

Other activities included:

- 99 additional consultations
- 36 phone consults
- 11 opportunistic immunisations
- 14 referrals
- 39 counselling
- 4 new parents groups sessions in Colac
- 34 families currently enrolled under Enhanced Home Visiting Service (Vulnerable and at risk families).

Meetings attended by staff include:

- Final school immunisation sessions at Colac, Apollo Bay and Lavers Hill
- Southern KEYS meeting Apollo Bay
- Clinical Supervision and Regional MCH meeting Queenscliff
- Bubs@the Hub.

Environmental Health**Immunisation**

The school immunisation program has been completed for 2011, however final figures will not be available until the end of the year to allow for absentee students to receive vaccinations at our normal immunisation sessions.

Health Activities for month of September 2011

- Of a total of 367 food premises, 43 inspections were carried out in September 2011.
- 30 inspections of selling points for tobacco were also carried out to ensure legislative requirements are being met.
- 5 prescribed accommodation premises were inspected.
- 7 septic tank inspections were carried out with 2 permits to install.
- 3 food recalls were received.
- 2 complaints were investigated in relation to hygiene and spoiled food.
- Inspected events:
 - Apollo Bay Farmers Market
 - Apollo Bay Foreshore Market
 - Lions Market Colac
 - Garden Expo Colac.

Water Sampling

A number of water samples have been taken from coastal river estuaries:

- Separation Creek 19
- Wye River 68
- Skenes Creek 25

The levels of bacteria have returned to acceptable levels of below 150 organisms of Enterococcci bacteria/100ml. This confirms that the source of the elevated levels was probably due to high rainfall washing animal faecal matter into the streams as there was very little human activity in the area at the time.

Rural Access

Computer training in Easy English

Computer Training in Easy English has commenced for Term 4 at the Colac Neighbourhood House. There are 20 participants taking part, which is double that of last term. Participants are enjoying individualised programs put together by our trained tutors.

This term the course will include a trip to the Colac Community Library and Learning Centre. Participants will learn how to access the computers as well as learning what other services are available at the library.

Training is free of charge as it is funded by Department of Planning and Community Development through the Vicnet-State Library of Victoria's *'IT for People with a Disability'* project, phase 2.

Family Day Care

Children's Week

Children's week activities are taking place on 27 October 2011 between 9.30am – 12.30pm at the Colac Community Hub. There will be a jumping castle, roaming reptiles, face painting, bubble blowing and much more fun for all the family.

Early Years Learning Framework Training

Family Day Care Educators received training based around the new Early Years Learning Framework. This will put them in good stead for the implementation of the new Children Services Regulations and National Quality Standards which will come into effect on 1 January 2012.

Events

Birregurra Weekend Festival and Art Show (7 to 9 October 2011)

Thousands of people flocked to the 12th annual Birregurra Weekend Festival and Art Show. The festival featured the only regional final of the Telstra Road to Discovery, food stalls, farm machinery exhibitions, arts, crafts and children's activities. Musical performances treated the festival's large crowds with a wide range of local musicians including Tiffany Eckhardt, Dave Steel and Spynndrift. Feature standouts included the dog jumping, Snakebusters and the woodchop event. The food and wine area once again showcased the best of the region's produce of olives, preserves, meat, yabbies, sausages, cheeses, wines and beers.

Colac Orchid Club (8 to 9 October 2011)

Orchid growers from Geelong, Warrnambool and Cobden made the trip to Colac for the annual show and visitors from as far as South Australia supported the club. A disappointing season for Australian natives did not stop the large numbers of orchids and natives

presented for judging. Independent members of the Orchid Society Council of Victoria judged the competition and were impressed with the quality of entries.

Upcoming Events

Events which will be held throughout the Colac Otway Shire in October and November 2011, will be the Colac Woodturners and Woodcrafters Guild Exhibition – 29 to 30 October, FReeZA Regional Battle of the Bands – 5 November at COPACC, Forrest 2 Day Mountain Bike Festival – 26 and 27 November and Opera in the Otways – 26 November 2011.

Recreation

Old Beechy Rail Trail – The Hunt for the Golden Boot

The Hunt for the Golden Gumboot ends 28 October 2011 and the success of this very popular event will be celebrated with a free BBQ to draw the major prize at Rex Norman Park, Gellibrand on Sunday 30 October 2011. The event has encouraged hundreds of locals and visitors to walk and cycle the Old Beechy Rail Trail. For some this was their first ever experience of the trail. The family based event was held during “Walktober” and everyone who found a golden gumboot was provided with an instant prize and entered into the draw to win a major prize.

The Hunt for the Golden Gumboot event is an initiative of the Geelong’s Active in Parks Program which is a joint pilot program of Parks Victoria, People and Parks Foundation and G21 – Geelong Regional Alliance. Geelong’s Active in Parks Program aims to connect our community to parks and open spaces as a way of enhancing their physical and mental health.

Old Beechy Rail Trail – Interpretive Signage Project

Installation of the 31 new interpretive signs has commenced along the Old Beechy Rail Trail. The new signs will enrich the experience of users of the trail by providing detailed historical, environmental and cultural information.

Active Transport Strategy Application

Council is currently preparing to lodge an application for funding under the State Government’s 2012/2013 Community Facility Funding Program (Planning Category) to develop an Active Transport Strategy for the municipality. This document will assist Council’s strategic co-ordination of facilities which support walking, cycling and alternative transport. Active transportation includes those forms of transport that have a component of physical activity such as cycling, jogging, skateboarding and walking. The development of this strategy will position Council to encourage residents and visitors to use active transport more often for travel, health and enjoyment.

COPACC

Sustainability Victoria has awarded COPACC with a Waste Wise bronze certification. This has been achieved after 12 months’ work by the COPACC team, in partnership with Colac Cinemas. Achieving this status is part of COPACC’s ongoing commitment to operating the Centre with a constant commitment to reducing its carbon footprint and reducing waste.

COPACC’s Outreach Program in Apollo Bay was a success in September 2011, with a strong crowd attending the Deborah Conway and Willy Zygier performance at the Mechanics Hall. COPACC partnered with Apollo Bay Arts Inc. and the Apollo Bay Community Youth Group to deliver the performance which won a positive response from the audience.

In September 2011, COPACC hosted 65 business events attended by 3,191 people. October and November will be extremely busy months dominated by community, school and dance school performances.

COPACC is also hosting its second Outreach Program for the year, in partnership with Otway Hinterland Events. A performance of the comedy drama *The Weather and Your Health* will be held at Lavers Hill Hall on 29 October 2011.

Blue Water Fitness Centre

Warm Water Pool

Council has submitted an application to the Federal Government's Health and Hospitals Fund seeking funding to develop a Warm Water Pool at Bluewater Fitness Centre. The application is based on the 2005 Bluewater Fitness Centre Hydrotherapy Pool Feasibility Study and includes:

- A Hydrotherapy Pool 80m², ranging in depth from 1m – 1.5m.
- Pool access via a ramp, stairs and hoist.
- Wide concourses to facilitate access.
- Additional change rooms to cater for the specific needs of residents with disabilities.
- A new spa, sauna and showers.
- Improved access to the Centre including ramps, electrically operated doors and parking for people with a disability.
- Alternative heating options for both a Warm Water Pool and existing facilities.

Programming

September has shown a slight drop in overall visitation, partly due to the school holidays and football/netball finals. Memberships were consistent during the month with an average total of 959 active memberships. Casual gym sales dropped by 18% in September when compared to the yearly high achieved in August, although there was a 23% increase on casual student entry. This is a reflection of the holiday period. Casual swim visitation has increased across all areas when compared with September last year.

More than 100 children participated in the inflatable program held on Tuesdays, Thursdays and Sundays over the school holiday period. There was a great atmosphere in the centre with many families enjoying the pool over the holidays.

Bluewater staff have commenced a course with the Australian Lung Foundation which will enable the centre to deliver a new program called "Lungs in Action". There is a large demand for this type of program with up to 50 people undertaking pulmonary rehabilitation programs offered at Colac Area Health annually. There is currently no other program like this in the region. The Lungs in Action program will enable those who have completed the rehabilitation to continue with an ongoing exercise regime.

Bluewater have been providing a qualified trainer to facilitate the exercise component of a new program "Brain Gym in the Bush" held weekly in Gellibrand. The program is a 12 week trial and is for people who experience anxiety.

INFRASTRUCTURE & SERVICES**CAPITAL WORKS UNIT****Old Beechy Rail Trail**

The Cultural Heritage Management Plan (CHMP) that was required for the construction of the rail trail near Beech Forest has recently been approved by Aboriginal Affairs Victoria (AAV).

A detailed survey is continuing for the Beech Forest to Ferguson extension to finalise the trail alignment.

Quotations are being sought for fencing and trail construction at a number of locations to enable works to be undertaken during the summer months.

Morley Avenue, Wye River Slip Rehabilitation

Vic Roads began work on the Morley Avenue, Wye River slip rehabilitation on 11 October 2011. Site set up and vegetation clearance will take one week. A Special Charge Scheme has been initiated as not all private agreements have been received. The public notice advising of Council's intention to declare a special charge scheme was advertised on Friday 7 October 2011, with correspondence forwarded to property owners.

J Barry's Bridge - Rehabilitation

The rehabilitation of J Barry's Bridge will be undertaken as part of this year's Capital Works program. Tenders have been called for the design and construction of the bridge, and are currently being evaluated.

Apollo Bay Drainage Strategy

Arup Pty Ltd has completed the review of the existing drainage system in Apollo Bay and has built associated modelling information and options. Cost benefits are being assessed prior to compiling the first draft of the Drainage Strategy. Community consultation will be undertaken prior to the first draft being presented to Council for consideration.

Construction of Sinclair Street South

Quotes have been sought to undertake a full design for the construction of Sinclair Street South, between Irrewillipe Road and Pound Road, Elliminyt. The construction of the road is funded via a Special Charge Scheme. Council will also be undertaking intersection improvement and construction works at the intersection of Sinclair Street South and Irrewillipe Road. Broad agreement has been reached with VicRoads. Quotations have also been sought for the detailed design of the intersection improvement works.

Forrest Microbrewery Carpark

Discussions are continuing with VicRoads regarding layout for the access points for the carpark to be constructed at the front of the Forrest Microbrewery. The construction of the carpark is expected to be carried out in March 2012 to limit disruption to the Microbrewery during the summer period.

Cressy-Shelford Road Rehabilitation

Council officers have considered the first draft of the threatened species signs being developed by Challis Designs. Through this process, some recommendations have been made to improve the designs and to ensure the message of threatened species being present is successfully conveyed. Council is now close to finalising the final draft with the consultant, with fabrication expected to commence shortly after.

Kennett River Wetlands

In line with the recommendation of the Council Report from June 2011, Council officers have engaged with the Otway Coast Committee and the Corangamite Catchment Management Authority regarding the Kennett River wetland. It is hoped that through these discussions, Council will be able to gain support for the maintenance works identified to ensure the effective operation of the wetland. Further to this, the drainage investigation for the infrastructure at the rear of the Kennett River Caravan Park is nearing completion. The findings of this investigation will be provided to key stakeholders once completed.

SUSTAINABLE ASSETS UNIT**Building Maintenance and Renewal**

<i>SP&D Accommodation</i>	Following the award of the contract to BDH Constructions Pty Ltd at the September Council meeting, Council officers are planning to meet with the contractor to discuss the commencement of works. It is expected that BDH will begin demolition works in the first week of November and that practical completion of the project will be achieved within 16 weeks of commencement.
<i>COPACC</i>	<p><i>Fire Safety Audit</i> Representatives from Infrastructure & Services, COPACC and Risk Services met on 10 October 2011 to discuss the recommendations of the Fire Services Investigation of COPACC completed in September 2011.</p> <p><i>Air Conditioning Replacement</i> Quotations have been sought for the replacement of the packaged air conditioning unit which services the COPACC foyer. Quotations closed on 19 October 2011.</p>
<i>Eastern Reserve Clubrooms</i>	A contractor was engaged to repair the structural cracking in the brickwork at the clubrooms and the works were completed in early October 2011.
<i>Birregurra Toilets</i>	Council officers met with members of the Birregurra Community Group after the Birregurra Festival to confirm design elements of the toilet building prior to seeking quotations for construction of the toilets. The new toilet block is to be located within the Birregurra Park consistent with the Birregurra Small Town Master Plan.
<i>Beech Forest Hall</i>	Re-plastering of the kitchen and supper room has been completed. The installation of the new kitchen is expected to be completed in early November 2011.
<i>Stonyford Hall</i>	Interior painting of the hall has been completed. Quotations have been received for the refurbishment of the toilets, sanding and sealing of the floor in the main hall and replacement of the existing floor coverings in the powder room.
<i>Essential Safety Measures</i>	Building Code of Australia compliant door hardware has been installed in approximately 90% of Council buildings. These works are continuing and are expected to be completed in the near future.

<i>Colac Youth and Recreation Centre</i>	Renovations to the Colac Youth and Recreation Centre are progressing well. Whilst some delays have been experienced due to substandard foundation conditions, internal refurbishment is now in full swing since the pouring of the concrete floor. Framing of the new toilet areas has been completed as well as service rough-ins in preparation for plastering. The brick walls to the main hall have been battened in readiness for the installation of villa board lining to update internal finishings.
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Annual Footpath Replacement Program

Council officers are in the process of finalising the scoping of the initial stages of the 2011/12 Footpath Replacement Program. This involves confirming the extent of replacement required along nominated sections of Council's footpath network. These sections are prioritised based on a number of factors including overall condition, classification, usage type, and criticality. Once scoping is finalised, works packages will be distributed, based on availability, to concrete contractors included on Council's approved panel.

COSWORKS

Old Beechy Rail Trail: Herbicide spraying has been undertaken along the Old Beechy Rail Trail.

Street Tree Clearance under Power lines Colac: Works are 95% complete in Colac.

Storm Damage: There has been minor storm damage in the Coastal areas and the Otways during the last month.

Road Regrading: Road regrading has been ongoing in all areas of the Shire as required.

Road Pavement Minor Patching: Road pavement minor patching has been ongoing in all areas. Crack sealing works were undertaken on McKays Road and Pound Road.

Gravel Road Re-sheeting: Resheeting works have been undertaken on Shurvells Road, Yeodene – Birregurra Road, Beals Road, Airey Street, Cants Road, Swan Marsh Stoneyford Road, Binns Road, Sunnyside Road, Old Beech Forest Road, Tuxion Road, Karlson Street, Newcombe Street, Jones Road and Kennedys/Boundary Hill Road.

Routine Drainage Works: Routine drainage works have been completed in Wye River, Kennett River, Separation Creek, Pengilley Avenue, Old Irrewillipe Road and Boxes Road. Works have also been undertaken in the Barwon Downs township, Old Beech Forest Road, Wonga Road, Upper Gellibrand Road, Boundary Road, Kaangalang Road, Yaughner Road, Frys Road, Moomoowrong Road, Blue Johanna Road and Upper Gellibrand Road.

Bridge Maintenance: Works recently undertaken included replacing the bridge end walls on Sunnyhills Road. Deck beams and steel / timber cross heads were replaced on Watsons Bridge. The Guardrail was replaced on Sunnyside Road at 1.3km.

Major Drainage Works: Major drainage works were undertaken on Benwerrin/ Mt Sabine Road, Sunnyside Road, Hickeys Cutting, Old Hordern Vale Road, Wild Dog Road, Binns Road and Old Coach Road.

Vegetation Control: Vegetation control works were undertaken on Wait a While Road, Larsons Access, Greenes Access, Hiders Access, Moomoowrong Road, Cebes Track, Old Beech Forest Road, Kents Access, Old Coach Road and Old Ocean Road.

Footpath Maintenance: Maintenance works were undertaken on footpaths in Birregurra, Lavers Hill, Gellibrand and Colac townships.

Tree Maintenance: Tree maintenance works were undertaken on Old Beech Forest Road, Beech Forest Park, Moomoowrong Road, Old Ocean Road, Aire Settlement Road, Wait a While Road, Larsons Vista and Shorts Road. Some 'dangerous' trees were removed from the Lions park.

Township Mowing: Township mowing continues as per the maintenance program.

Gardens: General maintenance of all Council gardens has been undertaken during the previous month.

Playground Maintenance: Playground maintenance works have been completed as per recommendations and inspections required under the playground audits.

WDEA: Clearing of vegetation and mulching of parks in Wilson Street and Murray Street and a clean-up generally of all areas was undertaken.

Sports Ovals: Works have been undertaken on the South Colac and Western Reserves' uncovered pitches for the upcoming cricket season.

MAJOR CONTRACTS/WASTE UNIT

Submission to Container Deposit & Recovery Scheme

In accordance with Council's previous discussion, a submission has been forwarded to the Environment and Planning Legislation Committee in regard to the Beverage Container Deposit and Recovery Scheme (BCDRS).

The submission included the following key comments for consideration on the proposed scheme:

- The Colac Otway Shire Council supports the Beverage Container Deposit Recovery Scheme (BCDRS) and feels that it will benefit the environment and ratepayers.
- The Scheme may provide social benefits as an additional income source for local clubs and volunteer groups.
- Collection points to be decided in consultation with the community and the waste management industry in order for them to be strategically located and convenient for the public.
- Various types of containers need to be classified such as bottles, plastic, tin etc and the parameters for their deposit to be determined.
- The cost of transportation and haulage should be taken into consideration when determining collection points for the public and costs to be incurred by industry.
- Active collection of recyclable cans and bottles is more evident due to the incentives provided in the collection and will promote a greater level of reuse and recycling within the community.

Boating Facilities and Funding Program 2011/12

A letter was received from Hon Dr Denis Napthine MP Minister for Major Projects, Ports, Racing and Regional Cities informing Council about the 2011 – 12 round of the Boating Safety and Facilities Program (BSFP) inviting funding applications for eligible projects. The program is funded by a portion of revenue received from recreational boat operator licensing and vessel registration fee. This year \$4.9 million is available for community grants compared to \$3.89 million in the previous year.

The Apollo Bay Harbour Boating Precinct has been rated as a high priority and considered to be of regional significance in the Boating Coastal Action Plan (BCAP). The BCAP Implementation Committee has encouraged the Colac Otway Shire to apply for funding for the upgrade of boating infrastructure.

Letters of support for the funding application have been provided by Mr Steve Blackley, Executive Officer Western Coastal Board and Mr John Mariner of Apollo Bay Sailing Club indicating the importance of the project.

While this grant application is seeking funding related to the operational infrastructure necessary for the effective operation of the Apollo Bay Harbour, it is also highly complementary to the needs that have been identified for community infrastructure at the site which are key components of the Apollo Bay Harbour Master Plan Project which is currently being undertaken by Council in conjunction with Tourism Victoria, Regional Development Victoria and other key state government departments.

In consultation with Council's Executive Management Team a Funding Application was lodged for the upgrade of the Apollo Bay Harbour Boat Ramp Carpark. The project will comprise of construction and sealing of the existing carpark which is currently in an unsealed condition together with associated works such as stormwater drainage works, signage, landscaping, linemarking and lighting works.

If successful with the funding application the project will be undertaken in two financial years being, 2012-2013 and 2013-2014 in order to allow enough time to complete the project. The project cost is estimated to be approximately \$994,000 with the grant request being \$795,000, Council contribution \$100,000, Port contribution \$48,000 and Council's in kind support \$50,000.

TENDERS

Tenders opened since the last reporting period:

- 1116 – Bituminous Sealing Works
- 1118 – J Barrys Road Bridge Design & Construct
- 1123 – Linemarking Services.

Tenders awarded since the last reporting period are:

- 1102 – Cleaning of Rural Toilets & Public Use Conveniences – to Colac Cleaning Services Pty Ltd
- 1117 – Office Redevelopment – to B.D.H. Constructions Pty Ltd.

Tenders advertised since the last reporting period are:

- 1119 – Architectural Services, closing 3 November 2011
- 1122 – Hardwaste Collection (Rural & Coastal Areas), closing 3 November 2011.

Major Quotations advertised:

- Q2011/12-13 – Replacement of Air-Conditioning Unit – COPACC, closing 19 October 2011.

Subdivision Works

The following table shows the current status of various subdivisional works which will be handed over to Council when completion is approved:

Subdivision	Status
Apollo Bay Industrial Estate Stage 1 9 lots	A certificate of compliance has been issued and outstanding works guaranteed with a security bond. The developer is expected to complete works for Stage 1 with improved weather conditions.
Wyuna Estate Footpath Construction	Design issues have delayed completion of the final stages of footpath construction in Scanlan Drive, Banksia Drive and Rose Drive. The developer's consultant is arranging completion of works.
38-46 Cawood Street Subdivision 20 lots & reserve	Work has commenced on this subdivision with water supply and sewer being installed. Construction of the road infrastructure is expected to start in early November 2011 (weather permitting).

SUSTAINABLE PLANNING & DEVELOPMENT**Rural Living Strategy**

Submissions received to the draft Rural Living Strategy are currently being considered. A revised Strategy is being prepared that addresses issues raised in submissions for consideration at the November Council meeting. A project steering committee meeting is scheduled late in October to consider the final report, prior to a Councillor workshop in November.

Birregurra Neighbourhood Character Study and Structure Plan

The second round of community consultation for the Birregurra Neighbourhood Character Study has commenced with the public release of an Issues Analysis Paper. Whilst submissions on the Issues Paper will be received up to 18 November 2011, the focus of the consultation will be a community workshop which is to be held at the Birregurra Community Health Centre on 3 November 2011 from 6.30pm to 9.30pm. A project bulletin has been mailed to all residents and ratepayers in Birregurra and the surrounding district to advise of the availability of the Issues Paper and details of the workshop. It is intended that feedback from the workshop will inform the development of the draft Study report early in 2012.

Hansen Partnership, the consultant undertaking this study, has recently been appointed to also complete the Structure Plan process when the Neighbourhood Character Study is adopted in 2012. This will ensure that the Structure Plan is well integrated with the outcomes of the Neighbourhood Character Study.

Apollo Bay Settlement Boundary and Urban Design Review

The public exhibition period for the draft report closed on 7 October 2011. Thirteen submissions were received. The project steering committee will review these submissions before a final version of the document is presented to Council for adoption over the next few months.

Draft Colac CBD and Entrances Project report

The draft Colac CBD and Entrances Project report is currently on public exhibition until 21 November 2011. Two public drop-in information sessions are proposed to be held in Murray

Street at the front of Target on 2 November 2011 from 2.00pm to 5.00pm, and on 3 November 2011 from 11.00am to 2.00pm. The project consultant and Council officers will be on hand at these informal sessions to answer any questions the public may have about the report to assist them in preparing their submissions to the draft report. A project bulletin has been mailed to residents and land owners in Colac and Elliminyt advising them of the draft report, with a feedback form which can be completed and returned to Council. Alternatively an on-line questionnaire can be completed.

Officers made a presentation to a meeting with Otway Business Incorporated (OBI) members in October as part of the consultation process to ensure business operators are aware of the project and the opportunity make a submission.

Colac Lions Park

The next stage of the project is pathway construction. Quotes have been received and the assessment process completed. Works will be completed in early December 2011. Car park resurfacing and formalisation of car parking will be completed early in 2012.

Visitor Centres

There has been an increase in visitor numbers throughout July, August and September mainly because of school holidays. International visitors have mainly originated from China and Germany. Positive feedback has been received on the layout, amount of information, retail product and great customer service provided.

Municipal Emergency Planning

Council has been working with key stakeholder agencies on a number of emergency management plans that are now nearing completion. It is expected that the updated Municipal Emergency Management Plan and the new Municipal Relief and Recovery Plan will be submitted to Council for endorsement in December 2011. In addition a draft Municipal Fire Management Plan is expected be completed by 30 October 2011. The community will be given an opportunity to comment on the draft Municipal Fire Management Plan before it is submitted to Council for endorsement. These plans are critical to Council working effectively with other key agencies and the community before, during and after an emergency to try to minimise the impact of the event and to help us recover as quickly as possible.

Neighbourhood Safer Places – Places of Last Resort

Council is continuing to work hard with partner agencies to establish Neighbourhood Safer Places – Places of Last Resort in suitable locations around the municipality. Works are continuing on potential sites in Forrest, Barwon Downs and Carlisle River along with sites at Gellibrand and Apollo Bay. Council has also referred sites at Birregurra and Beeac to the CFA for assessment.

Council is hopeful that a number of the sites will be established as Neighbourhood Safer Places – Places of Last Resort during the 2011/2012 Fire Danger Period. However some sites may require substantial vegetation removal prior to establishment and there are a number of steps that need to be taken before this work can be done, including engagement with the local community. This may mean they will not be available during the 2011/2012 Fire Danger Period.

Preparation for the Fire Danger Period

The Fire Danger Period starts on 1 November 2011. Council has sent all property owners a courtesy letter that explains the responsibilities for fire prevention on their property. As done in previous years Council will then undertake inspections to ensure people are maintaining their properties to a suitable standard. If people are unsure about their responsibilities, or feel they have a valid reason why they cannot meet a deadline, they can contact Council to

discuss the matter. During the Fire Danger Period a permit is required to burn off and as a result Council is working closely with the CFA to ensure brigades are issued permits to enable the burns to be carried out in a timely fashion.

Council encourages people to preplan their burns and to talk to Council officers early. Council is keen to work with the community to issue burn permits where suitable but if property owners plan to burn do not leave it until the last minute to call. Although Council will work hard to respond to permit applications within 24 hours it may take up to 5 working days to obtain a permit in some cases. The reason for this is that in many cases Council officers need to visit the site to ensure the burn can be done safely, particularly if it is located in a high risk area. This cannot always be done straight away because during the Fire Danger Period the officers are committed to undertaking property inspections which must also be done in a timely manner.

Local Law Review

Council has initiated a review process for three Local Laws that are planned to be completed by the end of 2012. The Local Laws that will be reviewed are:

- *Local Law Number 1 – 2005 – Consumption of Liquor in a Public Place*
- *Local Law Number 2 – 2005 – General Local Law*
- *Local Law Number 3 – 2007 – Livestock Local Law.*

The review process will include three stages of community engagement. General comments and suggestions will be sought initially prior to the development of a first draft. Once the first draft is completed there will be another opportunity for general comment prior to the release of a final draft where the opportunity for formal written submissions will be given to the community. This process will ensure that the community has had significant input to the development of new and revised Local Laws.

Sustainability Accord Grants

Council successfully obtained two grants through Round 5 of the Victorian Local Sustainability Accord funding program. One was an individual grant and the other was a regional grant. The individual grant was for \$45,000 to develop a Carbon Neutral Plan for Council's operation and to begin the implementation of the actions in the plan. The regional grant was for \$600,000 to help Councils across south west Victoria work with their communities to increase resilience to the impacts of climate change.

Council officers are attending a number of workshops with other Councils and partner agencies to nail down the details of these projects to enable formal agreements to be signed off with the Department of Sustainability and Environment. It is hoped that these projects will then be able to start in early 2012. More information will be released on the details of these projects once the agreements are signed off.

Environmental Activities

On 20 October 2011 the Environment Unit was involved in a partnership education day with Greening Australia and the Corangamite CMA for National Waterweek. 200 School Children participated in the day's activities which included planting over 600 trees along the Lake Colac foreshore, Waterwatch demonstrations, and general environmental education around the importance of Lake Colac as both an environmental, social and cultural asset.

Attachments

Nil

Recommendation(s)

That Council notes the CEO's Progress Report to Council.

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**OM112610-2      LOAN SERVICES TENDER**

|             |               |           |           |
|-------------|---------------|-----------|-----------|
| AUTHOR:     | Rhonda Deigan | ENDORSED: | Rob Small |
| DEPARTMENT: | Executive     | FILE REF: | 11/95598  |

At its September In-Committee Council Meeting, Council resolved that the resolution, including any declarations of interest, from In-Committee item OM102605-9 Loan Services Tender be openly disclosed.

The resolution arising from the In-Committee Council meeting held on 26 May 2010, item OM102605-9 Loan Services Tender, which had formerly been resolved to remain confidential, is disclosed as follows:

**“OM102605-9 Loan Services Tender**

|                            |                                   |
|----------------------------|-----------------------------------|
| Cr Stephen Hart:           | OM102605-9 Loan Services Tender   |
| Nature of Disclosure:      | Indirect                          |
| Type of Indirect Interest: | 78A – Indirect financial interest |
| Nature of Interest:        | Owns Bank Shares                  |

|                       |                                 |
|-----------------------|---------------------------------|
| Rob Small             | OM102605-9 Loan Services Tender |
| Nature of Disclosure: | Indirect                        |

|                       |                                 |
|-----------------------|---------------------------------|
| Colin Hayman          | OM102605-9 Loan Services Tender |
| Nature of Disclosure: | Indirect                        |

Having cited a conflict of interest in this agenda item, Cr Stephen Hart left the meeting at 4.35pm.

**Resolution**

**MOVED Cr Frank Buchanan seconded Cr Brian Crook**

**That Council:**

1. **Approve the panel of financial institutions that the Chief Executive Officer may choose to seek funds from. The financial institutions that will form this panel are:**
  - a. **Bendigo Bank;**
  - b. **Commonwealth Bank of Australia; and**
  - c. **National Australia Bank.**
2. **Delegate the Chief Executive Officer to obtain the loan borrowings from the approved panel of financial institutions with the successful institution to be chosen in accordance with the following criteria.**
  - a. **Lowest cost to Council over the life of the loan(s);**
  - b. **The tenure of each loan is to be over a ten (10) year period;**

**c. The borrowings are to be undertaken as two separate loans:**

- i. Loan 1 for two million dollars (\$2.0 million) to be borrowed in 2009/10; and**
- ii. Loan 2 for one million, one hundred thousand dollars (\$1.1 million) to be borrowed in 2010/11, subject to the funds being required.**

**3. Resolves that the resolution concerning item OM102605-9 Loans Services Tender remains confidential.**

**CARRIED 5 : 1**

Cr Stephen Hart returned to the meeting at 4.41pm”.

**Attachments**

Nil

**Recommendation(s)**

**That Council notes that the resolution from In-Committee item OM102605-9 Loan Services Tender has been publicly disclosed.**

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OM112610-3**GREAT SOUTH COAST GROUP**

| | | | |
|-------------|---------------|-----------|-----------|
| AUTHOR: | Rhonda Deigan | ENDORSED: | Rob Small |
| DEPARTMENT: | Executive | FILE REF: | 11/96724 |

Purpose

To seek formal ratification of Colac Otway Shire's relationship with the Great South Coast Group.

Declaration of Interests

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

Background

The Great South Coast Group has been an informal coalition of the Shires of Glenelg, Southern Grampians, Moyne, Corangamite, Colac Otway and the City of Warrnambool for the past several years.

This year, the group sought to formalise its alliance and establish a legal entity and, based upon legal advice, has lodged an application with ASIC to form a Company Limited by Guarantee (the Great South Coast Group Ltd).

It has also invested considerable time and effort into formalising its governance structure and processes.

The primary function of the Great South Coast Group is to deliver the Regional Strategic Plan (RSP) and to build the region's social, economic and environmental capacity.

The group is an independent, apolitical organisation that takes responsibility for identifying, developing and delivering projects of regional significance. These must align with the strategic objectives of the RSP.

The RSP has been embraced by both State and Federal Governments. Indeed, our advice has been that projects must be in step with its strategies in order to be considered for Government funding.

The Great South Coast Group also seeks to advocate on behalf of the entire region with State and Federal Governments.

Our success in these activities depends upon the participation and goodwill of each of the member Councils, as well as that of a range of other people and organisations across the region.

The Great South Coast Group's governance has been loosely modelled on the successful G21 Regional Alliance, with careful modifications to better meet the needs of our region.

The Great South Coast Group's Constitution and Terms of Reference have been formally adopted by the Board. Copies of these documents are attached. These outline in more detail the values, objectives and functions of the Great South Coast Group.

The Great South Coast Board

The Board is currently comprised of the Mayors and CEOs of member Councils, with one vote afforded to each Council via the Mayors.

As set out in the recently adopted Constitution, Expressions of Interest are now being sought for four non-municipal Board members. These appointments will be made according to the skills, experience and passion each individual can bring to the Board.

It is important to note that Board members are independent and are not considered to be representatives of their respective organisations. To achieve its objectives, the Board must have a good mix of proficient Directors, each of whom is able to add value to discussions and debate and bring independent judgement to decision-making processes. These people must be future-oriented and able to demonstrate vision and foresight.

The addition of non-municipal Board members will ensure a greater breadth of views is represented on the Board. The move also recognises that the bulk of Great South Coast projects can only be delivered through partnerships between a range of stakeholders.

Board meetings are held every six weeks. This year, Corangamite Mayor Matt Makin was appointed Board Chair. Corangamite CEO Andrew Mason also takes a leadership role on behalf of the CEOs.

Great South Coast Pillar Groups

Beneath the Board sit four Pillar Groups, each aligned with one of the key strategic directions outlined in the Great South Coast Regional Strategic Plan.

Interim Pillar Group Leaders have been appointed to help drive Pillar Group formation. They are:

- **Position for Economic Growth:** Gary Bebbington, Glenelg Shire Economic Development and Tourism Manager and Portland Bay Local Port Executive Officer.
- **Improve our Connections:** Interim Pillar Leader: Alex Green, Corangamite Shire Director Works and Services.
- **Sustain our Natural Assets:** Michael McCarthy, Southern Grampians Shire Director Shire Futures.
- **Strengthen our Communities:** Vicky Mason, Warrnambool City Director Community Services.

The fifth key strategy outlined in the Regional Strategic Plan – Increase Collaboration (governance and resources, project prioritisation, measuring our results) will be absorbed as a function of the Board and Executive Officer.

Pillar Groups will be largely self-directed and self-governing. Membership will be invited from a range of individuals drawn from all sectors of the Great South Coast community. According to the Constitution, Pillar Group members are referred to as Advisory Members – a term reflecting the active participation that will be required.

As with the Board Directors, Advisory Membership will be contingent upon the skills and expertise Advisory Members are able to bring to the organisation. Ideally, Advisory Members will be senior decision-makers with the authority to readily participate in decision-making processes.

At the discretion of Pillar Group leadership and the Board, Working Groups may be established for the life of individual projects. In this way, individuals may seek to become Advisory Members of the Great South Coast Group for a short term.

Priority projects

As outlined above, it is envisaged that Pillar Groups will take responsibility for identifying, developing and delivering projects of benefit to the Great South Coast region.

However, to help the organisation gather momentum, each member Council was invited to nominate its priority projects. A list of 87 projects was tabled and projects were ranked according to their level of preparedness, regional significance and potential for funding. The resulting lists will be examined in greater detail with the support of Pillar Group Leaders and action plans will be developed.

The Great South Coast Group is currently working with its G21 neighbours and State Government representatives to develop a more “scientific” set of criteria to guide project prioritisation.

Funding the Great South Coast Group

In 2010/11, each member Council committed \$30,000 to fund the Great South Coast Group until June 30, 2012. Unlike the G21 model, under which Councils allocated funding on a sliding scale according to population, the Great South Coast member Councils opted to contribute equally.

This funding is to be used to fund the full-time position of Executive Officer and other core operations and activities required to achieve Great South Coast objectives.

Additional and supplementary funding may be obtained from State and Federal Government sources. Financial reports will be made available to Councils.

Benefits of the regional model

The benefits of this holistic approach to our region are clear. Working collectively, the six member Councils are able to take a more strategic approach to visioning, planning and development, all the while sharing resources and knowledge.

Importantly, the combined Councils are able to speak with one voice, ensuring concerns and issues impacting our region are heard by Government.

The regional model has been used to great effect in other parts of Australia. Most notably, the G21 Alliance has become a powerful and credible lobbying force for the benefit of the Geelong region and its surrounds.

Although still in its infancy, the Great South Coast Group is developing strong and productive relationships with its neighbours, with State and Federal Government and with a range of other industry and community stakeholders.

Its formation has also been the impetus for a range of other organisations to take a more regional approach under the Great South Coast umbrella.

The Great South Coast Group undertakes to ensure Councils are kept apprised of all developments within the Group via regular communications and reports. Further, the Executive Officer and/or Board Chair are available to meet with individual Councils upon request.

**Council Plan / Other Strategies / Policy
Leadership and Governance**

Council will fulfil its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.

Issues / Options

As a region, the Great South Coast faces a myriad of challenges and also opportunities. Many of these are set out in the Regional Strategic Plan.

As an organisation, the Great South Coast Group faces its own challenges and opportunities.

Challenges:

- The region is geographically large and disparate, making it difficult to adopt a universally shared perspective.
- The geography also poses practical challenges in terms of meetings and the sharing of information and resources.
- By its nature, local government tends to focus locally, rather than regionally.
- We are currently grappling with the criteria we will use to define and prioritise 'regional' projects.
- There is an impost upon member Councils in terms of the staffing commitment required to ensure the Great South Coast Group can function.

Opportunities:

- The Great South Coast Group will enable our region to take full advantage of major funding opportunities as they arise.
- It will also give voice to regional issues with Federal and State Governments.
- State and Federal Governments have indicated their willingness to work with and support the Great South Coast Group.
- As it matures, the Group will give our region greater political 'clout'.
- New opportunities will be created for local government to work more closely with industry and business and with the community, generally.
- The Great South Coast Group will become an important new resource to develop, drive and deliver projects of benefit to our entire region.

Proposal

That Colac Otway Shire:

1. Formally endorses its membership of the Great South Coast Group until June 2012.
2. Makes a commitment to considering ongoing funding of the Great South Coast Group in its 2012/2013 and 2013/2014 Budgets.
3. Agrees to work closely with the Great South Coast Group, its Board, Pillar Groups and associated working groups to further the Great South Coast objectives.

Financial and Other Resource Implications

The Colac Otway Shire Council, as a member of the Great South Coast Group, currently contributes an annual contribution. Our CEO attends regularly meetings of the CEOs' Forum and the Great South Coast Group Board. With the establishment of the four pillars, it is expected that other officer time will be committed to attending pillar meetings.

Risk Management & Compliance Issues

Through its membership of the Great South Coast Group, the Colac Otway Shire has been able to join with neighbouring Councils in lobbying for funding for projects which benefit other Shires within the group. For example, increased rail services between Warrnambool and Geelong and an increase in passing lanes between Colac and the South Australian border. This ability to attract Government funding will be lost if the Colac Otway Shire is no longer a member of the group. This Council will also lose its ability to influence strategic planning and priority setting for the Great South Coast region.

Environmental and Climate Change Considerations

Not applicable.

Community Engagement

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement Policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

Community engagement would not be required in this matter.

Implementation

If the proposed recommendation is adopted, the Great South Coast Group will be advised accordingly.

Conclusion

Great South Coast Group Councils are able to take a strategic regional approach to visioning, planning and development, all the while sharing resources and knowledge. If we cease our membership of this group, we will no longer have this input into regional planning and our ability to maximise funding opportunities and to advocate on behalf of our community will be compromised.

Attachments

1. Great South Coast Group Constitution
2. Great South Coast Group Terms of Reference

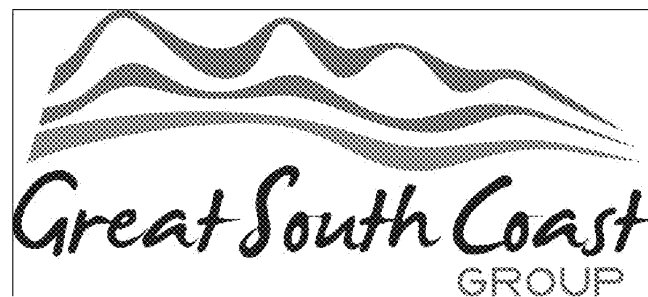
Recommendation(s)***That Council:***

1. ***Formally endorses its membership of the Great South Coast Group until June 2012.***
2. ***Refers consideration of ongoing funding of the Great South Coast Group to its 2012/2013 and 2013/2014 Budgets.***
3. ***Agrees to work closely with the Great South Coast Group, its Board, Pillar Groups and associated working groups to further the Great South Coast objectives.***

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## THE GREAT SOUTH COAST GROUP LTD



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## CONSTITUTION

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*Great South Coast Constitution*

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*Great South Coast Constitution*

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**CORPORATIONS ACT**

**CONSTITUTION OF**

**GREAT SOUTH COAST GROUP LTD**

**A Company Limited by Guarantee and not having a Share Capital.**

**(Refer to Clause 35 - Liability of Members)**

**MATTERS OF A GENERAL NATURE**

**1 NAME**

1.1. The name of the incorporated Company is the Great South Coast Group Limited (Great South Coast Group Ltd).

**2 OBJECTIVES OF THE COMPANY**

2.1. The overarching objective of the Great South Coast Group Ltd is to foster and undertake actions that will support sustainable growth and development across the region. Regard will be given to:

- 2.1.1. legislative requirements;
- 2.1.2. available resources;
- 2.1.3. economic, social and environmental values; and
- 2.1.4. respecting individual differences between communities.

2.2. The functions of the Company are to build on the existing social, economic and environmental capacity of the region and to plan and create a sustainable future for the wellbeing of regional community. This will be achieved through:

- 2.2.1. **Planning:** The development and delivery of the Great South Coast Regional Strategic Plan that sets out strategies, objectives and actions through consultation with key stakeholders and the community.
- 2.2.2. **Co-ordination:** Ensuring a co-ordinated and integrated approach to the development and delivery of the Great South Coast Regional Strategic Plan.

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*Great South Coast Constitution*

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- 2.2.3. **Advocacy:** On behalf of the region, to secure funding and influence planning and policy decisions to facilitate the activities of the Company.
- 2.2.4. **Implementation:** Ensuring regional plans and projects are implemented giving regard to Clause 2.1.
- 2.2.5. **Performance Measurement and Indicators:** The setting and monitoring of regional performance indicators, targets and measures.
- 2.2.6. **Research:** The promotion and commissioning of research into activities which underpin the objectives of the Company.
- 2.2.7. **Reporting:** Ensuring the development, management and reporting to:
- 2.2.7.1. members of the Company;
  - 2.2.7.2. key stakeholders; and
  - 2.2.7.3. the region and beyond, as appropriate.

2.3. In the event that this Constitution is silent on any matter or issue, reference to the Corporations Act and associated Regulations will be made.

### **3 DEFINITION OF WORDS AND EXPRESSIONS**

3.1. Words or expressions contained in this constitution, unless the contrary intention appears, shall have the following meanings:

**Act** means the Corporations Act 2001 and any statutory modification or re-enactment thereof for the time being in force.

**Advisory member** means an individual who participates in the Pillar Groups or associated Working Groups in accordance with clause 9.

**Appointed Directors** means directors appointed by the Board.

**Board** means the Board of Directors of the Company comprised of Council-nominated Directors, elected Directors or appointed Directors.

**Chairperson** means the Chairperson of the Board.

**Executive Officer** means an officer appointed by the Board to execute or oversee the execution of all Board decisions and to ensure that the Company's affairs are conducted in compliance with this Constitution, the Regional Strategic Plan, the directions of the Board and the law.

**Committee** means any committee formed by the Board to assist with the governance of the Company.

**Company** means the Great South Coast Group Ltd.

**Company Secretary** means the person appointed by the Board to carry out the responsibilities of a Company Secretary as defined by the Act.

**Corporate member** means an organisation approved for membership of the Company in accordance with clause 6.

**Council-nominated Director** means a Director nominated by a participating Council (usually the Mayor or CEO).

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*Great South Coast Constitution*

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**Council-nominated Alternate Representative** means a person nominated by a participating Council who may attend Board meetings but only has a right to vote at Board meetings when that same Council's nominated Director is absent from the meeting.

**Director** means a Member of the Board of the Company as a Council-nominated Director, elected Director or appointed Director.

**Elected Director** means a Director elected by the members or appointed in accordance with Clause 12.

**Extraordinary General Meeting** means a meeting of members convened in accordance with Clauses 23, 24 and 25.

**Financial year** means the period commencing 1 July and ending 30 June in the following calendar year.

**General Meeting** means the general meeting of members and any meeting of members apart from the Annual General Meeting to be known as an Extraordinary General Meeting.

**Member** means a participating Council or organisation approved for membership of the Company in accordance with Clause 6. The rights of a member shall be exercised by a representative nominated by a member who will exercise the powers of the participating Council or organisation subject to any restrictions placed on such powers by the participating Council or organisation he or she represents.

**Memorandum of Understanding** means an agreement between the Company and a participating Council.

**Organisation** means statutory body, State and Federal government department, government agency, company, incorporated association, partnership or sole trader who conducts a business, trade or enterprise.

**Participating Councils** means the Councils that have signed a Memorandum of Understanding with the Company.

**Region** means geographical area representing the municipal districts of participating Councils (ie Glenelg Shire, Southern Grampians Shire, Moyne Shire, Corangamite Shire, Colac Otway Shire and Warrnambool City).

**Regional Strategic Plan** means a plan that sets out strategies, objectives and activities of the Company in relation to its functions as provided in Clause 2 of this Constitution.

**Register** means the Register of Members referred to in Clause 7.

**Regulations** means regulations under the Act.

**Relevant documents** has the same meaning as in the Act.

**Secretary** means Company Secretary as appointed by the Board.

**Shareholder** means a participating Council.

**Special Resolution** means a resolution passed by 75% of members present and entitled to vote on the resolution at a General Meeting convened for the purposes of considering the resolution of which notice has been given to all members in accordance with the Act.

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**Vacancy** means the retirement, resignation, removal from office or other circumstance that results in an unfilled office of appointed Director, Council-nominated Director, Council-nominated Alternate Representative, elected Director or Chairperson.

**4 VALUES**

The Company is founded and administered to pursue the following values:

**Communication**

Transparent, open and timely communication fosters cooperation, shared understandings and alignment of purpose and outcomes.

**Regional focus**

A focus on the region as a whole, with an understanding that we are looking beyond municipal boundaries as we work together for the benefit of the entire Great South Coast region.

**Community wellbeing**

Outcomes of the Great South Coast Regional Strategic Plan must add to the overall wellbeing and capacity of the regional community.

**Community engagement**

The diverse voices of the entire Great South Coast community must be heard and heeded during the planning, delivery and evaluation of outcomes.

**Cooperation**

The Great South Coast Group will work to develop a shared vision for this region – one that takes account of a diverse range of views.

**Partnerships**

Strong, cohesive partnerships are integral to developing a coordinated regional approach in which innovation and efficient use of resources is encouraged.

**Resourcing**

Partners will collectively share responsibility for identifying and sourcing resources outside of the Great South Coast Group to fund activities or projects beyond the scope or means of any single public or private organisation.

**Sustainability**

This region places great store in its physical and natural environment and recognises that community, economy and environment are interdependent.

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**5 NO ASSETS OR INCOME TO BE DISTRIBUTED TO MEMBERS**

- 5.1. The income and property of the Company, whensoever derived, shall be applied solely towards the promotion of the objects of the Company as contained in this constitution, and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to the members of the Company.
- 5.2. Provided that nothing herein shall prevent the payment, as good faith compensation by the Company:
- 5.2.1. of reasonable and proper remuneration to any officer or servant of the Company, or to any member of the Company in return for any services actually rendered to the Company; and
- 5.2.2. of reasonable and proper rent for premises demised or let by any member to the Company.

**6 SHAREHOLDERS OF THE COMPANY**

- 6.1. The six member Councils are considered to be the only shareholders of the Company.
- 6.2. Individual persons are not eligible to be a Shareholder, however being a Shareholder is not a prerequisite for participating in Great South Coast activities.
- 6.3. Each member Council has the right to annually nominate a person (and an alternate where the nominee is unavailable) to exercise its Shareholder rights and to act as a Director on the Board.
- 6.4. The Council-nominated Director is usually the Mayor or the Chief Executive Officer of that Council.
- 6.5. Shareholder representatives (Council-nominated Director) are entitled to vote at ordinary and extraordinary meetings.

**7 CORPORATE MEMBERSHIP OF THE COMPANY**

- 7.1. Any organisation with operations based in the region is eligible to be a Corporate Member of the Company.
- 7.2. Individual persons are not eligible to be a Corporate Member, however being a Corporate Member is not a prerequisite for participating in Great South Coast activities.
- 7.3. The application of an organisation to become a Corporate Member must be made in writing and lodged with the Executive Officer and be in such a form that the Board determines.
- 7.4. As soon as is practicable after the receipt of an application, the Executive Officer shall refer the nomination to the Board.
- 7.5. The Board must determine whether to approve or reject the application.

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- 7.6. If the Board approves an application to become a Corporate Member, the Board must as soon as practicable notify the applicant in writing that the application has been approved.
- 7.7. If the Board approves an application, the Executive Officer must within 28 days enter the applicant's name in the Register.
- 7.8. An applicant becomes a Corporate Member and is entitled to exercise the rights of a member when its name is entered in the Register.
- 7.9. If the Board rejects an application, the Board must, as soon as practicable, notify the applicant in writing that the application has been rejected.
- 7.10. A right, privilege or obligation of an organisation by reason of being a Corporate Member is not capable of being transferred or transmitted to another organisation.
- 7.11. Corporate Members are entitled to vote at Annual General Meetings of the Company.
- 7.12. Corporate Members may also be entitled to vote on changes to the Company's Constitution.
- 7.13. A Corporate Member will continue to be a member until it resigns, is expelled in accordance with clauses 6.14 and 6.15, or otherwise ceases to be a Corporate member.
- 7.14. A Corporate Member shall be expelled and their name erased from the Register if a special resolution is passed to that effect at a General Meeting.
- 7.15. If any Corporate Member shall wilfully refuse or neglect to comply with the provisions of the Constitution of the Company, or shall be guilty of any conduct which in the opinion of the Directors is unbecoming of a member or prejudicial to the interest of the Company, the Directors shall have power to expel the Corporate Member and erase their name from the Register. At least one week before the meeting of the Directors at which a resolution for their expulsion is passed the Corporate Member shall have had notice of such meeting and of what is alleged against them and of the intended resolution for their expulsion and that they shall at such meeting and before the passing of such resolution have had an opportunity of giving orally or in writing any explanation or defence they may think fit.
- 7.16. If a Corporate Member does not pay membership fees within three (3) months of falling due, the Board may expel that member and erase their name from the Register.

**8 ADVISORY MEMBERSHIP OF THE COMPANY**

- 8.1. Private and corporate participants in the Great South Coast Group Pillar Groups or associated Working Groups are considered to be Advisory Members.
- 8.2. An Advisory Member may be an individual or an organisation with operations based in the region.
- 8.3. In instances where membership belongs to an organisation, that organisation must nominate an individual person as its delegate.

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- 8.4. There are no annual fees associated with Advisory Membership.
- 8.5. The application of an organisation or an individual to become an Advisory Member must be made in writing and lodged with the Executive Officer and be in such a form that the Board determines.
- 8.6. As soon as is practicable after the receipt of an application, the Executive Officer shall refer the nomination to the Board.
- 8.7. The Board must determine whether to approve or reject the application.
- 8.8. Consideration will be given to the skills, knowledge and expertise the Advisory Member brings to his/her/its role with the Great South Coast Group.
- 8.9. If the Board approves an application to become an Advisory Member, the Board must as soon as practicable notify the applicant in writing that the application has been approved.
- 8.10. If the Board approves an application, the Executive Officer must within 28 days enter the applicant's name in the Register.
- 8.11. An applicant becomes an Advisory Member and is entitled to exercise the rights of a member when its name is entered in the Register.
- 8.12. If the Board rejects an application, the Board must, as soon as practicable, notify the applicant in writing that the application has been rejected.
- 8.13. A right, privilege or obligation of an organisation by reason of being an Advisor Member is not capable of being transferred or transmitted to another organisation.
- 8.14. An Advisory Member will continue to be a member until he/she/it resigns, is expelled in accordance with clauses 6.14 and 6.15, or otherwise ceases to be an Advisory Member.
- 8.15. An Advisory Member shall be expelled and their name erased from the Register if a special resolution is passed to that effect at a General Meeting.
- 8.16. If any Advisory Member shall wilfully refuse or neglect to comply with the provisions of the Constitution of the Company, or shall be guilty of any conduct which in the opinion of the Directors is unbecoming of a member or prejudicial to the interest of the Company, the Directors shall have power to expel the Advisory Member and erase their name from the Register. At least one week before the meeting of the Directors at which a resolution for their expulsion is passed the Advisory Member shall have had notice of such meeting and of what is alleged against them and of the intended resolution for their expulsion and that they shall at such meeting and before the passing of such resolution have had an opportunity of giving orally or in writing any explanation or defence they may think fit.

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**9 REGISTER OF MEMBERS**

- 9.1. The Executive Officer must keep and maintain a Register of Members (including Corporate Members and Advisory Members) containing:
- 9.1.1. The name and address of each member; and
  - 9.1.2. The date on which each member's name was entered in the Register and, where relevant, the date any member ceased to be a member.



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**PART TWO****MATTERS RELATING TO THE BOARD AND ITS STRUCTURE****10 BOARD OF DIRECTORS**

- 10.1. The Board of Directors will be the main operating body of the Great South Coast Group.
- 10.2. The Board of Directors shall oversee and control the affairs of the Company as defined by the Act.
- 10.3. The Board:
- 10.3.1. is subject to these Clauses, the Act and the Regulations;
  - 10.3.2. shall exercise all such powers and functions as may be exercised by the Company other than those powers and functions that are required by these Clauses to be exercised by General Meetings of the Company; and
  - 10.3.3. subject to these Clauses, the Act and the Regulations, has the power to perform all such acts and things as appear to the Board of Directors to be essential for the proper management of the business and affairs of the Company.
- 10.4. The Board is to consist of up to 10 and no less than six Directors, each with a single voting right. Of those 10, six are to be nominated by each of the member Councils and four other members are to be drawn from the Advisory Membership or the Corporate Membership via a biannual election. Alternatively, the four non-municipal Directors may be appointed to the Board by agreement of the six member Councils.
- 10.5. The four non-municipal Directors shall be nominated for election according to the skills and expertise they may bring to the Board of Directors as it seeks to fulfil its objectives and functions (as outlined in clause 2).
- 10.6. The four non-municipal Directors should not be employees or elected representatives (Councillors) of any of the member Councils.
- 10.7. Nominations for election to the office of Elected Director shall:
- 10.7.1. be made in writing in such a form as the Board may from time to time determine;
  - 10.7.2. be signed by the candidate;
  - 10.7.3. be signed by a proposer and a seconder, each of whom is a Great South Coast Group member;
  - 10.7.4. be lodged with the Company not less than 21 days before the Annual General Meeting at which the election is to take place.
- 10.8. When the number of candidates duly proposed for election to the Board exceeds the number of vacancies in the office of Elected Director, a ballot shall be taken at the Annual General Meeting.

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- 10.9. A ballot held pursuant to Clause 10.8 shall be conducted as follows:
- 10.9.1. Each member present or by proxy shall be handed a ballot paper containing in alphabetical order the names of candidates;
  - 10.9.2. Each ballot paper is to be initialled by the Chairperson;
  - 10.9.3. A member's vote shall be recorded by striking out the names of all those candidates for whom the member does not wish to vote, leaving only the name or names of those candidates for whom they wish to vote;
  - 10.9.4. In the event that a member leaves more names on the list than there are positions to be filled, the member's ballot paper shall be declared invalid;
  - 10.9.5. The Chairperson shall declare elected the candidate or candidates for whom the greatest number of votes is or are cast;
  - 10.9.6. In the event of candidates for whom the same number of votes is cast, the Chairperson shall have a determining or casting vote; and
  - 10.9.7. If a ballot is held pursuant to this clause, the Chairperson shall appoint one or more scrutineers to conduct the ballot. The scrutineers shall count the votes cast for each candidate and notify the Chairperson of the result of the count.
- 10.10. Each member Council has the right to nominate one voting Director annually. This person will usually be either the Mayor or the Chief Executive Officer.
- 10.11. Each Council may nominate a second, non-voting delegate to the Board. This person will usually be either the Mayor or the Chief Executive Officer. Although the second delegate does not have a vote in Board decisions, he or she has right to attend and participate.
- 10.12. Representatives from State and Federal Government department and agencies may be invited to attend and participate in Board meetings on a regular basis, but will not have voting rights.
- 10.13. All Directors are considered to be independent delegates – not representatives of their respective municipalities or organisations.
- 10.14. Alternate Council delegates may be nominated to attend and vote at Board meetings in the absence of the appointed Council delegate.
- 10.15. A Participating Council may at any time remove its Council-nominated Director or Council-nominated alternate representative and replace this person with another nominee of its choosing.
- 10.16. A quorum of Board of Directors meeting is considered to include at least four of the Council-nominated Directors and at least two of the non-municipal Directors (ie a total of six Directors).

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**11 TERM IN OFFICE**

- 11.1. The term in office for Directors shall be two (2) years. A Director shall hold office until the end of the Annual General Meeting at which time his or her term in office ends. Subject to any specific provision to the contrary in this Constitution all Directors shall be eligible for reappointment or re-election.
- 11.2. No Director shall hold office for more than three consecutive terms in office. When a Director has concluded a third consecutive two-year term in office they must vacate the office of Director for a minimum of one year following which he or she is eligible for re-election.

**12 POSITION VACANCIES**

- 12.1. A Director may resign from office by giving the Company notice in writing.
- 12.2. A Council-nominated Director, Elected Director or Appointed Director ceases to be a Director if that Director:
- 12.2.1. becomes of unsound mind or a person whose property is liable to be dealt with under a law relating to mental health;
  - 12.2.2. resigns;
  - 12.2.3. is declared bankrupt;
  - 12.2.4. is absent from three consecutive Board meetings without prior approval of the Board;
  - 12.2.5. attends less than 75% of Board meetings conducted in a financial year without approval of the Board;
  - 12.2.6. is removed from office by his or her nominating Participating Council;
  - 12.2.7. ceases to be a Director by virtue of the Act;
  - 12.2.8. becomes prohibited from being a Director of a company by reason of an order made under the Act;
  - 12.2.9. is a nominee from a member directly or indirectly interested in any contract or proposed contract with the Company provided. However, that a member shall not vacate their office by reason of their being a member of any corporation, society or association which has entered or proposes to enter into a contract with the Company if they shall have declared the nature of their interest in manner required by the Act; or
  - 12.2.10. holds any office for profit under the Company without the consent of the Company in a General Meeting.
- 12.3. If a vacancy occurs in the position of a Council-nominated Director, the Board shall seek a replacement nominee from the relevant Council.
- 12.4. If a vacancy occurs in the position of an Elected or Appointed Director, the Board shall appoint another person to fill that vacancy.
- 12.5. A Director appointed by the Board to fill the position of a vacancy shall complete the term in office of the vacating Elected Director.

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**13 CHAIRPERSON OF THE BOARD (THE CHAIRPERSON)**

- 13.1. The Chairperson shall be elected by the Board from among the Council-nominated Directors.
- 13.2. The Chairperson will usually be a Mayor.
- 13.3. The Chairperson shall hold office for a one (1) year-term or until such time he or she is no longer a Director. At the end of his or her term as Chairperson he or she may nominate for re-election as Chairperson.
- 13.4. The Board may at any time revoke the appointment of the Chairperson in accordance with Clauses 13.4 and 13.5 and elect another Director to that office.
- 13.5. A resolution to revoke the appointment of the Chairperson pursuant to Clause 13.3 must carry the votes of not less than two thirds of Directors present (if necessary the number of votes required to pass the resolution should be rounded up to the nearest integer) to be successful.
- 13.6. All Directors must receive five (5) working days' notice of any resolution proposed to revoke the appointment of the Chairperson pursuant to Clause 13.4.
- 13.7. In the event that there is an equality of votes, the Chairperson shall have the casting vote.

**14 DUTY OF DIRECTORS**

- 14.1. **A duty to act in the best interests of the Company.** A Director must act in the best interests of the Company governed. A Director's first loyalty is to the Company, not to individual members or groups of members or to other organisations or other parties.
- 14.2. **A duty of care and diligence.** In the exercise of his or her powers or the exercise of his or her duties, a Director must exercise the degree of care and diligence that a reasonable person in a like position in an organisation would exercise in the Company's circumstances.
- 14.3. **No improper use of inside information.** A Director or former Director must not, in relevant circumstances, make improper use of information acquired by virtue of his or her position to gain, directly or indirectly, an advantage for him or herself as or for any other person or to cause detriment to the Company.
- 14.4. **No gain by improper use of the position.** A Director must not, in relevant circumstances, make improper use of his or her position to gain, directly or indirectly, an advantage for him or herself as or for any other person or to cause detriment to the Company.
- 14.5. **Not to trade while insolvent.** A Director must not permit the Company to trade while insolvent.
- 14.6. **Duty to avoid a conflict of interest.** A Director is bound to avoid any conflict between their personal interests and those of the Company

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**15 PROCEEDINGS OF THE BOARD**

- 15.1. The Board shall meet at least six (6) times in each year or as required at such place and time as the Board may determine with reasonable notice of the meeting to be given to the Directors.
- 15.2. A quorum of Board of Directors meeting is considered to include at least four of the Council-nominated Directors and at least two of the non-municipal Directors (ie a total of six Directors).
- 15.3. At meetings of the Board, the Chairperson, or in his or her absence, a Director selected by the Board, shall preside.

**16 VOTING AT BOARD MEETINGS**

- 16.1. At all Board meetings, all questions are to be decided by a show of hands and the decision of the majority of Directors is the decision of the meeting.
- 16.2. In the event that there is an equality of votes, the Chairperson shall have the casting vote.

**17 COMMITTEES**

- 17.1. The Board shall establish a Risk and Audit Committee which shall be governed by such provisions as the Board determines.
- 17.2. The Board may establish any other committee and delegate any powers of the Board, which are delegable by law.

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**PART THREE****MATTERS RELATING TO THE EXECUTIVE OFFICER****18 EXECUTIVE OFFICER**

- 18.1. The Board shall appoint a person as Executive Officer of the Company.

**19 EXECUTIVE OFFICER'S GENERAL DUTIES**

- 19.1. The Executive Officer must, on behalf of the Board, make appropriate arrangements for the recording of minutes of the proceedings and resolutions of Board meetings, Board committee meetings, Annual General and Special Meetings. Subject to the direction of the Board, the Executive Officer is responsible for:
- 19.1.1. the day-to-day management of the Company;
  - 19.1.2. appointment and supervision of any staff; and
  - 19.1.3. dealing with the correspondence of the Company and for the custody of books, records, documents and securities of the Company.

**20 EXECUTIVE OFFICER'S FINANCIAL AND COMPLIANCE RESPONSIBILITIES**

- 20.1. The Executive Officer acting within delegations determined by the Board from time to time:
- 20.1.1. is responsible for the collection and receipt of all monies due to the Company;
  - 20.1.2. shall ensure that all funds are paid into a bank account in the name of the Company and are held for the Company;
  - 20.1.3. must ensure that all expenditure is in accordance with a protocol developed by the Board;
  - 20.1.4. shall present to the Board at each Board meeting a financial statement that reflects an accurate record of the Company's finances to that point in time;
  - 20.1.5. must ensure that proper accounts are kept for the Company and that the accounts of the Company are audited each year in accordance with the Act and any requirement imposed by Government policy or law and submitted to the Annual General Meeting as required by the Act;
  - 20.1.6. must make available for inspection by members during business hours the accounts and books showing the financial affairs of the Company and any document of the Company to which a member is legally entitled (but excluding information of a personal nature regarding employees);

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- 20.1.7. Must ensure that all returns and reports are prepared and lodged in accordance with the Act;
- 20.1.8. Must ensure that the Company complies with any requirement of any Government grant or funding authority; and
- 20.1.9. Must ensure that the Company complies with all relevant laws, in particular the Act.

**21 EXECUTIVE OFFICER TO HAVE CUSTODY OF THE COMMON SEAL**

- 21.1. The common seal of the Company must be kept in the safe custody of the Executive Officer.
- 21.2. The Executive Officer must ensure that the common seal is only affixed to an instrument after the Board has given that authority.
- 21.3. The Executive Officer must ensure that the affixing of the common seal is attested to by the signature of two Directors or one Director and the signature of the Executive Officer.

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**PART FOUR****MATTERS RELATING TO THE CONDUCT OF MEETINGS**

**Note: Unless specified, the following Clauses in PART FOUR apply to the two types of meeting involving members being the Annual General Meeting and Extraordinary General Meetings.**

**22 GENERAL MEETINGS OF THE COMPANY**

- 22.1. An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act. All General Meetings, other than the Annual General Meetings, shall be called Extraordinary General Meetings.
- 22.2. A minimum of two Directors may whenever they think fit convene an Extraordinary General Meeting and Extraordinary General Meetings shall be convened on such requisition, or in default may be convened by such requisitionists as provided by the Act.
- 22.3. Subject to the provisions of the Act relating to Special Resolutions and agreements for shorter notice, fourteen (14) days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place the day and the hour of meeting, and in case of special business the general nature of that business, shall be given to such persons as are entitled to receive such notice from the Company.
- 22.4. All business shall be special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an annual general meeting, with the exception of the consideration of the accounts, the reports of the Directors and Auditors, the election of Directors and other officers in the place of those retiring, and the appointment of the Auditors.

**23 PROCEEDINGS AT GENERAL MEETINGS**

- 23.1. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business.
- 23.2. If within half an hour from the time appointed for the General Meeting a quorum is not present, the General Meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.
- 23.3. The Chairperson of the Board shall preside as Chairperson at every General Meeting of the Company, or if there is no Chairperson of the Board, or if the Chairperson is not present within fifteen (15) minutes after the time appointed for the holding of the meeting or is unwilling to act, a Director selected by the Board will be Chairperson of the meeting.



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- 23.4. The Chairperson of the meeting may, with the consent of any General Meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjournment meeting shall be given as in the case of an original meeting. Save as mentioned above, it shall not be necessary to give any notice of an adjournment or the business to be transacted at an adjourned meeting.
- 23.5. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
- 23.5.1. by the Chairperson of the meeting; or
- 23.5.2. by at least three members present in person.
- Unless a poll is so demanded, a declaration by the Chairperson of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn.
- 23.6. If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairperson of the meeting directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded but a poll demanded on a question of adjournment shall be taken forthwith.
- 23.7. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairperson of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
- 23.8. A member may vote in person and on a show of hands, every present member shall have one vote and on a poll every member present shall have one vote.

**24 PROXY VOTING AT MEETINGS**

- 24.1. Each member is entitled to vote at a General Meeting or by proxy by notice given to the Executive Officer no later than 24 hours before the time of the meeting in respect of which the proxy is appointed.
- 24.2. The notice shall be in such a form as the Board may from time to time determine.

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**PART FIVE****MATTERS RELATING TO THE OPERATION OF THE COMPANY****25 MINUTES TO BE CONFIRMED AND SIGNED**

- 25.1. The minutes of General Meetings and Board Meetings must include the names of the persons present for each meeting and must be confirmed at a subsequent meeting and signed within one month of the subsequent meeting by a person presiding over that subsequent meeting.

**26 FINANCE**

- 26.1. The financial year shall be from 1st July to 30th June.
- 26.2. An annual budget shall be prepared each year by the Executive Officer for consideration at the last Board meeting before the end of the financial year.
- 26.3. The Company's financial transactions shall be through a financial institution approved by the Board and the signatories for any cheque accounts shall be in a manner as the Directors determine from time to time.
- 26.4. Directors shall not, by reason only of being such a Director, be liable to contribute towards the payment of the debts and liabilities of the Company or the costs, charges and expenses of the winding up of the Company.

**27 FINANCIAL CONTRIBUTIONS AND MANAGEMENT**

- 27.1. A Memorandum of Understanding shall be agreed between the Company and participating Councils.
- 27.2. The term of the Memorandum of Understanding will be for a rolling four-year period and be reviewed annually by 31<sup>st</sup> March. The Memorandum of Understanding shall describe the funding commitments to be made by the participating Councils to the Company and other general and specific arrangements. If funding is not paid within three (3) months of falling due, the Board may terminate that Council's 'Participating Council' status.
- 27.3. Annual membership fees as determined by the Board from time to time shall be payable by members on joining and once every financial year.
- 27.4. The Executive Officer shall prepare an annual budget to be reviewed and signed off by the Board of Directors.

**28 CUSTODY AND INSPECTION OF BOOKS AND RECORDS**

- 28.1. The Executive Officer must keep in their custody or control all books, documents and securities of the Company.

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- 28.2. All accounts, books, securities and any other relevant documents of the Company must be available for inspection free of charge to any member upon request subject to provisions relating to privacy as defined in relevant legislation.
- 28.3. A member may make a copy of any accounts, books, securities and any other relevant documents of the Company subject to provisions relating to privacy as defined in relevant legislation.

**29 BORROWINGS AND INVESTMENTS**

- 29.1. The Company may borrow money (or obtain any financial accommodation that has the same effect as borrowing money) provided that in any particular case:
- 29.1.1. it has the approval of all participating Councils; and
  - 29.1.2. complies with Section 144 of the Local Government Act 1989; and any statutory modification or re-enactment thereof for the time being in force.
- 29.2. Investments will be managed in accordance with Section 143(1) of the Local Government Act 1989 and any statutory modification or re-enactment thereof for the time being in force.

**30 INDEMNITY**

- 30.1. Save as may be prohibited by the Act, the Executive Officer and every Director, auditor, delegate, manager, employee, agent and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability arising out of the execution of the duties of his office which is incurred by him or her in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he or she is acquitted or in connection with any application under the Act in which relief is granted to him or her by the Court in respect of any negligence, default, breach of duty or breach of trust.
- 30.2. Save as may be prohibited by the Act, the Company shall indemnify the Executive Officer, every Director, auditor, delegate, manager, employee, agent and other officer for the time being of the Company for all damages and costs (including legal costs) for which any such person may become liable to any third party in consequence of any act or omission except wilful misconduct:
- (a) in the case of a Director made while acting on behalf of and with the express or implied authority of the Company; or
  - (b) in the case of an auditor, delegate, manager, employee, agent or other officer for the time being of the Company, performed or made in the course of and within the scope of his or her employment by the Company.

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*Great South Coast Constitution*

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**31 AUDITOR**

- 31.1. An auditor must be appointed at the Annual General Meeting.
- 31.2. If there is a vacancy in the office of auditor, the Board shall appoint a person to this office until the next Annual General Meeting.
- 31.3. Any auditor so appointed must be:
- 31.3.1.1. a registered auditor
  - 31.3.1.2. a person who is a member of the Australian Society of Certified Practising Accountants; or
  - 31.3.1.3. a person who is a member of the Institute of Chartered Accountants in Australia;
- and the auditor must not be:
- 31.3.1.4. a Director or former Director of the Board; or
  - 31.3.1.5. an employee or employer of a Director of the Board; or
  - 31.3.1.6. a member of the same partnership as a Director of the Board; or
  - 31.3.1.7. an employee of the Company.
- 31.4. The auditor must carry out such auditing as is required by the Board and government authorities.
- 31.5. The scope of Audit is limited to the financial arrangements and transactions under the direct control of the Company and therefore does not include activities or projects that come under the Great South Coast banner but are financially controlled by other organisations.

**32 DISSOLUTION**

- 32.1. The Company may only be wound up and its assets disposed of by Special Resolution of members at a meeting summoned for such purpose.
- 32.2. In the event of the Company being dissolved, the amount that remains after such dissolution and the satisfaction of all debts and liabilities shall be transferred to any association:
- 32.2.1. with similar purposes or objectives; and
  - 32.2.2. is not carried on for the profit or gain of its individual members; and
  - 32.2.3. is a fund, authority or institution approved by the Commissioner of Taxation under an item in section 30-2(1) of the Income Tax Assessment Act 1997.

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*Great South Coast Constitution*

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**33 LIABILITY OF MEMBERS**

- 33.1. The liability of members is limited.
- 33.2. If the Company is wound up, every member who
  - 33.2.1.1. was a member of the Company when winding up commenced;  
or
  - 33.2.1.2. had been a member of the Company within 12 months of the commencement of winding up;must contribute to the property of the Company such sums up to \$20.00 as may be required for:
  - 33.2.2.1. payment of debts and liabilities of the Company contracted before the member ceased to be a member; and
  - 33.2.2.2. payment of costs, charges and expenses of winding up; and
  - 33.2.2.3. the adjustment of rights of contributors amongst themselves.



Great South Coast Group - Terms of Reference



**TERMS OF REFERENCE**

**AS AT MAY, 2011**

Great South Coast Group - Terms of Reference

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## Great South Coast Group - Terms of Reference

### Preamble to the Terms of Reference

The Great South Coast Regional Strategic Plan was established after almost two years of broad community consultation and planning.

The plan began with a collaborative agreement between the Victorian Government and the municipalities of Glenelg, Southern Grampians, Warrnambool, Moyne, Corangamite and Colac Otway. It marks the first time the Great South Coast's long-term future had been considered from a truly regional perspective.

The purpose of these Terms of Reference is to provide a framework for the Great South Coast Group partners to work together to implement the Regional Strategic Plan and grow the Great South Coast region.

These Terms of Reference formalise the arrangements between members of The Great South Coast Group in terms of governance of the Regional Strategic Plan (and associated projects) and makes clear their roles and responsibilities.

These Terms of Reference are intended to underpin the sustainable, long-term participation of all key stakeholders of the Great South Coast.

### Purpose of the Terms of Reference

The purpose of these Terms of Reference is to establish an agreement between the municipalities and any other Great South Coast partners. The Terms of Reference are also a descriptor for the Great South Coast Group's structure and its charter as it oversees the implementation of the Regional Strategic Plan.

### What is the Great South Coast Group?

The Great South Coast Group is an evolving alliance of government, business and community organisations working together to improve the lives of people living in our region.

The Great South Coast region incorporates the geographic area bounded by the Shires of Colac Otway, Corangamite, Moyne, Southern Grampians and Glenelg and the City of Warrnambool. However, this is a body that traverses all municipal boundaries, with a truly regional focus.

The Great South Coast Group is a strategic planning committee for which community leaders and skilled specialists who are passionate about the region volunteer their time. The group acts as a forum in which regional issues are discussed, resulting in coordinated and well researched responses.

As a not-profit organisation, the Great South Coast Group draws its financial support from its six member municipalities and from Government grants. It may later seek to attract paid memberships.

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Great South Coast Group - Terms of Reference

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## What is the Great South Coast Regional Strategic Plan?

The Great South Coast Regional Strategic Plan explores the opportunities and challenges the region will face over the next decade and beyond. It identifies the economic, environmental and social issues that impact upon our way of life and presents a regionally agreed position as to the best responses to those issues.

The plan seeks to provide a framework for future growth through the identification of five strategies:

- Position for economic growth
- Improve our connections
- Sustain our natural assets
- Strengthen our communities
- Increase collaboration.

It was developed through an exhaustive process of community consultation over almost two years. The opinions and advice gained from that consultation, roundtable discussions with business and community leaders and input from the Regional Management Forum has significantly influenced the content of this plan.

The Regional Strategic Plan identifies a series of strategic actions for the Great South Coast region.

## Statement of Purpose for the Great South Coast Group

The Great South Coast Group will oversee the timely and efficient delivery of the Great South Coast Regional Strategic Plan.

It will work in partnership with other Government and non-Government agencies, business and the Great South Coast community to grow the regional economy and enhance the way of life of its residents.

Its specific aims are:

- To support sustainable growth and development across the Great South Coast region.
- To create healthy, economically buoyant and happy communities in which there is opportunity for individuals to achieve their full potential.
- To oversee the timely and efficient delivery of the Great South Coast Regional Strategic Plan.
- To foster relationships and productive partnerships with all tiers of Government, with industry and with the community, generally.

Great South Coast Group - Terms of Reference

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## The roles and responsibilities of the GSC Group

The Great South Coast Group's role is to provide for:

- partnership development
- strategic leadership
- regional leadership
- implementation of the Great South Coast Regional Strategic Plan
- liaison with all tiers of Government, industry and the Great South Coast community
- stakeholder and community engagement
- monitoring the evolution of the Regional Strategic Plan and its various projects
- evaluation of projects and of the plan, generally
- ensuring clear lines of accountability and reporting
- systemic advocacy on behalf of the Great South Coast region.

The Great South Coast Group will seek to contact, consult with and involve relevant stakeholders of the project, and will make available opportunities for their participation. Project Stakeholders may include (but are not limited to):

- Councillors and employees of all member municipalities
- State Government departments and agencies
- Federal Government departments and agencies
- private enterprise
- not-for-profit organisations
- community groups
- industry bodies
- private individuals.

Great South Coast Group - Terms of Reference

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## Guiding values

### Communication

Transparent, open and timely communication fosters cooperation, shared understandings and alignment of purpose and outcomes.

### Regional focus

A focus on the region as a whole, with an understanding that we are looking beyond municipal boundaries as we work together for the benefit of the entire Great South Coast region.

### Community wellbeing

Outcomes of the Great South Coast Regional Strategic Plan must add to the overall wellbeing and capacity of the regional community.

### Community engagement

The diverse voices of the entire Great South Coast community must be heard and heeded during the planning, delivery and evaluation of outcomes.

### Cooperation

The Great South Coast Group will work to develop a shared vision for this region – one that takes account of a diverse range of views and information.

### Partnerships

Strong, cohesive partnerships are integral to developing a coordinated regional approach in which innovation and efficient use of resources is encouraged.

### Resourcing

Partners will collectively share responsibility for identifying and sourcing resources outside of the Great South Coast Group to fund activities or projects beyond the scope or means of any single public or private organisation.

### Sustainability

This region places great store in its physical and natural environment and recognises that community, economy and environment are interdependent.

Great South Coast Group - Terms of Reference

**Governance structure**

The Great South Coast Group is comprised of the Shires of Glenelg, Southern Grampians, Moyne, Corangamite, Colac Otway and the City of Warrnambool.

To move the process of delivering upon the Regional Strategic Plan forward, a flexible governance structure is needed. This should allow for the group's future evolution and maturation.

The proposed structure includes a Board of Management (currently comprised of municipal CEOs and Mayors), beneath which sits a series of four Pillar Groups aligned with four of the five strategies of the Regional Strategic Plan:

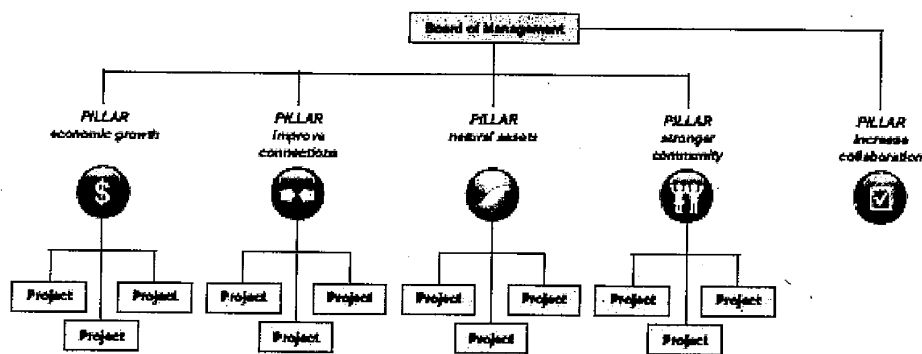
- Economic growth
- Improve our connections
- Sustain our natural assets
- Strengthen our communities.

The function of the fifth pillar outlined in the plan – **Increase collaboration** – will be largely absorbed by the Board. Its functions include establishing a governance model, securing appropriate resources and support, engaging stakeholders, defining roles and responsibilities, prioritising projects.

As a key stakeholder, State Government is anticipated to have an important role to play at Pillar level, with Government representatives also invited to observe and contribute to Board meetings.

A series of Project Working Groups will be established within each of the Pillar Groups to focus on planning for, delivering, monitoring and measuring individual projects.

The Great South Coast Group reserves the right to co-opt additional members, as required, and to invite guests to attend, observe and/or participate in meetings.



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Great South Coast Group - Terms of Reference

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## The Board

The Great South Coast Group is overseen by a Board of Management, membership of which is currently restricted to municipal CEOs and Mayors. There is an understanding and expectation that membership will be extended to Government, industry and community representatives as the organisation matures.

The Board is responsible for the stewardship of the Great South Coast Group and the timely delivery of the Great South Coast Regional Strategic Plan.

Each Board member has a fiduciary relationship with the Great South Coast Group – that is, each Board member must always act in good faith towards the Group and in trust. Board members are considered to be representing the Great South Coast Group, not a Council, business, Government department or any other personal interest.

### The Board's general functions are:

- to provide leadership and vision for the Great South Coast region
- set the vision, principles and values for the Great South Coast Group
- to always act in the best interests of the Great South Coast Group
- foster ethical and responsible decision making across the group
- to act honestly at all times, exercising care and diligence
- develop the group's approach to corporate governance
- foster regional networks

### The Board's specific functions are:

- to agree upon an annual financial contribution from member Councils
- to develop and oversee the Great South Coast Group Budget
- to make formal decisions on behalf of the Great South Coast Group
- appoint and evaluate the Executive Officer
- set criteria for project prioritisation for the Great South Coast Regional Strategic Plan
- monitor the progress of Great South Coast Regional Strategic Plan projects
- identify and foster funding opportunities to facilitate Regional Strategic Plan projects
- establish and review the Great South Coast Group's Terms of Reference
- establish policies and procedures to ensure compliance with applicable law
- adopt measures for receiving feedback from stakeholders
- monitor and measure outcomes from the Regional Strategic plan
- ensure effective communication between all stakeholders, including the Great South Coast community, generally
- establish stakeholder roles and responsibilities
- annually appoint the Board Chair.

## Great South Coast Group - Terms of Reference

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### The Board Chair

The Chair acts as an important intermediary between the Board and the Great South Coast Group as it undertakes its work across the region.

The Chair will preside over Board meetings and will lead the Board to consensus. The Chair is also the official spokesperson for the Great South Coast Group.

The Chair is elected annually from and by the Board membership.

### Board membership

The Great South Coast Board is presently comprised of Mayors and CEOs. There is an understanding that membership may over time be broadened to draw on the skills and talents of people who are not involved in local government.

Any individual Great South Coast Group Board member may resign at any time. However, each participating municipality is strongly encouraged to have representation at Board level at all times. Should a municipality wish to withdraw from the Great South Coast Group altogether, it must provide a full 12 months' notice of its intent.

For decision-making purposes, each Council is afforded one vote. This will be via the Mayor or the CEO – whichever the respective Council has nominated as its primary representative on the Board.

An important distinction is that Board members are viewed as independent representatives of the Great South Coast Group Board – not as representatives of their respective municipalities. To that end, their decision-making should reflect members' intent to act in the best interests of the Great South Coast Group.

### Board meetings

The Great South Coast Group will generally meet monthly, or as otherwise required. The meetings will be held at times and places decided in a schedule determined by the Board.

The host municipality is to provide appropriate venue and to bear all costs associated with staging the meeting, including catering.

Three voting members (either CEOs and/or Mayors) will be required to make up a quorum.

Agendas will be set by the Executive Officer with input from any Great South Coast Group member who may bring forward issues to be added to the agenda at any time. Agenda items should be provided to the Executive Officer at least 10 days prior to the meeting.

Agendas and any accompanying papers will be distributed to all Board members at least seven days prior to the scheduled meeting date, usually via email (unless otherwise requested).

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#### Great South Coast Group - Terms of Reference

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The Great South Coast Group meeting minutes will be taken by the Executive Officer. Minutes will be distributed within one week of the meeting.

Where a Great South Coast Group Board member is unable to attend a meeting, it is appropriate that an alternate Council representative be nominated to take that member's place – with full voting rights – for the duration of that meeting.

#### Dealing with potential conflicts of interest

At all times, members of the Great South Coast Board, its Pillar Groups, working groups, committees, representatives and all conducting the day-to-day work of the Great South Coast should be sensitive to the potential for conflicts of interest.

Frequently the person who knows most about a potential conflict of interest is the individual concerned. Hence that person has a responsibility to ensure, wherever possible, that no real or perceivable conflict of interest arises in the performance of their duties. If an individual is aware of an interest that might reasonably be seen to conflict with their obligations to the Great South Coast Board, they have an obligation to disclose that conflict and, if necessary, absent themselves from discussion, debate and voting.

There may also be situations where an individual is unwilling to disclose the details giving rise to the conflict of interest. In such cases it is sufficient to disclose the fact of the conflict as long as they withdraw from the situation concerned.

#### Setting the agenda

Agenda items are to be sent to the Executive Officer at least 10 days prior to the meeting. Each agenda item must be accompanied by a written report detailing:

- Background
- Issues
- Implications for the Great South Coast group
- Relevance to the Great South Coast Regional Strategic Plan
- Budget (if applicable)
- Conclusions
- Recommendations

A template will be supplied to all Board members for this purpose.



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Great South Coast Group - Terms of Reference

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### The Executive Officer

The Executive Officer is appointed by the Board of Management. Reporting directly to the Board, the Executive Officer's **key responsibilities include:**

- provision of administrative support to the Great South Coast Group, including setting meeting agendas, taking minutes, arranging for guests, etc.
- research and advice in relation to the group's governance structure, delegations and authorities
- research and advice in relation to the group's Terms of Reference
- managing the day to day operations of the Great South Coast Group
- initiating and responding to correspondence on behalf of the group
- facilitating the review, development and implementation of the Great South Coast Regional Strategic Plan
- supporting the implementation of the Great South Coast Regional Strategic Plan
- developing excellent working relationships with the Great South Coast Group Chairperson, Board Directors, Pillar Group and Project Team members and leaders, all tiers of Government, regional organisations and key stakeholders
- establishing and managing the provision of support systems, such as planning frameworks, research, regional performance indicators/measurement
- developing and delivering communications programs within the group and externally to the Great South Coast region, generally
- ensuring positive media coverage of Great South Coast outcomes and managing contentious media issues that may arise
- developing and regularly updating the Great South Coast website and other information management systems
- actively sourcing partnership arrangements for the operation of the Great South Coast Group and projects emerging from the Regional Strategic Plan
- ensuring a strategic approach for the Great South Coast Group with appropriate plans, timeframes, actions and outputs for success
- preparing written reports for the consideration of the Board at each of its meetings
- preparing any update or compliance reports required by funding partners
- induction/orientation for new members
- introduction of agenda items at Board meetings.

Great South Coast Group - Terms of Reference

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## Pillar Groups

A truly collaborative regional alliance will include representation from a disparate range of organisations with a range of work cultures and alignments.

Four Pillar Groups – Economic Growth, Improve our Connections, Sustain our Natural Assets, Strengthen our Communities – will be established to guide the roll-out of the Regional Strategic Plan.

At the outset, the Board will be responsible for appointing the foundation Chair of each Pillar Group. As the Pillar Groups mature, they may assume responsibility for electing their own Chair.

The Chair is responsible for the agendas, action plan updates and progress reports to the Board. The Chair will also provide feedback from the Board to Pillar Group members.

Pillar Group members will be carefully selected and invited to sit on one (or more) of the Pillar Groups according to their core interest, professional expertise or skills base. It will be important to ensure these people are senior decision-makers or people with a genuine stake in the issue/project at hand. It is envisaged that State Government will have a strong role to play in terms of Pillar leadership.

Each Council is encouraged to have representation on each Pillar Group (preferably a Councillor or senior manager). This is seen as appropriate, given that Councils are the primary funding source for the Great South Coast Group and ought to have an ongoing say in the decision-making process.

Pillar Groups are to meet monthly, or as otherwise required, to progress their actions plans and achieve set objectives.

All Pillar Group members will act in an honorary capacity.

### The primary functions of Pillar Groups are:

- complete grant applications and associated acquittal processes
- identify what resources (financial, human and administrative) are required to ensure projects can be implemented in a timely manner
- establish collaborative partnerships
- promote the Great South Coast Group through presentations and written documents
- assist with coordinated marketing initiatives
- report to the Board as required
- establish Project Working Groups ensuring each group has the relevant capacity and skills to achieve their project goals.

## Great South Coast Group - Terms of Reference

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### Project Working Groups

Sitting within the Pillar Groups, a series of Project Working Groups will be established to implement individual projects at "ground level".

While the Pillar Groups have a broader administrative function, the Project Working Groups have a more practical application. Specific functions will vary according to the Work Group's focus and objectives.

Membership should be decided upon the basis of members' individual skills and professional capabilities. As with the Pillar Groups, it is important to have representation from industry and business as well as from the community.

### New members

All new members of the Board, Pillar Groups or Project Working Groups will have opportunity to undergo an induction and orientation process. This process will be facilitated/delivered by the Executive Officer.

During the induction process, all new members to receive electronic or hard copy versions of:

- the Great South Coast Regional Strategic Plan
- Terms of Reference
- meeting minutes from the past three months
- an organisational chart including current Pillar and Project Group membership, Pillar Chairs and contact details
- any relevant action plans
- list of meeting times and venues for the Board, Pillar Groups and Project Groups
- communications protocols.

### Decision making

A collaborative, democratic approach will be taken to decision making within the Great South Coast Group.

At Board level, each municipality is afforded one vote and each individual member will have an equal say in the decision-making process. Where there are conflicting opinions, the majority vote secures the final decision.

Significant decisions pertaining to issues such as funding, submissions, policy change, marketing or significant changes to the Great South Coast Regional Strategic Plan are to be tabled for Board meetings for discussion.

As Board members are viewed as being representative of the Board (not as representative of individual municipalities) the Board may only commit its own funds – it may not commit the funds of member Councils.

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Great South Coast Group - Terms of Reference

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## Communication

### **Internal communications**

Clear and open communication is one of the cornerstones of the Great South Coast Group. This group recognises that it has an obligation to communicate in an honest and transparent manner with all stakeholders.

Storage of all Great South Coast documentation is the responsibility of the Executive Officer.

Information, including agendas, minutes, correspondence, reports, etc. is to be stored in a central site in electronic and hard copy format, where possible.

An internal communications strategy, developed by the Executive Officer, will guide provide protocols for communicating within the Group.

Mayors and CEOs are encouraged to ensure their respective Councils are kept apprised of the Great South Coast Group's ongoing business.

### **External communications**

Generating a shared understanding of the aims of the Regional Strategic Plan will be crucial to the plan's success.

To that end, a detailed external communications plan will guide all communications with the Great South Coast community.

The Board Chair is the official spokesperson for the Great South Coast Group.

## Reporting

Progress will be documented at each meeting via the verbal and written reports of individuals. All meetings – Board, Pillar Group and Project Working Groups – are to be minuted with minutes made available to all stakeholders.

(Please note: It will be important to develop protocols around distribution of minutes.)

The Chair of each Pillar Group is requested to email agendas and minutes of meetings along with any relevant reports or documentation to the Board one week prior to the Board meeting.

The Board will provide any reports required by funding partners in a timely and efficient manner via the Executive Officer.

Great South Coast Group - Terms of Reference

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**Dispute resolution procedures**

Any disagreement or dispute, in the first instance, will be raised with the Pillar Chair or the Board Chair, whichever is more relevant.

The parties to the disagreement or dispute will meet with the relevant Chair to discuss the matter and attempt to resolve it as soon as possible.

Steps taken to resolve the disagreement will be documented and tabled at the Great South Coast Group meetings.

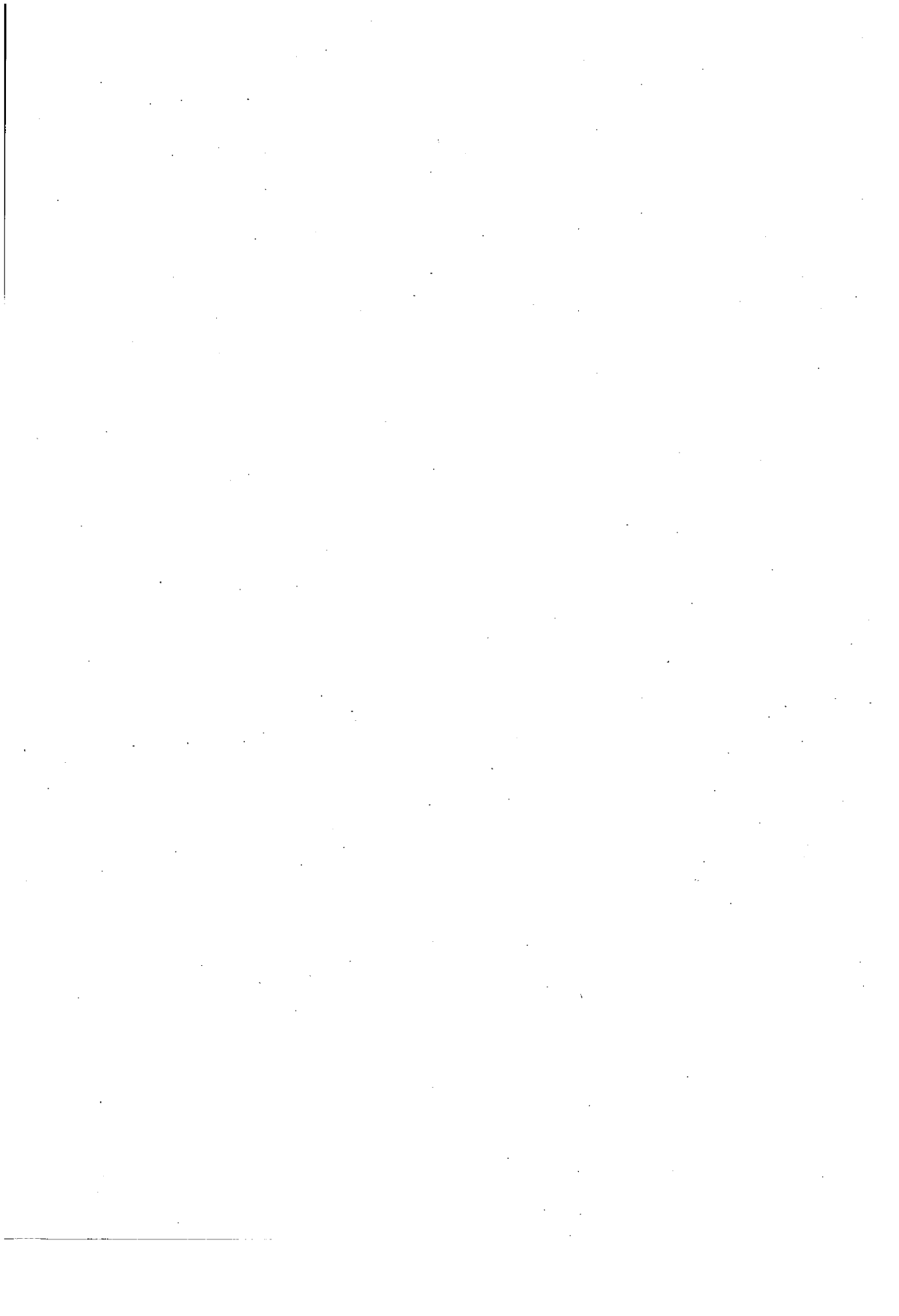
If, following this process, agreement still cannot be reached, an independent mediator will be appointed after consultation with the Board Chair. Each of the parties agrees to co-operate fully with the mediator. Each of the parties also agrees to pay an equal share of the costs of mediation.

**Life of the Terms of Reference**

These Terms of Reference will be valid until June 30, 2012. At this time, the Board of the day may seek to implement new Terms of Reference, modify the existing Terms of Reference or reinstate the existing Terms of Reference.

**Terms of Reference acceptance and review:**

|                                       |               |
|---------------------------------------|---------------|
| Draft Terms of Reference completed by | May, 2011     |
| To be ratified or modified by the GSC | May 13, 2011  |
| To be reviewed                        | Early 2012    |
| Sunset                                | June 30, 2012 |



CONSENT CALENDAROFFICERS' REPORT

D = Discussion

W = Withdrawal

| ITEM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | D | W |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <p><b><u>CORPORATE AND COMMUNITY SERVICES</u></b></p> <p><b><u>OM112610-4 COUNCIL ANNUAL REPORT 2010/2011</u></b></p> <p>Department: Corporate and Community Services</p> <p><b><u>Recommendation(s)</u></b></p> <p><b><i>That Council:</i></b></p> <ol style="list-style-type: none"> <li><b><i>1. Notes the completion of the 2010/2011 Annual Report document and process.</i></b></li> <li><b><i>2. Notes the Auditor's unqualified reports on the Financial Statements, Standard Statements and Performance Statement.</i></b></li> <li><b><i>3. Notes the Annual Report was submitted to the Minister for Local Government by 30 September 2011, as required.</i></b></li> <li><b><i>4. Considers and receives the 2010/2011 Annual Report as presented to this meeting in accordance with sections 131 and 134 of the Local Government Act 1989.</i></b></li> </ol> |   |   |
| <p><b><u>OM112610-5 COUNCIL SUPPORT TO NEIGHBOURHOOD HOUSES POLICY</u></b></p> <p>Department: Corporate and Community Services</p> <p><b><u>Recommendation(s)</u></b></p> <p><b><i>That Council endorses the draft "Council Support to Neighbourhood Houses Policy" for community consultation to commence early November 2011 for a period of six weeks.</i></b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |   |   |

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| <p><b><u>OM112610-6 COLAC COMMUNITY LIBRARY AND LEARNING CENTRE - SERVICE REVIEW</u></b></p> <p>Department: Corporate and Community Services</p> <p><b><u>Recommendation</u></b></p> <p><b><i>That Council receives the Colac Community Library and Learning Centre Service Review report.</i></b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
| <p><b><u>OM112610-7 LOCAL GOVERNMENT ELECTIONS 2012</u></b></p> <p>Department: Corporate and Community Services</p> <p><b><u>Recommendation(s)</u></b></p> <p><b><i>That Council:</i></b></p> <ol style="list-style-type: none"> <li><b><i>1. Appoints the Municipal Association of Victoria as the Council's agent to undertake a public tender for the provision of electoral services for the 2012 local government election.</i></b></li> <li><b><i>2. Authorises the Chief Executive Officer to sign and seal the Deed of Agreement with the Municipal Association of Victoria for the tendering for the provision of electoral services for the 2012 local government election.</i></b></li> <li><b><i>3. Acknowledges that by authorising the Chief Executive Officer to enter into the contract for the provision of electoral services, it is committing to the allocation of funds for the procurement of electoral services in the 2012/2013 Council budget.</i></b></li> <li><b><i>4. Pursuant to section 41A of the Local Government Act 1989 resolves to conduct the 2012 general election exclusively by postal voting.</i></b></li> </ol> |  |  |
| <p><b><u>OM112610-8 END OF YEAR FINANCIAL MANAGEMENT REPORT</u></b></p> <p>Department: Corporate and Community Services</p> <p><b><u>Recommendation(s)</u></b></p> <p><b><i>That Council notes the End of Financial Year Management Report 2010/11.</i></b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |  |



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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| <p><b><u>OM112610-9 APPOINTMENT OF NEW MEMBER - SWAN MARSH HALL AND TENNIS RESERVE COMMITTEE OF MANAGEMENT</u></b></p> <p>Department: Corporate and Community Services</p> <p><b><u>Recommendation(s)</u></b></p> <p><i>That Council appoints Mr. Michael Sproules to the Swan Marsh Hall and Tennis Reserve Committee of Management until the conclusion of the current committee's term in May 2012.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
| <p><b><u>OM112610-10 FIRST QUARTER PERFORMANCE REPORT 2011-2012</u></b></p> <p>Department: Corporate and Community Services</p> <p><b><u>Recommendation(s)</u></b></p> <p><b><i>That Council:</i></b></p> <ol style="list-style-type: none"> <li><i>1. Receives the first quarter performance report 2011-2012.</i></li> <li><i>2. Notes the reallocation of Council funds resulting from the deferral of the Gellibrand landfill rehabilitation.</i></li> <li><i>3. Notes the funding of \$25,000 required for the resurfacing of two (2) netball courts at Eastern Reserve is to be sourced from savings within the Capital Works and Major Projects Program during the 2011/12 financial year.</i></li> <li><i>4. Notes that surplus Council funds of \$23,736 resulting from the deferral of the project "Pipeline Road Major Re-sheet" will be reported to a future Capital Works Quarterly report for reallocation.</i></li> <li><i>5. Notes that surplus Council funds of \$50,265 resulting from the deferral of the "Old Beech Forest Road – major Re-sheet" will be reported to a future Capital Works Quarterly report for reallocation.</i></li> </ol> |  |  |

**Recommendation**

*That recommendations to items listed in the Consent Calendar, with the exception of items ....., be adopted.*

**MOVED** .....

**SECONDED** .....

OM112610-4

**COUNCIL ANNUAL REPORT 2010/2011**

|             |                                |           |           |
|-------------|--------------------------------|-----------|-----------|
| AUTHOR:     | Colin Hayman                   | ENDORSED: | Rob Small |
| DEPARTMENT: | Corporate & Community Services | FILE REF: | 11/95771  |

**Purpose**

This report is to update Council on the preparation, finalisation and council receipt of the 2010/2011 Annual Report in order to meet legislative requirements for Council.

The 2010/2011 Annual Report provides Council with the opportunity to consider, celebrate, and report to the community the achievements of the organisation over the past 12 months.

**Declaration of Interests**

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

**Background**

Council is required under section 131 of the *Local Government Act 1989* to annually prepare a report in the prescribed format.

The 2010/2011 Annual Report was prepared to reflect the governance, operations and achievements of the Colac Otway Shire Council for the reporting period.

Section 131 of the *Local Government Act 1989* requires:

*“A Council must in respect of each financial year prepare an annual report containing –*

- (a) a report of its operations during the financial year;*
- (b) audited standard statements for the financial year;*
- (c) audited financial statements for the financial year;*
- (d) a copy of the performance statement prepared under section 132; and*
- (e) a copy of the report on the performance statement prepared under section 133;*
- (f) any other matters required by the regulations”*

In addition section 134 requires Council to hold a “Meeting to consider the annual report”. A meeting must be held as soon as practicable but within the time required by the regulations, this being “within one month”, after the Council has sent the annual report to the Minister. The Annual Report was sent to the Minister on 30 September 2011.

The meeting to consider the Annual Report is required to be an open meeting and 14 days notice of the meeting must be given. The necessary statutory advertising has been undertaken and, as required by the *Local Government Act 1989*, copies of the report have been available from Customer Service Centres and Libraries in Colac and Apollo Bay. In addition the Annual Report is available on Council's website at [www.colacotway.vic.gov.au](http://www.colacotway.vic.gov.au).

**Council Plan / Other Strategies / Policy****Leadership and Governance**

Council will fulfil its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.

**Issues / Options**

The preparation of the Annual Report is a statutory requirement of Council and its officers. The report is prepared to reflect the outputs of the various business units of Council over the reporting period as well as the financial operations of council over that time. This is the second year of reporting against the 2009-2013 Council Plan.

**Structure of the Annual Report**

The report is structured in several sections as follows:

- The Introductory Section: this includes Council's Vision, The Year in Review, Message from the Mayor and Chief Executive Officer, Chief Financial Officer's Report and details of the Executive Management Team.
- The next 6 sections are the Key Result Areas as detailed in the Council Plan for the reporting period:
  - Leadership and Governance
  - Physical Infrastructure and Assets
  - Land Use and Development
  - Environmental Management
  - Economic Development
  - Community Health and Wellbeing
- The Governance section, which reports on Council's statutory compliance requirements.
- The Financial Reporting section provides performance details, key financial details for the 2010/2011 financial year as well as comparisons of key indicators over a 5 year period. This section also provides a guide to understanding the statements as well as the Standard and Financial Statements.
- The report ends with other information including Acronyms and Definitions, an index and details regarding contacting Council.

**Key Highlights achieved in 2010/2011 by the 6 Key Result Areas in the Council Plan:****Leadership and Governance**

- Successful negotiation of the new staff Enterprise Agreement
- Renewed commitment to disadvantaged communities within the Shire
- Successful implementation of the new waste management contract
- Improvements to key organisational systems.

**Physical Infrastructure and Assets**

- Opening of the new Apollo Bay Transfer Station
- Major upgrade to the Apollo Bay breakwater wall
- Key road improvement projects completed
- Completion of the building renewal program.

**Land Use and Development**

- Completion of the draft Rural Living Strategy is a key milestone. The strategy recommends changes to zoning and identifies areas of growth for a number of small towns
- Improvements in processing Planning Permits applications speeds up completion
- Completion of the 4-year Planning Scheme review.

**Environmental Management**

- Several water tanks installed at 2 of council's top 5 water using facilities
- New 3-bin kerbside waste management bins instituted across the shire
- Solar power (PV) systems installed at Council's Visitor Information Centres in Colac and Apollo Bay generated 5,090kWh of onsite renewable energy.

**Economic Development**

- Small Town Improvements Program (STIP) for 2010/11 was successfully implemented
- Initial draft planning process for the redevelopment of the Colac Central Business District and town entrances completed
- Positive survey results reveal a confident business community.

**Community Health and Wellbeing**

- Completion of the new Colac Community Library and Learning Centre
- Positive changes to community based respite care will increase opportunities for people of all abilities to participate in community activities
- The Federal government committed \$3.78 million to the redevelopment of the Bluewater Fitness Centre Stadium.

The Auditor General has issued a clear audit opinion on the Financial Statements. Council is required by legislation to consider the 2010/2011 Annual Report.

The draft Financial Statements were considered by the Audit Committee on 12 September 2011.

The report was submitted to the Minister within the time limit allowed by the *Local Government Act 1989*, i.e. 30 September 2011.

**Proposal**

The 2010/2011 Annual Report of Council has been displayed at Council's Customer Service Centres at 2 Rae Street, Colac and 69 Nelson Street, Apollo Bay and at the Colac and Apollo Bay libraries. The Report is also available on Council's website at [www.colacotway.vic.gov.au](http://www.colacotway.vic.gov.au).

It is proposed that Council notes and receives the 2010/11 Annual Report.

**Financial and Other Resource Implications**

Cost of preparation of the Annual Report has been within prescribed budget allocation. A limited number of copies are printed to save paper and costs. Hard copies of the annual report will be available to meet statutory, administrative and community needs. The final, professionally printed document will also be available on a CD, limited hard copy and will also be available on Council's website during November 2011.

An overview of Council's financial performance appears in the Annual Report. The overview provides information on key areas and indicators. The statements also include a section on "Understanding the Financial Statements".

**Risk Management & Compliance Issues**

By completing this report in the prescribed format Council meets its Compliance obligations with respect to the Annual Report requirements of both the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.

Under section 131 of the *Local Government Act 1989*, Council is required to submit an annual report to the Minister within three months of the end of each financial year. The report must be made available for public inspection after it has been sent to the Minister. The annual report contains audited performance, standard and financial statements as well as meeting other statutory requirements.

Under section 134 of the *Local Government Act 1989*, Council must consider the Annual Report at a meeting of the Council. The meeting must be advertised and copies of the Annual Report made available before the meeting. This advertising has occurred and indicated that the Report will be considered at the meeting of Council held on the 26 October 2011.

### **Environmental and Climate Change Considerations**

In consideration of the environmental and sustainability principles of Council the Annual Report is distributed primarily via the World Wide Web to reduce the amount of hard copy prints of the document. Other environmental considerations of Council are documented in the Annual Report.

### **Community Engagement**

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

Inform was the process used for this stage of the Annual Report.

During the development of the report, Council officers had input into the process and Councillors were issued with a draft copy of the Governance section for comments prior to finalisation of the report.

Copies of the report have been available for viewing by the community and stakeholders since 7 October 2011 at Council's Customer Service centres, Website and Libraries.

### **Implementation**

Copies of the Annual Report will continue to be available at Council's Customer Service centres and Libraries and on Council's website.

### **Conclusion**

The Annual Report is an important document for Council in that it provides the community access to information about Council's financial and operational performance. It also provides an opportunity for Council to showcase its achievements and indicate the challenges that have been faced over the past 12 months in each of the Community Priority areas.

The 2010/2011 Annual Report confirms that Council, in addition to its obligations under section 131 of the *Local Government Act 1989*, has made significant advances towards achieving the Strategies and Key Actions in the Council Plan and financial indicators point to an overall improvements in its financial position.

Overall, 2010/2011 was a successful year for Council and the community resulting from the strong direction of Council and the dedication and professionalism of staff. Many staff have worked hard to create the achievements outlined in the report. Many of the achievements were met in partnership with the community and volunteers, further enhancing Council's links to our community that we strive to serve.

**Attachments**

1. Annual Report 2010 - 2011

**Recommendation(s)*****That Council:***

1. *Notes the completion of the 2010/2011 Annual Report document and process.*
2. *Notes the Auditor's unqualified reports on the Financial Statements, Standard Statements and Performance Statement.*
3. *Notes the Annual Report was submitted to the Minister for Local Government by 30 September 2011, as required.*
4. *Considers and receives the 2010/2011 Annual Report as presented to this meeting in accordance with sections 131 and 134 of the Local Government Act 1989.*

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Colac Otway Shire Annual Report 2010 – 2011



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Our Vision

Council will work together with our community to create a sustainable, vibrant future.

Our Mission

Council will work in partnership with our community and other organisations to provide:

- Effective leadership, governance and financial accountability
- Affordable and effective services
- An advocacy and engagement approach to sustainably grow our community

Our Values

Council will achieve its Vision and Mission by acting with:

- Respect
- Integrity
- Goodwill
- Honesty
- Trust

Highlights



- ✓ *New state-of-the-art Apollo Bay Recycling Centre introduces Colac Otway Shire to a new era in waste management (p 31)*
- ✓ *Positive survey results reveal a confident business community (p 48)*
- ✓ *Achieved \$4.6 million in government grants to ease the burden on the community of providing key services (p 49)*
- ✓ *Opening of the new Colac Community Library and Learning Centre attracts increased patronage, particularly from young families (p 53)*
- ✓ *Positive changes to community based respite care will increase opportunities for people of all abilities to participate in community activities and to develop community capacity (p 55)*
- ✗ *No Neighbourhood Safer Places (places of last resort when major fires occur) designated in the region due to the high fire danger of the Otway Ranges (p 25)*
- ✗ *Damage to 80km of shire roads as a result of major storm events (p 33)*

ABOVE: The Aire River in the southern end of Colac Otway Shire is listed in the Heritage Rivers Act for its environmental significance. PHOTO: Alison Pouliot

About this Annual Report

This report documents Colac Otway Shire Council's performance during 2010/11 against the Council Plan and the 2010/11 Budget and is the second report against the 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 content of the annual report is reviewed each year and is guided by best practice in reporting and local government requirements.

Your feedback is invited via email: info@colacotway.vic.gov.au or by letter to:

Chief Executive Officer
PO Box 283,
Colac Vic 3250

Our Shire Profile

Our Location

We are situated within a two hour drive of Melbourne, and approximately an hour to the large regional cities of Geelong to the east and Warrnambool to the west.

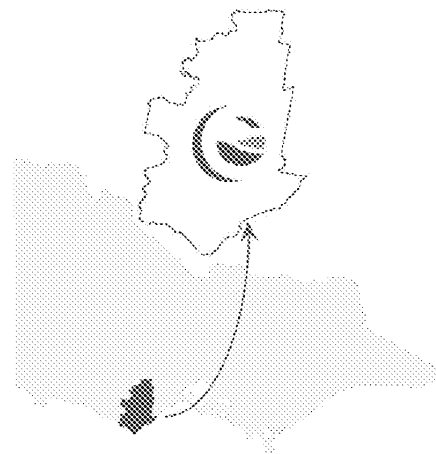
Colac Otway Shire has some of the most picturesque scenery in the State. A large proportion is State Forest and National Park, but it also includes beaches, rugged coastline, rainforests, waterfalls, volcanic lakes and craters.

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

In the north of our shire 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, one of Australia's most significant cool climate rainforest areas, home to towering trees and lush ferns. The Otways are important to the shire and the wider region for tourism, timber and water harvesting.

The lure of the Great Ocean Road, with its breathtaking scenic views is especially important to tourism, drawing local, interstate and international visitors to view its spectacular beauty.



Our People

Our estimated population is 22,097. There has been a gradual increase in the population of the shire since 2005, approximately 4%, in comparison with the previous years, 2001-2005, when the population remained fairly static.

We expect a larger increase in our population once the Princes Highway becomes a dual highway (the Geelong to Winchelsea section is well along in construction) as it will open up the region, making commuting an attractive option for both the local population and for those seeking a lifestyle change. With the attraction of affordable housing and great lifestyle, we are ideally located for those looking for a rural idyll within a comfortable commuting distance to major centres.

Our four key industry categories are Agriculture; Forestry and Fishing; Manufacturing; Retail Trade; and Health and Community Services and these employ approximately 51% of our labour force.

Our History

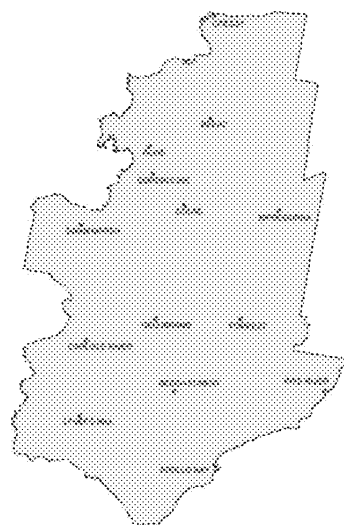
European settlement dates from 1837 when pastoralists settled near Lake Colac, with further development occurring over the following years as timber-getting and sawmill were established. Apollo Bay township was established in the 1860s, with other coastal villages being settled by the 1880s.

The opening of the Great Ocean Road in 1932 gave greater access to coastal townships, with tourism spurring growth in the 1950s. Since the 1970s rural residential living has steadily increased in popularity.

Our Name

Colac Otway Shire came into being in 1994 when the shires of Colac and Otway were amalgamated.

Historically, 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.



Area: 3,427 sq kilometres
 Length of Local Roads: 1,632 kilometres
 Estimated Population: 22,097
 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%
 Population born overseas: 6.9%
 Population growth rate: 1.2%
 Employment rate: 95.4% (full time, 57.9%)
 Rateable properties: 14,405
 Coastline: 95 kilometres
 Forest and National Park: 110,000 hectares

Sources
 Australian Bureau of Statistics Census 2006
 Jd Consulting, Melbourne 2010

Year in Review

| Key Result Area | Achievements | Disappointments |
|--|--|--|
| Leadership and Governance
<i>For more information see page 23</i> | <ul style="list-style-type: none"> ■ Successful negotiation of the new staff Enterprise Agreement ■ Renewed commitment to disadvantaged communities within the Shire ■ Successful implementation of the new waste management contract ■ Improvements to key organisational systems | <ul style="list-style-type: none"> ■ No Neighbourhood Safer Places (places of last resort when major fires occur) designated in the region due to the high fire danger of the Otway Ranges |
| Physical Infrastructure and Assets
<i>For more information see page 31</i> | <ul style="list-style-type: none"> ■ Opening of the new Apollo Bay Transfer Station ■ Major upgrade to the Apollo Bay breakwater wall ■ Key road improvement projects completed ■ Completion of the building renewal program | <ul style="list-style-type: none"> ■ Damage to 80 km of shire roads as a result of major storm events ■ Weather patterns during the spring and summer months resulted in large scale natural disasters, which placed significant pressure on capital works projects |
| Land Use and Development
<i>For more information see page 37</i> | <ul style="list-style-type: none"> ■ Completion of the draft Rural Living Strategy is a key milestone. The strategy recommends changes to zoning and identities areas of growth for a number of small towns ■ Improvements in processing Planning Permits applications speeds up completion ■ Completion of the 4-year Planning Scheme review | <ul style="list-style-type: none"> ■ Delays to implementation of the Apollo Bay Harbour Master Plan due to the emergence of community concerns ■ Birregurra Structure Plan placed on hold due to concerns by the community of the impact of future development on the town's character |
| Environmental Management
<i>For more information see pages 16 and 42</i> | <ul style="list-style-type: none"> ■ Several water tanks installed at 2 of council's top 5 water using facilities ■ New 3-bin kerbside waste management bins instituted across the shire ■ Solar power (PV) systems installed at Council's Visitor Information Centres in Colac and Apollo Bay generated 5,090kWh of onsite renewable energy. | <ul style="list-style-type: none"> ■ The Environmental Protection Agency (EPA) has increased the auditing and monitoring requirement of disused landfills. This has meant that council is taking longer than anticipated to work its way through the audit process of its disused landfills. |
| Economic Development
<i>For more information see page 14 and 48</i> | <ul style="list-style-type: none"> ■ Small Town Improvements Program (STIP) for 2010/11 was successfully implemented ■ Initial draft planning process for the redevelopment of the Colac Central Business District and town entrances completed ■ Positive survey results reveal a confident business community | <ul style="list-style-type: none"> ■ The implementation of the Tourism Victoria Regional Tourism Action Plan was delayed due to lack of agreement by stakeholders on the proposed new regional structure for the development and marketing of tourism |
| Community Health and Wellbeing
<i>For more information see page 53</i> | <ul style="list-style-type: none"> ■ Completion of the new Colac Community Library and Learning Centre ■ Positive changes to community based respite care will increase opportunities for people of all abilities to participate in community activities ■ The Federal government committed \$3.78 million to the redevelopment of the Bluewater Fitness Centre Stadium | <ul style="list-style-type: none"> ■ The current method of recording Maternal and Child Health consultations has not truly reflected the increasing number of complex cases with vulnerable families that require Enhanced Services. A review needs to be undertaken to better capture and highlight this increasing demand |

| Challenges | The Year Ahead | Community Satisfaction Results | | | | | | | | | | | | | |
|---|---|---|---------|---------|---------|---------|---------|---------|------|----|----|----|----|----|----|
| <ul style="list-style-type: none"> ■ Increased legal challenges due to the 'No Win/No Fee' offers by legal firms ■ Becoming carbon neutral by 2016. Council needs to identify an approach that is the most effective from a cost and feasibility standpoint to achieve this ambitious target | <ul style="list-style-type: none"> ■ Implementation and consolidation of the Business Excellence Framework and the Prince2@ project management methodology across council's business units ■ Implementation of the 2009 Victorian Bushfire Royal Commission recommendations | <p>Overall Performance</p> <table border="1"> <caption>Overall Performance Indirect Mean</caption> <tr><th>Year</th><td>2006/07</td><td>2007/08</td><td>2008/09</td><td>2009/10</td><td>2010/11</td></tr> <tr><th>Mean</th><td>63</td><td>61</td><td>57</td><td>55</td><td>58</td></tr> </table> | Year | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | Mean | 63 | 61 | 57 | 55 | 58 | |
| Year | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | | | | | | | | | | |
| Mean | 63 | 61 | 57 | 55 | 58 | | | | | | | | | | |
| <ul style="list-style-type: none"> ■ Adequately funding the future asset gap for road and bridges ■ Emerging weather patterns impacting the programming of road maintenance works ■ Further improvements to Project Management required to successfully deliver projects on time | <ul style="list-style-type: none"> ■ Completion of a condition audit of Council buildings to drive the development of a long term renewal and capital improvement program ■ Develop improved linkages between forward planning for asset maintenance, renewal and upgrades and council's long term financial plan | <p>Local Roads and Footpaths</p> <table border="1"> <caption>Local Roads and Footpaths Indirect Mean</caption> <tr><th>Year</th><td>2006/07</td><td>2007/08</td><td>2008/09</td><td>2009/10</td><td>2010/11</td></tr> <tr><th>Mean</th><td>52</td><td>50</td><td>44</td><td>47</td><td>46</td><td>47</td></tr> </table> | Year | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | Mean | 52 | 50 | 44 | 47 | 46 | 47 |
| Year | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | | | | | | | | | | |
| Mean | 52 | 50 | 44 | 47 | 46 | 47 | | | | | | | | | |
| <ul style="list-style-type: none"> ■ Changes to state planning provisions and building regulations relating to bushfire will be introduced towards the end of 2011 by the State government. These changes are expected to result in a difficult transition period for planning staff, land owners and professionals | <ul style="list-style-type: none"> ■ Develop a local policy that complements the State Government's new state-wide bushfire planning provisions using a government grant ■ Finalise the Rural Living Strategy and commence an amendment to the planning scheme that implements its findings | <p>Town Planning Policy and Approvals</p> <table border="1"> <caption>Town Planning Policy and Approvals Indirect Mean</caption> <tr><th>Year</th><td>2006/07</td><td>2007/08</td><td>2008/09</td><td>2009/10</td><td>2010/11</td></tr> <tr><th>Mean</th><td>54</td><td>48</td><td>48</td><td>52</td><td>51</td></tr> </table> | Year | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | Mean | 54 | 48 | 48 | 52 | 51 | |
| Year | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | | | | | | | | | | |
| Mean | 54 | 48 | 48 | 52 | 51 | | | | | | | | | | |
| <ul style="list-style-type: none"> ■ Council has worked with the MAV and the State Government to develop new guidelines for managing roadside weeds in a strategic manner. If the new guidelines are approved then council will need to develop an approach that is agreed to by the State government in order to access funding | <ul style="list-style-type: none"> ■ Undertake Alvie Landfill audit to comply with EPA's landfill license reform requirements ■ Develop Roadside Environmental Management Plan to minimise environmental impacts associated with road works and maximise the protection of roadside vegetation that is outside of the road maintenance area | <p>Waste Management</p> <table border="1"> <caption>Waste Management Indirect Mean</caption> <tr><th>Year</th><td>2006/07</td><td>2007/08</td><td>2008/09</td><td>2009/10</td><td>2010/11</td></tr> <tr><th>Mean</th><td>72</td><td>71</td><td>67</td><td>68</td><td>68</td><td>71</td></tr> </table> | Year | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | Mean | 72 | 71 | 67 | 68 | 68 | 71 |
| Year | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | | | | | | | | | | |
| Mean | 72 | 71 | 67 | 68 | 68 | 71 | | | | | | | | | |
| <ul style="list-style-type: none"> ■ Developing a new program of industry training and development and networking forums that are relevant to current industry needs. This will include a sustainability event that will provide information and ideas on responding to the 'Carbon Tax' | <ul style="list-style-type: none"> ■ Completion of the Colac Marketing Strategy and initial implementation of recommended initiatives ■ Completion of the Colac Central Business District and Entrances Project ■ Commencement of the Apollo Bay Harbour Precinct Planning Scheme Amendment | <p>Economic Development</p> <table border="1"> <caption>Economic Development Indirect Mean</caption> <tr><th>Year</th><td>2006/07</td><td>2007/08</td><td>2008/09</td><td>2009/10</td><td>2010/11</td></tr> <tr><th>Mean</th><td>64</td><td>59</td><td>57</td><td>57</td><td>59</td></tr> </table> | Year | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | Mean | 64 | 59 | 57 | 57 | 59 | |
| Year | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | | | | | | | | | | |
| Mean | 64 | 59 | 57 | 57 | 59 | | | | | | | | | | |
| <ul style="list-style-type: none"> ■ The increasing number of events being held in the Shire presents a challenge of maintaining a thorough event application and authorisation process to ensure compliance regulations are applied and event organisers are receiving adequate support | <ul style="list-style-type: none"> ■ Commence the \$5M redevelopment of the Bluewater Fitness Centre Stadium ■ Complete and commence implementation of the Public Open Space Strategy ■ Review of Enhanced Services for Maternal and Child Health ■ Implementation of the Active Service Model for people receiving Home and Community Services | <p>Health and Human Services</p> <table border="1"> <caption>Health and Human Services Indirect Mean</caption> <tr><th>Year</th><td>2006/07</td><td>2007/08</td><td>2008/09</td><td>2009/10</td><td>2010/11</td></tr> <tr><th>Mean</th><td>78</td><td>73</td><td>74</td><td>72</td><td>75</td></tr> </table> | Year | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | Mean | 78 | 73 | 74 | 72 | 75 | |
| Year | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | | | | | | | | | | |
| Mean | 78 | 73 | 74 | 72 | 75 | | | | | | | | | | |

Source: Local government Community Satisfaction Survey 2011, Department of Planning and Community Development, prepared by Wallis Consulting

Calendar of Events

July, August, September

A publicity campaign to encourage residents to register their dogs and cats yielded 445 new dog and cat registrations – four times the yearly average for new registrations (p 25).

Council threw its support behind a strategic plan for the Great South Coast region of Victoria, which presents a regionally-agreed position on economic, environmental and social issues.

Council welcomed Optus' announcement that it would consider alternative sites for its proposed telecommunications tower in Forrest, after strong community opposition to the plan.

Bluewater Fitness Centre introduced an inflatable on-water "jungle gym" to its suite of programs to provide fun and fitness opportunities to the shire's youngsters.

The federal Labour and Liberal parties pledged the duplication of the Princes Highway from Geelong to Colac leading up to the 2010 election – a result influenced by ongoing lobbying from council.

Council commenced the rollout of 18,000 new bins as part of a change to a new 3-bin waste management system (p 11).

Member for Western Victoria Gayle Tierney officially opened the Eastern Reserve's newly-upgraded netball complex.

Council named a road in Beech Forest Cliff Young Drive and land west of the town's public hall Cliff Young Park to honour the local ultramarathon legend.

Community members Carolyn Phillips, Helen Paatsch and Rachel Wood joined council, library and Colac Secondary College representatives on the joint-use committee of the new Colac Community Library and Learning Centre.

Council adopted 85 actions for the next two years to help achieve the targets of the 2010-2018 Environment Strategy.

October, November, December

Council bolstered its green credentials with the purchase of a new bike fleet for staff to use when travelling to meetings around Colac.

Over 300 people attended the launch of the new Colac Community Library and Learning Centre (p 10, 53).

The Victorian Civil and Administrative Tribunal ordered the owners of the historic Bainagowan homestead to carry out 10 actions drawn up by council to protect the building from weather and vandal damage.

Council is better prepared for an influenza outbreak with the adoption of an Influenza Pandemic Plan, which maps out ways agencies can plan, prepare, respond to and recover from the effects of an influenza pandemic.

Boat owners enjoy a \$130,000 upgrade of the slipway at Apollo Bay Harbour (p 31).

During the free e-waste recycling days Colac residents handed in over 100 cubic metres of electronic waste. Apollo Bay residents handed in 35 cubic metres (p 42).

Council writes to the Victorian government requesting a review of policies governing native timber harvesting on private land, highlighting the impact current policies have on people's capacity to carry out private timber harvesting in the Otways.

Transport Connections, which delivered \$1 million worth of public transport services to Colac Otway Shire and linked 14 towns to public transport, entered phase three (p 55).

The Heritage Council of Victoria bestowed a state heritage listing on the Colac Botanic Gardens, recognising their cultural, historical and botanic significance (p 34).

Birregurra green thumb Katie Cockayne won Colac Otway Shire's 2010 Home and Garden Awards Gardener of the Year.

Andrew Knight, Christopher Worden, Tim Hunt, Catherine Farrell, Steven Nelson, John Preston and Robyn McPhee shared honours for individual achievements as part of council's Disability Awards.

January, February, March

Australia Day was celebrated in style by our community. We welcomed new citizens and gave out awards (p 26).

Council tabled a draft Rural Living Strategy, which will provide a blueprint for managing the growing demand for rural living opportunities in the municipality (p 37).

Council urged people to de-sex their pets in the wake of a skyrocketing euthanasia rate for cats and kittens. By February, Local Laws had to euthanise 127 cats and kittens after being unable to find new homes for them. In comparison, the 2009/10 euthanasia rate was 89 (p 25).

Council continued to investigate potential Neighbourhood Safer Places for the municipality as the region entered its highest-risk period for fire (p 25).

Council appointed 11 people to a community reference group to help shape a structure plan and neighbourhood character study for Birregurra (p 39).

Council appointed 12 residents to a community reference group to represent the community's views on a project to redevelop Colac's central business district (p 48).

Council adopted an Early Years Plan to assist council and other service providers to better cater for the development of young children (p 55, 56).

Council supported an application for a basalt rock quarry at 320 Mooleric Road Birregurra, subject to a range of conditions designed to minimise any potential impact the quarry might have on neighbours, road infrastructure and the environment.

Council called for descendants of soldiers featured in the Eurack Avenue of Honour to get involved in the replacement of three dead elms in the avenue. The Avenue of Honour is believed to be the first of its kind in Victoria.

Beeac's historic Cundare-Ondit Cemetery received a facelift thanks to a collaborative partnership between Beeac Progress Association, Council and Corrections Victoria.

April, May, June

Colac skaters are able to hone their tricks on a redeveloped Colac Skatepark, which offers new features to challenge skaters.

Council closed under-utilised maternal child health centres in Beech Forest, Cressy and Gellibrand so that it can focus resources on busier centres. A service review found that Beech Forest, Cressy and Gellibrand centres had not been utilised by parents for up to a year.

Council accelerated its replacement program for elms in Memorial Square to guard public safety and ensure tree health.

Investigations found that Barwon Downs, Carlisle River and Forrest might get Neighbourhood Safer Places (NSP) subject to funding availability. Council sought advice from the Fire Services Commissioner about whether funding might be available for NSPs at Kawarren and Barongarook.

Council wrote to Tourism Victoria requesting greater local government representation on proposed Regional Tourism Boards.

Council reiterated its commitment to building a case to attract funding for a major upgrade of the Central Reserve playing surface. Meanwhile, council also poured additional resources into maintaining the playing surface.

The community's opinion was sought on plans to sell the former Shire of Colac offices at 6 Murray Street, Colac, an historic building established in the 1890's.

Council distributed \$117, 476 to 64 community groups as part of the annual Community Funding Program, and \$60,000 to another 23 community events as part of the annual Festival and Events Support Scheme (p 53, 81).

Council appointed 10 community members and three transport operators to a community reference group charged with helping determine an alternative heavy vehicle transport route around Colac.

Mayor and CEO's Message



CEO Rob Small (left) and Cr Brian Crook (right)

It is our pleasure to present the 2010/11 annual report for the Colac Otway Shire Council. This is the second annual report against the 2009-2013 Council Plan.

Advocacy delivers

Strategic advocacy paid dividends for Colac Otway Shire Council in 2010/11, with this region attracting its biggest funding windfall in history from the federal election, and similarly strong support from our state counterparts. Aware of the advantages a marginal seat offers, our lobbying federally helped secure funding for the duplication of the Princes Highway between Winchelsea and Colac, a new trade training centre for Colac, and a major upgrade to the Bluewater Fitness Centre stadium. In total, the amount promised to this region during the federal election was almost \$300 million. The state election brought a joint commitment to the duplication of the Princes Highway between Winchelsea and Colac as well as additional passing lanes from Colac to the South Australian border, funding for stage three of the new Colac Secondary College, a redeveloped school at Apollo Bay, a passing loop for trains at Weerite, and funding for upgrades to several local rural tennis courts. The 2010 elections delivered unprecedented investment in our community, which will benefit generations to come, and this council has played no small part in ensuring our priorities were at the forefront of our local members' and candidates' considerations.

We are working closely with the Victorian government to have the former Colac High School site returned to the community. We have received a \$30,000 commitment from the Department of Planning and Community Development to carry out a masterplanning process for the site, to be matched with \$15,000 each from the Department

of Education and Early Childhood Development and council. This community asset presents an amazing array of opportunities if we can put a compelling, innovative and exciting proposal to government.

We take an active role in both the G21 and Great South Coast region of councils, with whom we share geographic boundaries. The collective influence of councils has shown to be a strong model for garnering government attention and support for important regional priorities. The finalisation of a regional strategic plan for the Great South Coast group during 2010/11 has provided an important blueprint for the future of south-west Victoria's economic, environmental and social wellbeing.

We believe advocacy is most effective when it is planned and sustained, and as such our lobbying role continues on behalf of our community. In 2011/12 we will continue to press our state and federal colleagues for fairer funding for the roads that carry our agricultural produce to market under the Australian Rural Roads Lobby Group banner (p 23).

Giving the community a voice

Council set the framework for a closer working relationship with our community in 2010/11 with the establishment of several community reference groups. More than 40 members of the public will share their knowledge and skills with council on key projects including the Birregurra Structure Plan and Neighbourhood Character Study; the Colac Road Hierarchy and Heavy Vehicle Truck Route; the Colac Central Business District Masterplan and City Entrances Project; and the Apollo Bay Harbour Masterplan. We are also seeking community interest in an industry advisory group, which will advise council and the board of the new trade training centre on the needs of local business and industry. These community reference groups are a relatively new approach for us, and we hope the increased community input will prompt more robust discussions on key projects for our shire, and result in stronger decisions by council.

We delivered

The launch of the new Colac Community Library and Learning Centre in October attracted over 300 people and set a positive tone for a project that in its planning and development stages had attracted strong opposition from a segment of our community. Member and borrowing numbers have shown our new library to be an outstanding success and a positive example of how joint-use facilities can benefit communities (p 53).

18,000 new waste bins were rolled out in August as part our shire's new 3-bin system. Our community quickly embraced the new approach and in the final quarter of 2010, green waste collection volumes had almost tripled from 2009; from 233 tonnes to 614 tonnes, and contamination levels had reduced from 23 per cent to about five percent for the same period (p 42). Another waste management milestone was the opening of the new Apollo Bay Transfer Station in March. Designed to serve the Apollo Bay and surrounding communities for at least the next 50 years, the facility will operate as a collection point for recycling, general waste, metal and green waste (p 23, 31).

During the year, council adopted a Public Health and Wellbeing Plan, an Early Years Plan, an Influenza Pandemic Plan and an Access, Equity and Inclusion Plan. All of these plans provide a basis for a strategic approach for responding to important health and community services issues (p 55, 56).

The shire's financial performance for the year is broadly consistent with the targets set in the annual budget for 2010/11. The operating result for the year is \$18.9 million, which requires some explanation. Colac Otway Shire's operations include the Port of Apollo Bay. In this year, all of the assets that form part of the Port of Apollo Bay were recognised for the first time, which has had a 'one-off' impact on the position of the shire. Further, the critical asset renewal target of \$8.28 million has been exceeded by \$0.18 million. The value of total assets has grown to \$253.96 million. Total income has grown by 44.7% to \$56.6 million (due to the Port of Apollo Bay) and total expenses have grown by 2.0% to \$37.7million. This is a solid result given the growing demands for the diverse range of services provided by council (p 12, 25).

Our work continues

We have set the foundations this year for several long-range projects of vital importance to our shire. Our draft Rural Living Strategy seeks to manage the growing demand for rural living opportunities in our municipality, while identifying important agricultural land to protect from development. When complete, this document will guide our planning decisions on rural applications and we are doing our utmost to ensure the community has ample opportunity to have a say in the strategy's outcomes (p 37).

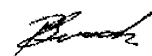
We continue to work with the Country Fire Authority to investigate potential sites for Neighbourhood Safer Places (NSP) in the municipality. Our investigations have been thorough and detailed, and the fact that no NSPs

have been established provides a strong indication of the level of fire risk we face in this shire – particularly in the Otways. We are closer to establishing NSPs in Barwon Downs, Carlisle River and Forrest, and we have asked the Fire Services Commissioner whether funding might be available for NSPs at Kawarren and Barongarook. The most crucial message is that even if we are successful in establishing NSPs in our shire, they cannot guarantee people's safety and are places of last resort if their original fire plan fails.

A Victorian government grant of \$95,000, to be combined with \$160,000 from Tourism Victoria, provided funding to carry out technical investigations which will support the incorporation of the Apollo Bay Harbour Precinct masterplan into the planning scheme. Due to the time lapse between our highly-successful Enquiry by Design community consultation process and the funding being available for a planning scheme amendment, council has reinvigorated the community reference group for this project, and extended its engagement with the community. In 2011/12 we are planning a survey to gain further insight into the community's understanding and views of the masterplan, and what it means for Apollo Bay.

We have a positive outlook

Colac Otway Shire boasts a unique mix of city, country and coastal living, all within close proximity to larger regional centres, and to Melbourne. Our community is as dynamic as our places and spaces. We believe that impending upgrades to the Princes Highway, and improvements to public transport connections to Geelong and Melbourne are going to make our shire even more liveable, particularly for professionals wanting to balance a city career with a relaxed rural lifestyle. Our job is to put structures in place for the sustainable growth of our community, and in 2010/11 we made significant inroads on this task. Thank you to all the people who took an active role in community and civic life in 2010/11. We value your contributions to Colac Otway Shire and look forward to working with you in 2011/12.



Cr Brian Crook
Mayor



Rob Small
Chief Executive Officer

Chief Financial Officer's Report

In 2010/11 council worked to balance the pressing need to assure the long term viability of the community's assets and services with the ever-changing desires and needs of our community.

The balance, although challenging to achieve, has been aided in 2010/11 by the development of a Long Term Financial Plan, which is considered a critical tool in maintaining a long-term focus on council activities. This long-term view, coupled with a commitment to cost restraint and provision of value-for-money services to our community, remains imperative to this council and drives financial decisions.

While this report focuses on the 2010/11 financial results, it is important to see this result in light of the long-term financial objectives developed by council during the year. These are to:

- Maintain the existing range and level of service provision and develop the capacity to grow and add new services
- Maintain a strong cash position, ensuring council remains financially sustainable in the long-term
- Achieve operating statement surpluses (underlying surplus) with the exclusion of all non-operational items such as granted assets and capital income
- Maintain debt levels below prudential guidelines
- Continue to pursue recurrent grant funding for strategic capital funds from the state and federal government
- Provide for rate increases that establish a funding level for a sustainability and investment gap elimination, including increasing funding for capital works (asset renewal, expansion, upgrade) and asset maintenance
- Ensure critical renewal is funded annually over the timeframe of the Long Term financial Plan

The following is a snapshot of the 2010/11 financial position:

- \$56.6 million revenue
- \$11.4 million Capital Works program delivered
- Rates and Charges comprised \$20.5 million of the total operating revenue
- Operating surplus of \$18.9 million

- Cash holdings increased by \$1 million to \$10.8 million as a result of grants received in advance and works to be carried forward
- Debt increased from \$4.2 million in 2009/10 to \$4.8 million in 2010/11

Operating Result

Council has achieved a positive result for the 2010/11 year with an operating surplus of \$18.9 million. Although appearing to be a tremendous result, this is tempered by the fact that this is a reflection of assets being recognised for the first time for the Port of Apollo Bay. The result, excluding the Port of Apollo Bay, is a surplus of \$2.8 million as opposed to \$2.3 million in the 2009/10 year. This encouraging result continues to support council's financial sustainability and importantly, council's ability to deliver the services that our community requires (p 25, 96-97 Note 5).

A key measure of financial sustainability is the Underlying Result. This identifies whether council is generating enough revenue to cover operating expenses, which also includes the cost of replacing our assets. Sustaining an underlying surplus result is a critical financial strategy and should remain relatively consistent from year to year. It best represents council's ability to remain sustainable and to continue with normal day-to-day operations.

Council's underlying deficit for 2010/11 was \$1.36 million. This was a \$0.18 million favourable variance from the budgeted underlying deficit of \$1.54 million. The favourable variance is due to a combination of factors. For more information see Standard Statements page 95.

Sustainable Capital Expenditure

Council aims to ensure that it is able to maintain its assets at the expected levels, while at the same time continuing to deliver the services needed by the community.

During 2010/11, council spent a total of \$11.4 million on capital works (capital expenditure/investment) across the shire. This included a total of \$8.49 million (74.5%) on renewal works/activities and \$2.94 million (25.5%) on new and upgrade works/activities. The majority, \$5.65 million (49.1%) of the capital works/activities were undertaken on council's infrastructure assets (p 31, 33, 153).

In 2010/11 the level of capital expenditure continued to deliver on the challenge of renewing the community's assets. It is anticipated that future capital expenditure will be maintained at sustainable and realistic levels, assuring the council's long term commitment to the sustainable renewal of the shire's assets.

Cash Holdings

In total, council's cash holdings have increased during 2010/11 to \$10.8 million. However, included in this amount are funds required for works carried forward from 2010/11 to 2011/12 and a significant amount, \$1.46 million, received in advance from the Grants Commission.

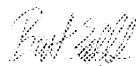
The aim is to continue to moderately build up cash holdings. This will allow council the flexibility to respond to future unexpected events, for example natural disasters such as flooding, or the potential to strategically acquire assets, such as property for open space.

Financial Sustainability

Council has many current and future demands on funding, highlighting the need for strong, long-term planning and the targeted allocation of resources. This is achieved through the preparation and review process of the Council Plan and is supported by the Strategic Resource Plan. Ultimately, both of these documents are guided by longer-term visions and plans including the Long Term Financial Plan, which projects council's financial commitments for the next ten years. This enables council to identify and analyse trends of significance and provide for sound financial planning and decision-making.

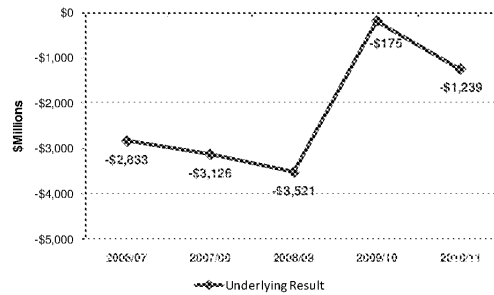
The development of the Long Term Financial Plan during the year began the development of longer term conversations with our community that enable long-term goals that assist in creating engaged and vibrant communities.

The financial snapshot as at 2010/11 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.



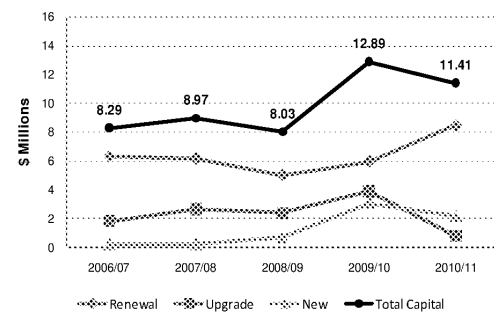
Brett Exelby
Manager Finance and Customer Services

Underlying Result



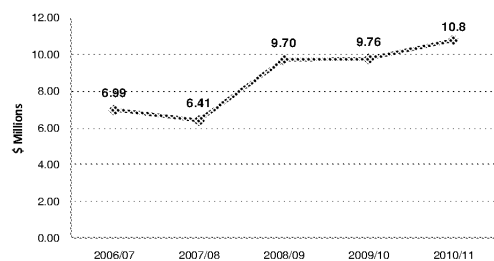
The underlying result reflects council's capacity to replace our existing assets and to provide our existing services without a reliance on capital grants. Improving this position is a significant long-term issue (p 88).

Sustainable Capital Expenditure



Significant new projects were undertaken during 2009/10 and 2010/11. This, together with Council's increased commitment to renewal in 2010/11, was offset by the reduction in upgrade expenditure.

Cash Holdings



Sustainability Report

This is Colac Otway Shire's first sustainability report and addresses the three key areas internationally deemed crucial to responsible, sustainable development in our rapidly changing world: social (human needs), economic development and the environment. Our aim in commencing reporting on sustainability is to provide a concise overview of the way council addresses these three key areas in the management of its responsibilities.

Social Strategies

Policy Commitment

Council has a range of policies in place governing Occupational Health and Safety; Human Rights; Equal Employment Opportunity (EEO); and Information Privacy (IP). In 2010/11 all staff undertook compulsory refresher training in EEO, provided by the Victorian Equal Opportunity and Human Rights Commission, and IP training by Privacy Victoria (p 77).

Our Staff Code of Conduct defines acceptable behaviour for the organisation and our Enterprise Agreement provides for conditions that allow staff to integrate their personal and professional lives, including carer's leave, flexible work arrangements, parental leave, an Employee Assistance Program and a Health and Wellbeing program (p 59).

Human Resources

We have a relatively stable workforce, with a staff turnover of 12.4% for 2010/11; however we also have an ageing workforce, with 37% over 51 years of age. Our new Enterprise Agreement has provided for even greater flexible work arrangements; nevertheless more work needs to be done on workforce planning (p 60).

Occupational Health and Safety (OH&S)

Providing a safe and healthy workplace for our staff, contractors, volunteers and visitors is a prime concern. Our OH&S Consultative Committee meets quarterly, with all areas of our organisation represented on the committee through designated work groups. Safety training is a vital component of the program and staff participated in a range of training and activities during 2010/11 (p 59).

Learning and Development

Through the staff performance management process, training and development needs are identified and planned for over the following year/s. In addition to attending shorter courses, seminars and conferences to enhance their knowledge and skills, our staff are encouraged to participate in further education through the provision of a tertiary study assistance program. We currently have five staff accessing tertiary assistance (p 59).

Society Strategies

Planning and Support for our community

A range of strategies and plans have been developed, or are in progress, to support our community now and into the future. Along with master plans for our two major townships of Colac and Apollo Bay, Public Health and Wellbeing, Access, Equity and Inclusion and Early Years plans have been developed. In progress is the development of the Public Open Space Strategy and the redevelopment of key recreational facilities (p 53, 55).

Consultation and Engagement

A new initiative for council has been the setting up of several community reference groups to provide input on a range of key planning and development projects. We are also seeking community interest in an industry advisory group, which will advise council and the board of the new trade training centre on the needs of local business and industry (p 10).

Community Grants

To assist our community undertake cultural, recreational, environmental and community support projects and activities, council provides grants and donations to community groups and organisations. In 2011 we gifted a total of \$418,028 to our community. Aggregated over the last 5 years this is a \$1.64 million investment in the social fabric of our community (p 81).

Economic Strategies

Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership initiatives across economic, social and environmental strategies. We focus on seven key themes:

- Workforce Development
- Climate Change

Business Development
Regional Development Planning
Marketing and Promotion
Infrastructure
Economic Development Leadership

Sustainable Growth

One of the key challenges for Colac Otway Shire is low population growth and the impact this will have on sustaining the economy and local community. We have an ageing population and to combat this trend we have developed two linked strategies that are anticipated to encourage more people to move and settle in Colac:

- The Colac Central Business District and Entrances project is designed to help guide streetscape and amenity improvements in central Colac and provide an inviting sense of arrival at the town's entry points. It will integrate the visual, natural and built landscape of the city and create a sense of arrival and a sense of pride in Colac (p 48).
- The Colac Marketing Strategy articulates the strengths of Colac as a place to live. Drawing on local industry, employment, recreation, health, education, housing, arts and culture, research and the anticipated local passion and energy generated through the community engagement, the strategy will express the vibrancy of the local community. Drawing on state government research into metropolitan attitudes to rural living, relocation, 'sea change/tree change', expectations of rural work/life balance and liveability, the strategy will identify Colac's comparative advantage.

Business Development

The annual Powercor, Otway Business Inc. Colac Otway Shire Business Awards encourage local business excellence with the application process providing a sound method for business operators to review their business operations and to see where success is occurring and improvements can be made.

Business sustainability and growth is also encouraged through professional development and networking opportunities. During 2010/11 a series of events called "On the Front Foot for Business" were completed (p 48).

In 2010 a sustainability requirement was included in each category of the local business awards to ensure that local business considers waste, energy and water. The criteria were

based on the principle of 'reduce, reuse, and recycle'.

Sustainable Labour Force

As one of the major employers in the shire, council contributes to the local economy through drawing the majority of its employees from the local community or region (p 60, 61), creating a relatively stable workforce with a focus on equal opportunity (p 78).

Aware that a skilled workforce is one of the key elements of local economic sustainability, we have joined the Colac Otway Vocational Education Cluster (COVEC) that includes the six secondary colleges in the local area. COVEC was successful in being granted funding to develop a Trade Training Centre in Colac that will meet the vocational education needs of Colac secondary School students and the skills development needs of local business. This will in turn reduce the amount of travel by local employees required for vocational and skills training in centres outside Colac (p 49, 50).

To further assist with workforce development, we also initiated the Colac Otway Industry Advisory Group, to provide advice to council on skills, labour, education and training issues and to the Board of the Colac Trade Training Centre on the training needs of local industry. We are also a participant of the steering committee of the Great South Coast Industry Workforce Development Committee.

Procurement

A Procurement Policy and Operational Procedures were adopted in 2010 that set out a 'green' approach to the purchase of products and services. Within the context of value for money, council prefers to purchase products that have good environmentally sustainable credentials and to select suppliers who adopt good environmental practices.

Council recognises the need to support local industry and is committed to buying from local businesses where purchases may be justified on a value for money basis. All other factors being equal, council may give preference to local economic benefit when sourcing products:

- Retention of local employment
- Increased local employment
- Increased activity and spend in the local economy with identifiable benefits

- The application of local content shall have consideration of both: Best Value Principles of the Local Government Act 1989; and National Competition Policy (Trade Practices Act).

Long-Term Financial Plan

In June 2011 council adopted its first ever Long term Financial Plan (LTFP). The LTFP provides the current and future councils a long-term focus on the prospects and ambitions of the Colac Otway Shire and its community.

This long term strategic planning tool is a continuous planning journey aimed at focussing attention on the shire's future needs. It is expected that future councils will build upon the plan and that Strategic Resource Plans and the annual budgets will have the LTFP as their keystone document. The purpose of the LTFP is to:

- Establish a financial framework over the next 10 years to ensure council's strategic objectives are met
- Provide an assessment of the resources required to accomplish these objectives and strategies
- Provide a basis for consecutive councils to establish and monitor long-term visions
- Establish a basis to measure council's adherence to its policies and strategies
- Assist council to comply with sound financial management principles and to plan for the long-term financial sustainability of the municipality.

Environmental Strategies

Sustainability policy development

In February 2010, council adopted the Environment Strategy designed to promote sustainability and environmental best practice across all areas of council operations, and to promote advocacy with regional stakeholders and the broader community. An Environmental Action Plan was completed in September 2010 to detail and monitor our progress against targets.

Recognising the need for policy development, a draft Environmental Sustainability Policy was developed by council's Sustainability Working Group. Endorsement of the policy will occur in 2011/12. This policy will formally adopt a way of thinking and a process that will help us work towards implementing the environment strategy. It will establish a common understanding of sustainability within council

and will help us to focus on actions leading to enhanced environmental outcomes.

Monitoring and evaluating progress

In the latter part of 2010/11 energy audits were carried out at our top three energy consumption facilities: council offices, the Colac Otway Performing Arts Centre and Bluewater Fitness Centre. These energy audits are a repeat of audits carried out in 2006, which identified a suite of actions to improve council's energy efficiency and reduce energy use related costs and associated greenhouse emissions. Over the last five years the majority of the recommended actions have been implemented successfully. During this same period organisational changes have occurred, including an 11% extension of office space for council staff; however our overall consumption of energy has reduced (p 43).

The 2011 audit allows council to take stock of our energy efficiency journey over the last five years and outlines new recommendations and actions to reduce council's energy consumption at these three major facilities in line with the targets set in the Environment Strategy 2010.

Solar energy making a contribution

The solar power (photovoltaic) systems installed at council's Visitor Information Centres in Colac and Apollo Bay generated 5,090kW hours of onsite renewable energy, representing approximately 10.5% of the facilities' annual electricity consumption. This reduced council's carbon footprint, while promoting renewable energy technologies to the local community and to visitors to our municipality. The success of these installations led to the approval of the purchase and installation of a 5kW solar power system (our largest council owned photovoltaic system to date) on council's old library building, which will be retrofitted as additional office space for council staff during 2011/12.

Water Harvesting and Conservation

The installation of several water tanks and associated equipment at the Bluewater Fitness Centre and the Central Reserve, two of the top five water users among council facilities, allows for the recycling and retention of pool backwash and the harvesting of rainwater, reducing council's potable water demand at these sites and saving approximately 2.7 million litres of potable water a year, the equivalent of filling the Bluewater pool four times. This successful water saving project was jointly funded by the

federal government and council. The rainwater harvesting project helps reduce rising water costs and demonstrates council's commitment to sustainable resource use now and into the future (p 42, 43).

Talking to staff about Council's 'Mission' toward sustainability

To facilitate greater council-wide understanding and collaboration in proactively addressing environmental challenges flowing from climate change, council initiated an electronic newsletter called *eMission* (p 45). It is an internal marketing and communications approach to sharing information about environmental initiatives, programs and suggestions. It is also a way for council's sustainability working group to share information and outcomes and to encourage staff to provide feedback and suggestions to implement the environment action plan.

Helping council staff to live and work more sustainably

Three staff initiatives were launched this year to help staff work and live more sustainably:

1. Established a staff kitchen garden to promote the concept of 'food miles', the costs associated with transporting food, and to improve staff health and wellbeing by providing some vegetables grown on-site
2. Replaced five chilled bottled water units with under-sink filters to reduce the waste produced by the plastic bottles, transport miles and energy use
3. Launched a staff/corporate bicycle pool to provide alternative options for travel around Colac, especially between council facilities, to reduce vehicle use, improve staff wellbeing and reduce council's carbon footprint (p 45)

The Eco-Living Project

With funding received from the Department of Planning and Community Development (DPCD), Colac Otway Shire and Surf Coast Shire councils, a cluster of five Community Houses in both shires collaborated to become "Eco Living Centres" and embed sustainability into Community House day-to-day operations. Each house implemented a Sustainability Accord model in line with the state government's Environmental Sustainability Action Statement. Each house was audited on their existing resource use to establish a point of reference in achieving and setting a target of increasing their environmental sustainability.

The clusters of Eco-Living Neighbourhood Houses are located in:

Colac Otway Shire - Gellibrand, Colac, Apollo Bay, Forrest and Cressy.

Surf Coast Shire - Deans Marsh, Anglesea, Winchelsea, Lorne, and Torquay.

The Eco-Living Neighbourhood house model was exemplary in providing the community with achievable sustainable practices that are simple to implement and will contribute to behaviour change. Neighbourhood Houses are predominately run by the community for the community and as such are likely to be more successful in this kind of behavioural change by taking a bottom up approach and empowering each individual community in being resourceful and drawing on local expertise and resources.

Colac-Otway Community Solar PV Bulk Buy

The recently formed Colac Otway Sustainability Group (community) successfully implemented a solar photovoltaic system bulk buy program for Colac Otway residents. The first round of the bulk buy program, which closed on 30 June 2011, resulted in a \$1.4 million project and achieved the fitting of over 300kW of solar power generation capacity when installed. The success of the first round has led to a second round of the program, which will commence in July 2011. Council supports the group and the bulk buy program by assisting with advice, administrative requirements and advertising and promotion.

Community events to promote sustainable living and community action

Council funded and ran community events/activities to promote Earth Hour 2011 and World Environment Day 2011, which were both full to capacity and provided great inspiration to the local community to live more sustainably (p 42).



ABOVE: Apollo Bay Visitor Information Centre solar power system

Our Council



Cr Brian Crook
Mayor
(from Dec 2010)

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 Shire unique.



Cr Stephen Hart
Deputy Mayor

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 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 Stuart Hart

First elected 2002
Re-elected 2004-07,
2008

Cr Stuart Hart is a financial analyst and futures trader. The son of a logger, Stuart attended Lavers Hill Consolidated (now P - 12 College). As a young adult he settled in Melbourne but later in 1990 moved away from his financial services brokerage in the eastern suburbs to establish a family in the Otways. Stuart has a son, Mark. Stuart's personal interests include emerging international financial and political trends; and his hobbies include veggie gardening and scuba diving. His immediate goals and visions for Colac Otway Shire are to build a strong council team, to strengthen democracy in the shire and to enhance our ratepayers' 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 etc.



Cr Lyn Russell

First elected 2008
Mayor (to Dec) 2010

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 Chris Smith

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.

Our Executive Management Team



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. Prior to returning Rob spent 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.



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 Moorabool Shire Council where he managed a similar portfolio. Prior to Moorabool Jack was employed as South West Regional Manager for the Department of Industry, Innovation and Regional Development, which helped him develop a strong affinity for the Colac Otway region



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 35 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.



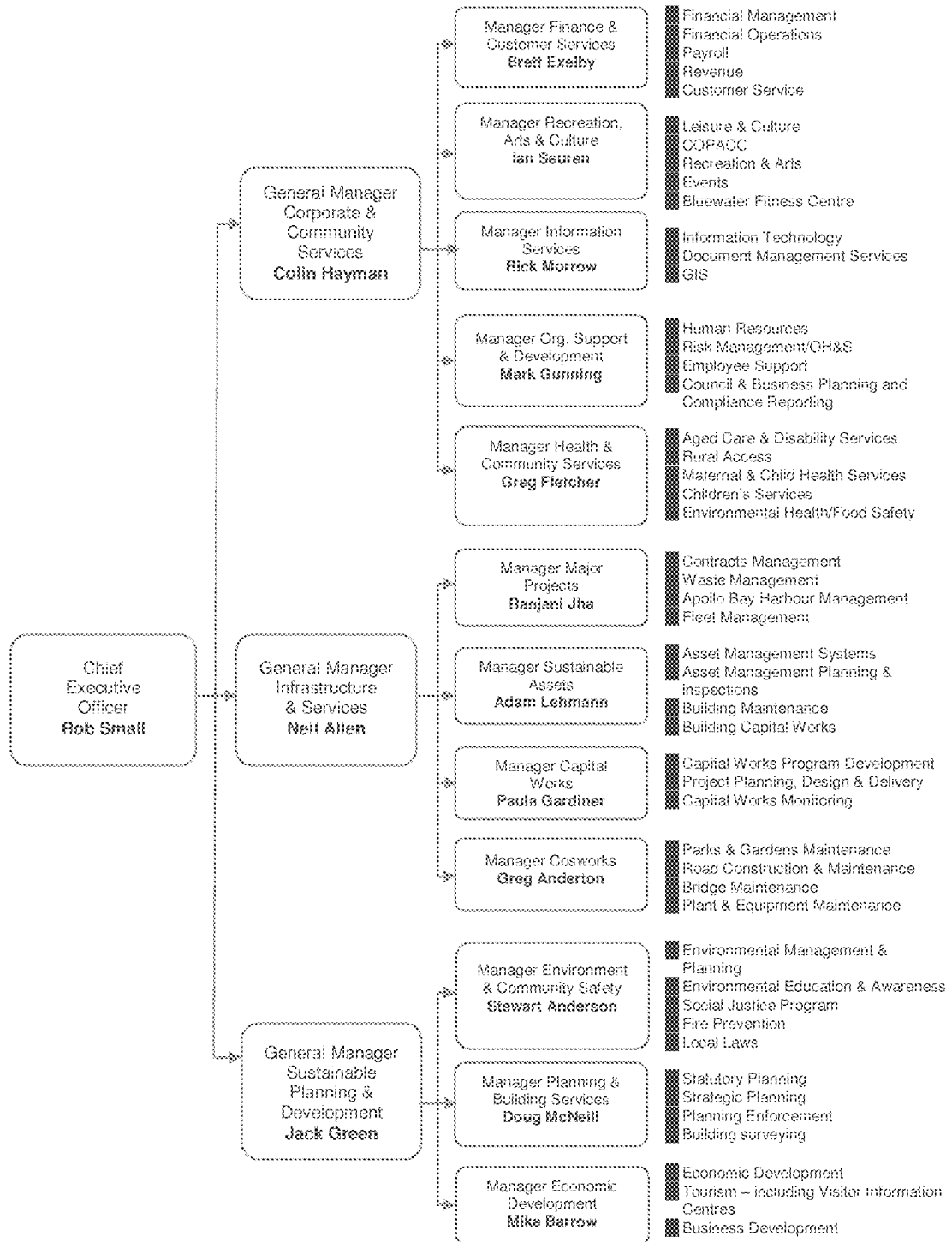
Neil Allen, General Manager Infrastructure & Services

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 to undertake the position of Director City Infrastructure.

Our Organisation Structure



Leadership and Governance



Objective

Council will fulfil its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.

Services, projects and programs supporting this key result area

| | |
|---|---|
| Audit Program | Executive |
| Communications | Financial Management Systems and Services |
| Corporate Governance | Fire Prevention |
| Corporate Systems development and improvement | Human Resources Management |
| Council and Business Planning | Information Communication and Technology Services |
| Councillor Support | Local Laws Enforcement |
| Customer Services | Occupational Health and Safety |
| Document Management Services | Rating/Property Services |
| Domestic Animal Services | Risk Management |
| Emergency Management/Readiness | |

ABOVE: Council's leadership in the Transport Connections project has helped link 14 towns to public transport including Colac, Apollo Bay, Lorne, Lavers Hill and settlements in between. PHOTO Fernie Millen

Highlights

Advocacy through the Australia Rural Roads Group

Council's participation in the Australian Rural Roads Group has raised the profile of Colac Otway Shire and highlighted the funding issues facing council into the future. In particular the challenges ahead to upgrade the council's 134 ageing bridges to meet current industry and community demands have been raised at a state and federal level, including Infrastructure Australia who have agreed to include bridges as a part of their investigations into the state of assets.

The group was initiated by Colac Otway Shire's Cr Lyn Russell and held its inaugural meeting in Horsham on 6 May 2011. A presentation was given on the funding and logistic issues facing council into the future regarding timber bridges. Issues for rate-payers, tourism and the timber industry have been the focus of ongoing presentations and information sharing with politicians and government departments (p 10).

Disadvantage in the Community

We need to demonstrate clear leadership to our community through strategic and practical approaches to key community issues. The key issues for our council include improving the liveability and wellbeing of disadvantaged community members and responding to growth of the region in a positive way. These two key strategic issues have received considerable focus in 2010/11. The development of the Towards Liveable Communities Coordinating Committee and participating in the Advancing Country Towns projects are key activities that council has embarked upon to progress these two matters.

Successful Implementation of the Waste Management Contract

Successful implementation of the Waste contract has involved the installation of the new 3-bin system, the kerbside collection of organic waste, recycling and garbage, and the management and operation of the transfer stations. The contract commenced on 6 September 2010 for a five year period, with an option to extend at the discretion of council for a further five years at a minimum of one year extension periods. The estimated annual value of the awarded contract is \$1.9 million (excluding GST) (p 31, 42, 45).

Management of the Port of Apollo Bay

Council has a 12 month interim contract with the Department of Transport (DOT) for management of the Port of Apollo Bay, with a decision still to be made by the Department on whether this will be a long term arrangement. We continue to manage the Port in consultation with DOT and in accordance with the new management agreement (p 31, 44).

Focus on Organisational Systems

During 2010/11 our major focus has been on improvements to some of the larger key systems and processes that impact the functioning of the organisation. These include the work to replace our electronic records management system and to introduce Prince2® project management methodology and the Business Excellence Framework. All of these systems will become operational in September 2011. The improvements resulting from this work will better place the organisation going forward and will enable improvements in the quality and cost of the services we provide (p 76).

Enterprise Agreement Negotiated

The successful completion of the 5th Colac Otway Shire Enterprise Agreement went smoothly, consolidating a strong relationship between staff and Council and enjoying good support from industrial organisations representing key staff groups. The agreement sets a solid framework for development of staff and the services they deliver to our community.

Staff Have Their Say

Staff from across all business areas of council participated in our biennial Employee Opinion Survey. Results were improved in many areas in comparison with previous surveys and revealed that the vast majority of our employees are strongly engaged with council's direction and the provision of services to the community.

Good WorkCover Management Delivers Results

Careful management of worker safety and of WorkCover during 2010/11 resulted in another reduction in the costs of worker injuries to council. This strong performance is against the industry trend and has resulted in council receiving a reduced premium cost for WorkCover insurances for the second consecutive year (p 60).

Fast Facts

Net Expenditure
(\$19,714,671)

Equivalent Full - time Positions
47.7

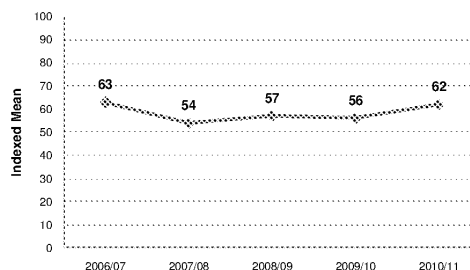
Key Functions

- Engage with and advocate for our community
- Monitor the efficiency and effectiveness of operations
- Ensure effective community consultation
- Support open and transparent decision-making processes
- Ensure sound financial practices
- Establish effective frameworks for planning
- Ensure compliance with relevant legislation and regulations
- Human Resources management
- Occupational Health and Safety compliance, audit and reporting
- Risk Management compliance, audit and reporting
- Corporate and business planning and reporting
- Management of council's IT infrastructure and systems
- Disaster Recovery
- Management of controlled council information, both hard copy and electronic
- Fire prevention inspections and standpipe management
- Local Law enforcement and issuing of permits

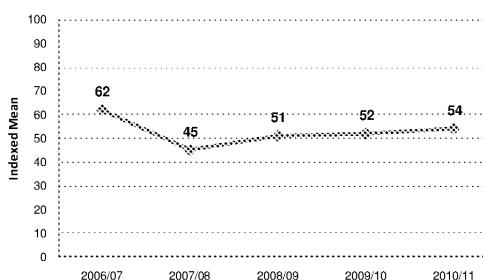
Service Statistics

- 95.5% Rates collected by year end
- 14,516 Property and 2,320 non-rateable assessments
- 282 Pension rebates.
- 938 Land information certificates issued
- 35,980 Debtor invoices issued
- 10,757 Supplier payments processed
- 68,968 Receipts issued
- 4,821 Dogs and 1,485 cats registered
- 235 Dogs and 10 cats returned to their owners
- 819 Permits (various) issued
- 118 new properties mapped
- 74,025 items of both inwards and outwards correspondence processed

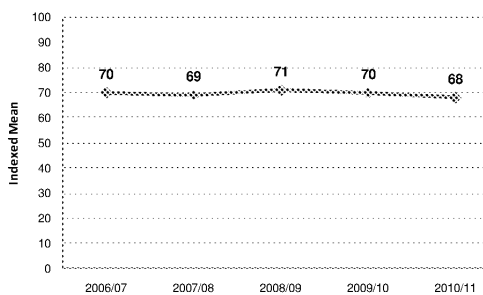
Advocating for Our Community



Engaging with Our Community



Customer Contact with Our Community



Source: Local government Community Satisfaction Survey 2011, Department of Planning and Community Development, prepared by Wallis Consulting

(Highlights cont)

Annual Report Win

We were very proud to again receive recognition for the quality of our annual reporting; winning best annual report in the "low resources" category of the Municipal Association of Victoria's annual reporting awards for our 2009/10 annual report. Within the report, wins were recorded for the sections on best financial overview and best reporting on corporate governance. The award is an acknowledgement of our commitment to communicate our business practices and obligations in a clear and informative way.

Most Lost Dogs are Finding a New Home

A publicity campaign to encourage residents to register their dogs and cats yielded 445 new dog and cat registrations - four times the yearly average for new registrations. The number of dogs euthanased (21) reduced by almost 50%, partly due to the considerable efforts made to re-house any suitable animals. However, the number of cats and kittens unable to be rehoused increased dramatically resulting in 147 euthanased, which initiated a publicity campaign for owners to de-sex their animals (p 78).

Financial Performance

The shire's financial performance for the year is broadly consistent with the targets set in the annual budget for 2010/11. One of the significant initiatives undertaken this year has been to include the assets of the Port of Apollo Bay within the Colac Otway Shire. This has presented Council with the problem of recognising these assets as income in the current year. This 'one-off' contribution provides for stability in longer term management of the Port of Apollo Bay assets as well as those of the shire at large.

The operating result for the year is \$16.9 million, of which \$2.8 million relates exclusively to the Colac Otway Shire. Further, the critical asset renewal target of \$3.28 million has been exceeded by \$0.21 million. Total income has grown by 44.7% to \$56.6 million (due to the Port of Apollo Bay) and total expenses have grown by 2.0% to \$37.7 million. This is a solid result given the growing demands for the diverse range of services provided by council (p 96-97 Note 5).

Disappointments

No Neighbourhood Safer Places (Places of Last Resort) Designated in the Region

Although council continues to work hard with relevant agencies to try to establish Neighbourhood Safer Places in suitable areas this has proven to be very difficult due to the high fire danger of the Otways. Clear guidelines exist for where they can be established. Major works will be required to have them established in the high risk towns (p 11).

Challenges

Increased Legal Challenges

Despite amendments to the Victorian *Wrongs Act 1958* protecting councils from liability where adequate risk mitigation actions are undertaken within the limited resources of a council, the increase in 'No Win/No Fee' offers by legal firms means that council is responding to more claims than in recent years. Despite the actions against council being unsuccessful, resource and cost implications of responding to these claims continues to be a challenge.

How do we become Carbon Neutral by 2016?

Council's Environment Strategy states that we will be carbon neutral by 2016. To achieve this ambitious target council needs to identify an approach that is the most effective from a cost and feasibility standpoint. In the interim we continue to reduce emissions through the installation of various energy saving devices on council buildings, such as solar panels and energy efficient hot water systems.

The Year Ahead

- Prepare organisational action plans to respond to the 2011 staff employee opinion survey
- Implementation and consolidation of the Business Excellence Framework and the Prince2® project management methodology across council's business units
- Review organisational policies and procedures for human resources, risk management, corporate development and reporting functions of council
- Review of Council's General Local Laws No's 1,2,3 and 5
- Continued application of Domestic Animal Management Plan to further increase the numbers of animals being re-housed and reduce the numbers that are euthanised
- Finalisation of an Animal Emergency Management Plan to assist the community with their animals in the event of a major emergency
- Implementation of the 2009 Victorian Bushfire Royal Commission recommendations
- Finalisation and implementation of emergency management Plans

Civic Events

Australia Day Awards

Colac octogenarian Ed Cole, whose volunteering spans service clubs, music and church groups, motorcycling, scouts, pastoral and agricultural pursuits, was Colac Otway Shire's 2011 Australia Day Citizen of the Year. Other winners include Hillary Woodcroft and Brittnee Colbourne, joint winners of Young Citizen of the Year. John Humphrey, Sporting Service Award and Jonathon Graham, Community Service Award.



ABOVE: 2011 Australia Day Award winners, from Left: Hillary Woodcroft, John Humphrey, Edward Cole, Jonathon Graham and Brittnee Colbourne.

Young Ambassador of the Year

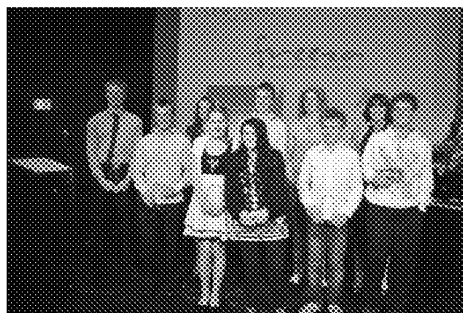
Colac Secondary College school captain Maggie McKenzie was the 2010 winner of the Colac Otway Shire's Young Ambassador Award for 2010. The young ambassador award acknowledges young people's community involvement and levels of achievement, and provides a \$1,000 award to assist winners continue to study or to develop other areas of interest.



ABOVE: Maggie McKenzie, our 2010 Young Ambassador

Inaugural "COOL" Awards

The Colac Otway Outstanding Leadership (COOL) Awards were staged for the first time, recognising the positive achievements of young people within the shire. The awards are a peer-to-peer recognition program funded through a Youth Week grant and open to people aged between 12 and 25 years. The major award for the night was the 'Great Mate' award, given to the most outstanding nominee in the Community Involvement category. This year recipients of the 'Great Mate' award were Ben Cardinal and Joel Craddock.



ABOVE: Inaugural "Cool" Award winners for 2011

Youth Council

Council inducted its 2011 Youth Council, which for the first time includes a non school-based member, Lucy Vesey, to represent youth outside the secondary school system. The other members are Tim Smith, Emma McMaster, Brittnee Colbourne, Josh Smith, Kayla Shields, Darcy Evans, Nara Langdon, Kye Doerson, Taylah Walters and Josh Morrissy. Kern Bauer from South West Local Learning and Employment Network, Terry Woodcroft from CoPyLit and Cr Chris Smith. The youth council program is designed to develop public participation skills, to encourage active involvement in the broader life of the community and to take on leadership roles.



ABOVE: Our 2011 Youth Council

A Window on Information and Communication Technology (ICT)

Where we came from

In 2008 the first Information Communications and Technology Strategic Plan was enacted, setting a roadmap for the development of ICT services. Initially the plan focused on technical infrastructure and transition to the latest state-of-the-art 'virtual' technologies. Virtual technology provides flexibility, efficiency and disaster recovery capabilities that were not previously possible. It also enables us to limit server down time, manage storage capacity growth and effectively meet the ever increasing server resource demands. Additionally, the new technology is very important in providing a base infrastructure for new applications and software enhancements.

Where are we now

Council officers have access to Geographic Information System (GIS) mapping and geographic capabilities that lead the way in our region. Mapping technologies assist with a range of management requirements including animals, roads and other infrastructure assets, and fire and emergency management.

In one application of GIS mapping, hand held devices provide satellite navigation overlaid with detailed property mapping information for the shire, allowing officers to drive down a road, note any issues directly into the device and, once back in the office, download all information and automatically print letters to the relevant landowners. Previously around 500 properties were inspected in a year, in 2010/11 it was 9,000. The change to the core system has provided council with the capability, in some cases, to meet reporting, audit and compliance requirements that would have been impossible with the old software suite.

Council has also provided some GIS capabilities to the community through a shared service arrangement with the University of Ballarat. Real time data is available with maps that include the choice of multiple features such as the location of groundwater, landslide and erosion and aerial photography. General council information, such as waste collection days is also available.

Where we are going

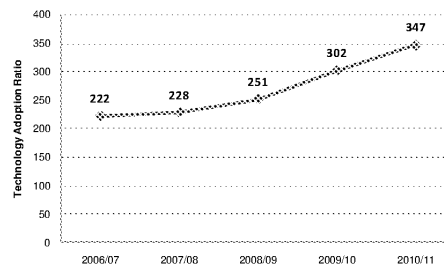
During the next two years three key systems will be replaced. These include:

1. A new electronic document management system that is compliant with the requirements of the State government. The new system will be operational in September 2011
2. A new asset management system that provides for full asset life cycle planning and maintenance scheduling
3. A new Voice Over Internet Protocol (VOIP) will replace our very old telephone system. It will provide a significant change in the capabilities officers will have access to and has the potential to change the way the public will communicate with council. A significant increase in the efficiency of council officers is expected to enable better service provision to the community


Council's internet presence is also being considered for a significant upgrade, which will enable the community to communicate with council through a range of e-service provisions, such as permits for planning applications and subdivisions.





The delivery of the long-term vision to develop ICT systems that support council's service delivery goals in the most effective way is on track and has already transformed the way council provides its services, both internally and to the community.

Technology Uptake Indicator



Progress on Council Plan Actions

 Completed
 In progress, continuing in 2011/2012
  Completed in 2010/2011/repeated annually
 On hold, for review

| Council Plan Strategies | Actions | Status |
|---|---|---|
| Lead the community in responding to the current and long term sustainability challenges facing the municipality | Pursue the development of a collaboratively developed Sustainable Population Strategy that takes into account the demographic, social, environment, economic, land use and leadership factors that make a great municipality. Participate in the G21 Regional Land Use Plan Review and, where possible, simplify Council's Local Laws |  |
| | Review of Council's Policies |  |
| | |  |
| Improve community engagement to ensure open, accessible, transparent planning and decision making | Continuously improve and implement Council's Community Engagement Policy, Procedure and Toolkit |  |
| | Conduct community forums throughout the Shire |  |
| Provide responsible financial management | Develop a ten year financial plan that is integrated with Council's Asset Management Strategy |  |
| | Support the Audit Committee and maintain an internal audit program ensuring an Audit Plan is developed and implemented annually based on the outcomes of the Risk Profiling project |  |
| | Facilitate a strategic and integrated approach for grants applications which ensures alignment with the Council Plan and Budget |  |
| | Secure multiple grants for major projects, where possible, to reduce Council's matching contribution from other than rate revenue |  |
| | Introduce the revised Procurement Policy and Council's Tendering & Contracting Procedures to ensure cost efficiency and transparency |  |
| Continuously improve the services directly provided by Council | Carry out continuous improvement reviews on Council operations and implement the prescribed actions |  |
| | Improve Council's Customer Service capability to increase customer satisfaction |  |
| | Actively promote the delivery of responsive customer service across the organisation |  |
| Advocate for improved infrastructure, services and utilities provided to our community by other organisations or levels of Government and in relation to environmental issues | Advocate and influence the development of water authorities' water supply demand policies and strategies |  |
| | Advocate for increased State Government recognition and funding as compensation for the Shire's larger than average area of non-rateable land |  |
| | Advocate for appropriate State and Federal Government funding for community priorities |  |
| | Participate in G21 and Great South Coast resource sharing forums and negotiations on regional strategic objectives |  |
| | Advocate for appropriate fire prevention activities in the Great Otway National park and other public land |  |
| Attract and retain quality staff | Negotiate the fifth Colac Otway Shire Enterprise Agreement |  |
| | Work in partnership with local and industry groups on employment branding initiatives that enhance the profile and appeal of local government as an "employer of choice" |  |

| Council Plan Strategies | Actions | Status |
|---|--|--------|
| Provide a fair, safe and healthy work environment | Enhance and implement the corporate occupational health and safety systems (SafetyMap) and ensure ongoing compliance with all relevant regulations | |
| | Review Council Offices and Staff Accommodation to ensure appropriate space is provided to accommodate staff | |
| Continuously improve operational systems, processes and minimise risk | Review and update Council's Risk Management Policy and Procedures Manual including compliance audits | |
| | Implement the Systems and Processes Review project to ensure that systems and processes are operating effectively and providing support to eliminate risk | |
| | Implement Council's Information Communication Technology strategic plan | |
| | Develop and implement Council's Information Services disaster recovery environment | |
| | Seek opportunities for sharing of resources and expertise across the region | |
| Communicate regularly, effectively and honestly with the community | Provide relevant, timely and accurate information to the community using print, radio and web media, as well as non-media channels such as newsletters and the Colac Otway Shire website | |
| | Ensure Colac Otway Shire's website is accessible, easy to navigate, utilises appropriate web technologies and contains relevant and up-to-date information | |
| Meet our statutory obligations for community safety, security and responses to emergency situations | Implement the Domestic Animal Management Plan | |
| | Implement the Municipal Fire Prevention Plan | |
| | Establish integrated fire management practices and endorse Township Protection Plans and neighbourhood Safer Places where appropriate | |
| | Undertake an annual review of the Municipal Emergency Management Plan (MEMP) from a Shire perspective and implement awareness training and readiness programs for community and staff | |

Physical Infrastructure and Assets



Objective

Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.

Services, projects and programs supporting this key result area

Apollo Bay Harbour Management
Asset Management
Building maintenance, development and upgrades
Colac Livestock Selling Centre

Contract Management
Engineering Design
Infrastructure Maintenance and upgrades
Road Safety

ABOVE. Machines work on the re-armouring of the Apollo Bay Harbour breakwater

Highlights

Opening of the Apollo Bay Transfer Station

The construction of the state-of-the-art Apollo Bay Transfer Station is an outcome of a project that has been 10 years in the making. It introduces Colac Otway Shire to a new era in waste management and including all costs, was in excess of \$3.0 million. The facility will service the community needs in the Apollo Bay area for waste and recycling for generations to come. This project is an outcome of the Best Value review on waste management.

It is estimated that the transfer station will receive 500 tonnes of recycling material, 2,000 tonnes of putrescible waste, 5,500 cubic metres of inert waste, 500 cubic metres of mulch and 250 mattresses per year (p 42, 45).

Apollo Bay Harbour Remedial Works

The upgrade of approximately 100m of the southern section of the main breakwater will increase the structural integrity of the harbour, safeguard the harbour assets from strong wind and tides and minimise sand movement. The breakwater remediation works contract was awarded in January 2011 and works were completed on 29 June 2011. The cost of construction of the breakwater project was \$792,224 (ex GST). Council acknowledges the State government's funding assistance through Regional Development Victoria for undertaking this significant project in time.

Slipway rail replacement and associated upgrade works

The replacement of approximately 300m of old corroded rail with new steel rails, galvanizing of boat cradles, fabrication of new cradle wheels and reinstallation works slipway rails and associated works were completed in September 2010 utilising Risk Mitigation funds received from the Department of Sustainability and Environment.

Strategic Road Improvement Programme

As part of council's strategic road improvement program, significant road improvement and reconstruction works were carried out on our road network. With a budget of approximately \$1.52 million,

necessary improvements, including road widening, pavement strengthening and drainage works, were completed. The programme included a number of important strategic transport link roads, with road users including heavy transport vehicles, school buses, local residents and tourists.

The widening of Queen Street, Colac, which provides a critical link from the Elliminyt area to local schools, community facilities and the central business area of Colac, has transformed a narrow one lane sealed road to a full width two lane sealed road, significantly improving road user safety.

Gravel Road Resheeting and Grading

During 2010/11 we spent \$1.74 million on gravel road resheeting of 108km, 10.2% of the 1,058km gravel road network, and \$0.46 million on routine gravel road regrading works. This figure included \$0.18M of works required to address flood and storm damage. High levels of rainfall throughout the year had a major impact on the condition of gravel roads, making it a difficult year to maintain the gravel road network.

Road Management Plan Implementation

Council continues to deliver on its road management commitments by meeting specific measures for Road Management Plan compliance. This relates to the proactive inspection and maintenance regimes established for our local road and footpath networks. An overall result of 97% was achieved for road and footpath maintenance responsiveness.

Footpaths

During 2010/11 key sections of our footpath network were replaced as part of the annual program. Approximately 1,350 metres of concrete footpath were renewed and included areas along Queen, Hart and Dennis Streets in Colac and also along Outlook Road, Ramsden Avenue and McLachlan Street in Apollo Bay.

Repair of Land Slips after Storm Events

10 major landslips were repaired throughout the Otway Ranges to ensure the safety of the travelling public. Repairs included building retaining walls, driving piles, reducing the load on the roads and carting away excess material. We also repaired a number of minor landslips which involved clearing of debris from the road.

Fast Facts

Net Expenditure
\$9,463,806

Equivalent Full-time Positions
66.4

Infrastructure and Assets
1,632 km of Roads
 o 558 km Sealed
 o 1,074 km Unsealed
 134 Bridges maintained
 120 km of Footpaths
 144 Buildings

Key Functions

- Development, management and monitoring of council's Capital Works Programs and major operational projects
- Project planning, design and delivery of infrastructure related projects within the Capital Works Program
- 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
- Provision of general engineering services to both internal and external customers
- Provision of civil infrastructure including roads, drainage systems, footpaths, car parks, bridges, traffic facilities, buildings, recreation areas etc.
- Capital improvement projects including the renewal of assets, upgrades and in some cases the provision of new assets
- Prioritisation of capital works projects to ensure council is able to allocate the available as each year the number of projects included for consideration is far in excess of the available budget
- Managing of tendering and contracts
- Management of the Colac Livestock Selling Centre, which provides facilities for weekly sales of livestock in the region

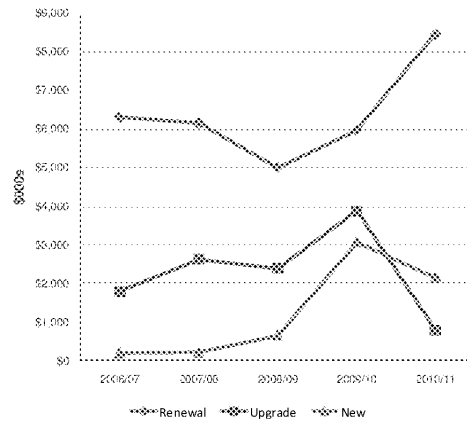
Service Statistics

- 1,350 m of Footpaths reconstructed
- 49,308 animals through the Saieyards
- 31 km of sealed roads resealed
- 108 km of gravel roads resheeted
- 82% capital works completed

Capital Works

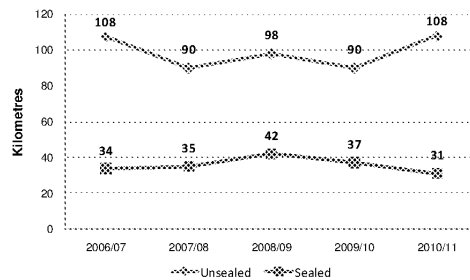
In '000s

| | Renewal | Upgrade | New | Total |
|---------|---------|---------|---------|----------|
| 2006/07 | \$6,301 | \$1,785 | \$196 | \$8,292 |
| 2007/08 | \$5,137 | \$2,626 | \$205 | \$8,968 |
| 2008/09 | \$4,995 | \$2,386 | \$647 | \$8,029 |
| 2009/10 | \$5,954 | \$3,875 | \$3,063 | \$12,892 |
| 2010/11 | \$8,464 | \$792 | \$2,150 | \$11,406 |

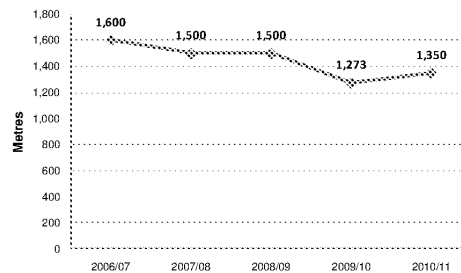


Significant new projects have been undertaken during 2009/10 and 2010/11. This, together with council's increased commitment to renewal in 2010/11, was offset by the reduction in upgrade expenditure.

Road Network Renewal



Footpath Repairs



(Highlights cont)

Long Term Asset Renewal Programmes

We have made steady improvements in our asset management capabilities in recent years. A key achievement in 2010/11 was the consolidation of systems and processes to determine future asset renewal funding demands and to integrate this with financial forecasts and capital works planning.

Asset Management Strategy and Steering Group

Our Asset Management Strategy provides an Action Plan to progressively move our current processes and practices towards best practice. The strategy aims to improve our performance relating to four key areas: processes; data; systems; and commercial and organisational issues.

One of the key outcomes of the Asset Management Strategy has been the formation of an Asset Management Steering Group. The group provides a corporate approach to asset management problem solving, resource sharing, understanding of financial asset management philosophies and overall ownership of asset management plan outputs.

Buildings

The improvement of important community buildings remains a high priority. A number of projects have been completed or commenced during 2010/11 to update existing facilities to promote greater use. Projects include refurbishment of the Stonyford Hall, upgrades to the Cororooke Hall toilets and access improvements to the Irrewillipe Public Hall. Some of these projects have been enabled with state and federal government funding. Major renovations have also commenced at the Beech Forest Public Hall and the Colac Youth and Recreation Centre.

The former Colac library building has been remodelled to accommodate a library annex and future additional office space for council operations. Design plans for the new office area were developed during the second half of 2010/11 in preparedness for construction in 2011/12.

Heavy Fleet Upgrade

Council upgraded its heavy vehicle fleet with a new \$358,270 grader and a new \$77,430 9m truck, in line with the plant replacement program. Our heavy fleet replacement program aims to upgrade major plant on a 10 year cycle to ensure its most efficient use and operation and to ensure best value for money is achieved for the community.

Infrastructure Design Manual

The introduction of the Infrastructure Design Manual has been an important milestone, providing clear and consistent infrastructure requirements for developers and council works. The manual was originally developed by three councils, Campaspe Shire, City of Bendigo and City of Shepparton. It has since been adopted by approximately 20 councils across Victoria, allowing for consistent standards for developers to follow. The introduction and adoption of the manual ensures infrastructure provision is of a high standard that will meet the needs of the users and wider community.

Disappointments

Damage to Roads

Council received damage to approximately 80km of road during major storm events requiring expenditure of \$132,000 to bring the roads back to pre-storm condition. This cost did not include additional expenditure required to clear trees, manage and repair landslips and clear drainage, which placed significant stress on the organisation to address the day to day operations in conjunction with rectifying storm events.

Capital Works

The percentage of capital works projects completed within the 2010/11 year is still slightly below the target of 85%. Council achieved 82% completion of capital works projects, which is on par with previous years' results, excluding 2009/10. Weather patterns during the spring and summer months resulted in large scale natural disasters both locally and nationally, which placed significant pressure on projects. Contractor availability and delayed starting times resulted in project completion dates being pushed past June 2011.

Challenges

Managing Asset Upgrades

The major challenge facing council will be to adequately fund the future asset gap for roads, and bridges in particular. Council is facing increasing pressure to up-grade road assets to meet community and industry expectations, which have changed significantly since the original infrastructure was constructed, particularly for higher mass vehicles. Significant funding will be required to upgrade these assets over the next five years.

Programming Road Maintenance Works

Programming of road and drainage maintenance works in conjunction with the weather and key users such as the timber and dairy industries will present a challenge for council to maintain the roads in a safe condition after periods of heavy rainfall. The emerging impact of extreme weather and climate events are placing considerable pressure on staff and equipment to respond to these challenges. If the trend of high rainfall continues over the next 12 months, the available budget will not be sufficient to carry out the works required.

Improvements to Project Management

Further development of project management practices across the organisation are still required to assist project managers with the skills and tools necessary to successfully deliver projects on time, on budget and to the required standard. Completing a minimum of 85% of the capital works program for the next year will be a high priority.

Botanic Gardens Heritage Listed

The Colac Botanic Gardens was listed on the Victorian Heritage Register in December 2010. The gardens were established in the late 1800's in response to the increased wealth of Victoria generated by the gold rush. The gardens reflected a desire to provide a place for recreation and education in keeping with European trends and are an important example of a Regional Botanic Garden.

Daniel Bunce and William Guilfoyle, two pioneers of botanic gardens in Victoria, both had a hand in designing the 16 hectare gardens. The gardens boast many rare plant species only found in historic gardens including four Tecate Cypress, a large Pagoda Tree, Kohuhu, Bunya Bunya Pine and an "outstanding" Huntington Elm.


















The heritage listing applies to the entire gardens precinct including the lake foreshore, the former curator's residence which now operates as the café, the Bilson Gates at the Gellibrand Street entrance, the lily pond, and cannon. As part of the heritage listing a permit is now required from Heritage Victoria to carry out works in the precinct other than general maintenance and management. This will ensure protection of this significant garden into the future, for generations to come to enjoy.

The Year Ahead

- Completion of a condition audit of council buildings to drive the development of a long term renewal and capital improvement program
- Development of first generation asset management plans for remaining major asset groups
- Continued implementation of the action plan extending from the Asset Management Strategy
- Prepare specification and tender document for replacement of dredge at Port of Apollo Bay.
- Work with Local Ports Division, Department of Transport to negotiate a long term management agreement for the Apollo Bay Harbour
- Further improve and refine project reporting to enable project managers to track the key milestones within each project to identify project slippage from a very early stage to try and bring the project back on track
- Develop improved linkages between forward planning for asset maintenance, renewal and upgrades and council's long term financial plan
- Further enhance the linkage of the 10 year capital works and major projects program with the long term financial plan, and annual budget preparation methodology, which would result in an easier first cut of annual budgets.

Progress on Council Plan Actions

 Completed
 In progress, continuing in 2011/2012
  Completed in 2010/2011/repeated annually
 On hold, for review

| Council Plan Strategies | Actions | Status |
|---|---|---|
| Ensure infrastructure development, renewal and maintenance plans address current and forecast community needs | Plan and implement infrastructure projects that transform townships and promote economic development and community strengthening |  |
| | Review and implement Asset Management Plans to ensure that the level of funding for asset development, maintenance and upgrade meets the community's expectations |  |
| | Develop a 10 year capital works and major projects program according to adopted priorities |  |
| | Review the 10 year capital works and major projects program annually |  |
| Implement and manage Colac Otway Shire's Road Management Plan | Continue active participation and involvement in the STEP Asset Management Program with the Municipal Association of Victoria |  |
| | In line with the Road Management Act 2004 requirements, review and update Colac Otway Shire's Road Management Plan |  |
| | Review and implement the Strategic Footpath Plan for Apollo Bay |  |
| Manage Council's buildings and facilities in a responsible, safe and sustainable manner | Develop Building Assets Management Plan and implement according to adopted priorities |  |
| | Develop a Land Rationalisation Program |  |
| Improve local and regional transport networks to ensure safety and accessibility | Advocate for strategic transport initiatives |  |
| | Implement the parts of the G21 Transport Plan relevant to Colac Otway Shire |  |
| | Advocate for duplication of the Princes Highway from Winchelsea to Colac |  |
| | Advocate for further improvements to the Princes Highway from Colac to the South Australian border |  |
| | In partnership with VicRoads identify options and plan for alternative road access through or around Colac, particularly relating to freight movement |  |
| | Advocate for improved commuter Rail Services and safe Railway Crossings |  |
| Ensure environmental risks are adequately addressed for Council infrastructure works, including impacts of climate change | Develop a proposed long term management response to sea level rise for Council assets |  |
| | Implement sound procedures to ensure that environmental constraints are adequately considered in the planning and implementation of Council's infrastructure maintenance activities |  |

Land Use and Development



Objective

Council will engage, plan and make decisions about land use and development that takes into account the regulatory role of Council, its diverse geography, social, community, economic and environmental impacts for current and future generations.

Services, projects and programs supporting this key result area

Building Control Services

Statutory Planning

Strategic Planning

ABOVE: Aerial view of Colac -- 'courtesy of Geelong Otway Tourism'

Highlights

Draft Rural Living Strategy a Milestone

The draft Rural Living Strategy was completed and placed on public exhibition in January for two months. Our community has taken a strong interest in this strategy and given the complexity of planning considerations to be taken into account, the exhibition of the draft has been an important milestone. The strategy makes a number of recommended changes to zoning of land to recognise past rural residential development in the shire, and identifies areas for growth of a few small towns outside Colac and Apollo Bay, including Birregurra, Beeac and Forrest, and to a lesser degree, Coragulac. The strategy will be finalised late in 2011, leading to a planning scheme amendment to implement its recommendations.

Improvement in Processing Planning Permits

We recognise the need for continuous improvement in the way our service is delivered and have achieved a positive outcome in processing times for planning permit applications over the year. These have been maintained at a consistently high level, with 78% of applications completed within the statutory 60 day period. We plan to build on this in 2011/12 by introducing a series of new information sheets and checklists to assist in conveying planning processes and requirements, with the aim of reducing the instances where further information is required with new applications. Our strong performance in processing times is a result of the experienced and stable planning team that has been established, along with the series of process improvements that have been implemented over the past few years.

Improvements to Colac's Central Business District (CBD) and Town Entrances

The Colac CBD and Entrances Project proceeded quickly over the course of 2011 following appointment of the successful consultant in December. The project aims to enhance Colac's attractiveness and liveability and is part funded by Regional Development Victoria. A Discussion Paper and detailed schematic concepts (in advance of a draft report), indicate opportunities for interventions that would result in significant improvement to the public realm of Colac's CBD and eastern/western entrance areas. The project will be finalised early in 2012, followed by

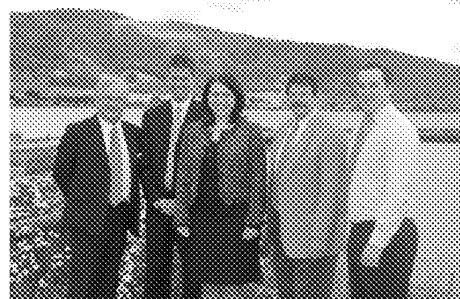
efforts to attract state and federal grants to fund the infrastructure improvements.

Planning Scheme Review Completed

The Four Year Planning Scheme Review, required by legislation, was completed and adopted by council in October 2010. The review audits the performance of the planning scheme, identifies any gaps in our planning policy and provides recommendations for future work to be undertaken.

The 2010 review confirmed that our planning policies are generally sound, but identified some concerns with state planning provisions relating to tourism accommodation in rural areas, lack of policy direction for development in low lying areas vulnerable to future sea level rise, and complexity of planning controls applying to residential development in council's smaller towns. It further affirmed the need to complete and implement current local projects such as the Rural Living Strategy and Colac and Apollo Bay Car Parking Study, and to undertake strategies for Colac's commercial and residential areas as well as a Neighbourhood Character Study for Birregurra.

Council commenced a neighbourhood character study for Birregurra early in 2011 and placed the draft rural living strategy and car parking strategy reports on public exhibition. Budget requests have been developed for other projects identified in the review for consideration in the 2012/13 budget.



ABOVE. Parliamentary Secretary for Planning Jenny Mikakos announced a \$95,000 grant to assist with the incorporation of the Apollo Bay Harbour Masterplan into Colac Otway Shire's planning scheme. This makes the major redevelopment of the harbour into a seaside recreation precinct one step closer.

Fast Facts

Net Expenditure

\$1,717,521

Equivalent Full Time Positions

12.5

Key Activities

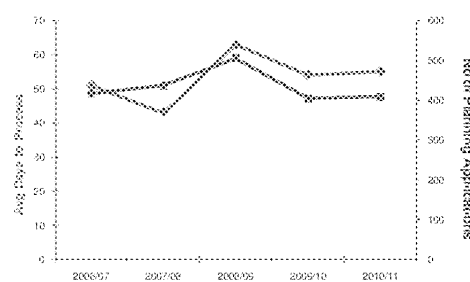
- Administering the *Planning and Environment Act 1987* through the Colac Otway Planning Scheme, as well as other related legislation such as the *Subdivision Act 1988*
- Provision of planning advice and property information
- Processing subdivision plans, assessment and decisions on planning permit applications
- Representation of council at Victorian Civil and Administrative Tribunal (VCAT) hearings
- Enforcement of planning permit conditions and planning scheme provisions
- Guidance on strategic projects that result in amendments to the planning scheme
- Input into state and regional initiatives, and amendments undertaken to rezone land when required
- Review of the planning scheme every four years to improve its performance
- Ensure 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
- General building advice
- Determining 'report and consents' for variations to siting requirements
- Processing of building permit applications
- Mandatory inspections for approval

Service Statistics

- 409 Planning applications received
- 123 Building applications received (council applications)
- 12 Appeals to VCAT; 5 Council decisions upheld, 7 overturned
- Average of 55 days to process planning applications

Planning Applications

| | Number of Applications | Avg Days to Process |
|---------|------------------------|---------------------|
| 2006/07 | 417 | 51 |
| 2007/08 | 437 | 43 |
| 2008/09 | 506 | 63 |
| 2009/10 | 404 | 54 |
| 2010/11 | 409 | 55 |



Planning Applications Completed within the 60-Day Statutory Timeframe

| | Colac Otway Shire (COS) | Rural Councils |
|---------|-------------------------|----------------|
| 2007/08 | 89% | 71% |
| 2008/09 | 60% | 67% |
| 2009/10 | 90% | 71% |
| 2010/11 | *92% | *Unavailable |

* Based on information available at the time of this report as PPAR data (State government Planning Permit Activity Report) not available until October 2011.

Disappointments

Delays to Implementation of the Apollo Bay Harbour Master Plan

We received government grants in 2010 to fund the preparation of a planning scheme amendment to implement the Apollo Bay Harbour Master Plan into the planning scheme. This has been delayed due to the emergence of some concerns in the community about aspects of the 2008 master plan and evidence of widespread misinformation in the community.

Prior to proceeding with the amendment, we have provided additional information on the plan to the community, and have conducted an independent survey to gauge public opinion on the harbour redevelopment. The delay has required two extensions to a State government grant, and is disappointing given the hard work that has gone into securing the funds required to take this next step in the master plan process.

Birregurra Structure Plan Placed on Hold

The draft Birregurra Structure Plan was placed on hold in December 2010 after we received a number of submissions expressing concern at the potential impacts of future development on the town character, due in part to misinformation in the community about the project. Council resolved to defer the project until the preparation of a Neighbourhood Character Study for the town. This plan will determine what planning controls should be introduced to appropriately manage future growth. A Community Reference Group has been established to help guide the finalisation of the plan. Whilst the delay in finalising the structure plan is disappointing, the Neighbourhood Character Study should positively address the concerns of many in the community and will provide a more thorough structure plan outcome when the project is completed in 2012.

Challenges

Impact of Bushfire Regulations

The State government is finalising a series of changes to state planning provisions and building regulations relating to bushfire and will be introducing these toward the end of 2011. There is likely to be significant

changes to statutory provisions, mapping of bushfire prone areas, and state policy approaches, which is expected to result in a difficult transition period for planning staff, land owners and professionals. The challenge will be to ensure that staff are appropriately trained in the new provisions and that the implications are communicated effectively to permit applicants.

A further challenge will be to manage the resource impact on the planning service of providing staff input into a range of related State government led projects implementing the Bushfire Royal Commission findings, such as the new planning provisions, the Regional Bushfire Mapping and identification and planning for new neighbourhood safer places. The development of local planning policy, using the recent \$120,000 State government grant, will also impact on the shire's strategic planning program, as this is a new project which had not been contemplated until the minister's announcement of the funding in May.























The Year Ahead

- Develop a local policy that complements the State government's new state-wide bushfire planning provisions using a government grant
- Finalise the Rural Living Strategy and commence an amendment to the planning scheme that implements its findings
- Finalise the Colac CBD and Entrances Project report and begin to seek external grants for implementation of the project
- Prepare and exhibit a planning scheme amendment to implement the Apollo Bay Harbour Master Plan
- Adopt a policy for management of council's Essential Safety Measures responsibilities, and make further progress monitoring compliance in private buildings

Progress on Council Plan Actions

 Completed
 In progress, continuing in 2011/2012

 Completed in 2010/2011/repeated annually
 On hold, for review

| Council Plan Strategies | Actions | Status |
|---|--|---|
| Ensure a partnership approach to land use planning that reflects the needs, values and aspirations of the community | Advocate to have Colac Otway Shire included in the State Government urban land monitoring program |  |
| | Advocate for more detailed mapping of the Erosion Management Overlay by State Government |  |
| | Finalise a Rural Living Strategy and implement findings |  |
| | Finalise and implement a car parking study for Colac & Apollo Bay |  |
| | Finalise and implement the Birregurra and Forrest Structure Plans |  |
| | Prepare a Colac Residential Strategy that includes a review of long term growth options at Elliminyt |  |
| | Prepare a precinct plan for East Colac |  |
| | In conjunction with the State Government, and subject to external funding, exhibit a Planning Scheme amendment for the Apollo Bay Harbour Master Plan |  |
| Ensure that responsible planning mechanisms are used to control development in areas potentially affected by climate change | Work with State Government to develop appropriate planning controls that respond to predicted sea level rise |  |
| Ensure all Council land use plans and strategies are current and responsive | Undertake a four year review of the Planning Scheme |  |
| | Regularly update and improve the Colac Otway Planning Scheme through Planning Scheme amendments |  |
| | Prepare a Commercial Strategy for Colac |  |
| | Undertake a review of future growth options for Apollo Bay |  |
| Enforce planning and building regulations to meet legislative requirements | Implement comprehensive monitoring of the Essential Safety legislative requirements |  |
| | Review practices for monitoring swimming pool fencing |  |
| | Implement mechanisms to improve knowledge of building and planning requirements/responsibilities |  |
| Ensure consistent and timely decision making for building and planning applications that meet Council's policy framework | Document and continuously improve processes and procedures for assessment and determination of building and planning permit applications |  |
| | Prepare and develop a more comprehensive Information Kit on building and planning application requirements |  |
| | Provide improved access to building and planning information on Council's website |  |
| Ensure that environmental risks are adequately addressed for new development and land use | Work with State Government to develop and introduce planning controls that accurately reflect areas known to potentially have acid sulfate soils |  |
| | Introduce a Salinity Management Overlay to affected areas |  |
| | Work with State Government to review policies and provisions in fire risk areas as appropriate following the conclusion of the Bushfire Royal Commission |  |

Environmental Management



Objective

Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts.

Services, projects and programs supporting this key result area

Environment Education/Promotion
Environment Planning
Natural Resource Management
Sustainability Management
Transfer Stations/Recycling
Waste Management

ABOVE: Volunteers help to remove Undaria Pinnatifida, a marine pest commonly known as Japanese kelp, infesting Apollo Bay harbour

Highlights

Saving Our Water

Several water tanks have been installed at the Bluewater Fitness Centre and Central Reserve, two of council's top five water using facilities. The tanks allow for the recycling and retention of pool backwash and the harvesting of rainwater, which reduces our potable water demand at these sites. The harvested water is currently being used for landscape irrigation and the flushing of toilets at both facilities, but future plans are in place to allow the use of the harvested water for pool top-ups, showers and potentially to water the sporting fields in dry years. The five tanks installed have a combined retention capacity of 160,000L at any one time and will result in an annual saving of 2.7 million litres of potable water a year (p 16, 43).

Helping staff to live and work more sustainably

In 2010/11 several sustainability programs were successfully introduced to help council staff take action to be more sustainable at work and at home. Recycled paper replaced all other forms of copy paper in the main council offices, a staff kitchen garden and bike pool were established to improve staff wellbeing and health, provide hands-on opportunities to take action to reduce both our personal and organisational carbon footprint (p 17).

Improving the health of Lake Colac

We continued to carry out weed control and revegetation works around Lake Colac and along Barongarook Creek. Many exotic trees have been removed and over 15,630 indigenous plants were put in to improve the health of the creek and the lake. Weed control has also been undertaken in areas that were revegetated in 2009/10 to try to give the native plants the possible chance of surviving.

Getting the community involved in environmental programmes

The community helped council undertake many environmental activities spread out across the year. Over 1,000 people took place in the various events during Clean Up Australia Day, Earth Hour, World Environment Day and National Tree Day. We worked closely with schools to get

children involved and with community groups such as Rotary. Rotary entered into an MOU (Memorandum of Understanding) with Council to revegetate and maintain a difficult area of land adjoining Lake Colac.

New 3-Bin Kerbside Waste Collection System Benefits the Environment

Our shire moved to the state preferred 3-bin system for waste collection in September 2010. Australian Standard bin colours were chosen to provide residents and visitors with consistency in bin systems across other regions and to help in community education. Our aim is to maximise recycling and minimise waste to landfill. 3,790 tonnes were diverted from landfill in 2010/11.

We have already seen an improvement in the quality and quantity of organic waste, with contamination levels decreasing as a result of introducing a separate organics bin (p 23, 45).

Recycling at Colac Otway Shire

Council held successful e-waste and small electrical waste collection days in both Colac and Apollo Bay in December 2010. More than 130 cubic metres of electrical waste was collected and disposed of for recycling over two days.

A new recycling agreement with Battery World, means residents can now drop batteries at council customer service centres (household only) and car and household batteries at council transfer stations at no cost.

Other programs that council is involved in to promote resource recovery include Tapex Silage Wrap, DrumMuster, Waste Oil Recycling, MobileMuster, Dreamsafe Mattress recycling and Planet Ark Cartridge recycling (p 31).

Rehabilitation of Bruce Street Landfill

Council has appointed consultants to undertake environmental monitoring as part of the formal landfill rehabilitation requirements recommended in the auditor's report of February 2010. The main actions involved the monitoring of ground water, landfill gases, leachate and groundwater level, and proposing an ongoing test program for the future.

Fast Facts

Net Expenditure
\$2,336,383

Equivalent Full Time Positions
3.1

Key Activities

- Protection and enhancement of environmental assets in the shire
- Promotion of sustainable use of natural resources
- Strengthening partnerships with key stakeholders
- Building community capacity through environmental education and awareness raising programmes
- Working closely with other business units to achieve multiple benefits from council programmes
- Organisational greenhouse footprint tracking and reporting including vehicle fuel consumption, street lighting, energy use and waste
- Waste minimisation programs
- Auditing the water use of council facilities
- 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)

Service Statistics

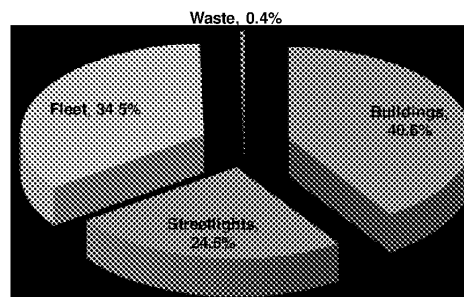
- 17,079 trees, grasses and shrubs planted
- 3,790 tonnes of domestic waste diverted from landfill
- Weed control conducted on 20 council managed environmental assets and 150 high conservation roadsides.
- Various environmental education events held across the shire including, World Environment Day, Sustainable Homes Tour, Earth Hour, National Tree Day, School Tree day, Threatened Species Day and Clean up Australia.

Total CO2 Greenhouse Emissions (CO2-e tonnes)

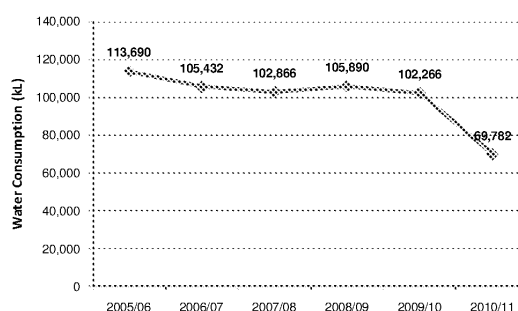
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| Buildings | 1,955 | 1,939 | 1,957 | 1,975 | 1,941 |
| Streetlights | 1,138 | 1,166 | 1,172 | 1,172 | 1,172 |
| Fleet | 1,647 | 1,652 | 1,653 | 1,642 | 1,647 |
| Waste | 17 | 17 | 17 | 17 | 17 |
| Total | 4,757 | 4,774 | 4,799 | 4,806 | 4,777 |

During the 5 year period shown, organisational changes include an 11% extension of office space for council staff; however our overall consumption of energy has reduced.

Proportion of CO2 Emissions for 2010/11



Total Water Usage for Council Facilities



Over the last five years council's total water usage has dropped from 113,690kL to 69,782kL, a 39% reduction.

Source: 2011 Planet Footprint Report

(Highlights cont)

**Volunteer Undaria Weed Removal Day --
Apollo Bay Harbour**

A volunteer Undaria removal day was organised by Parks Victoria on 13 November 2010 for the Apollo Bay Harbour. *Undaria Pinnatifida* is a marine pest, commonly known as Japanese kelp that was first detected at the Apollo Bay harbour in mid 2009. In 2009 the efforts of the Department of Sustainability and Environment (DSE) to remove Undaria from the harbour waters using contracted divers was not successful and the current focus is on containment rather than eradication.

Parks Victoria intends continuing with manual removal subject to further studies on areas that were not targeted in the first round, such as the seagrass areas, and will utilise the public media to provide necessary information to the community and stakeholders. Some of the future recommendations include setting up of monitoring sites on heavily infested areas and control of vessel movements to prevent the risk of spread to other areas.

Disappointments

Auditing of landfills

The problems associated with the Cranbourne Landfill being constructed adjacent to residential areas has meant the Environmental Protection Agency (EPA) has increased the auditing and monitoring requirement of disused landfills. This has impacted on council through the imposition of tighter and more extensive auditing requirements where peer review is required of audits. This has meant that council is taking longer than anticipated to work its way through the audit process of its disused landfills. The expectations are that more stringent requirements will be placed on councils that will see compliance costs increase significantly over coming years in relation to matters relating to former landfills.

Challenges

Roadside Weeds

The management of weeds along roadsides remains a very challenging issue. Council has worked with the Municipal Association of Victoria (MAV) and the State Government to develop new guidelines for managing roadside weeds in a strategic manner. The guidelines also identify suitable funding mechanisms to enable councils across the state to carry out the costly works. If the guidelines are approved then council will need to develop a strategic approach to managing weeds on roadsides that is agreed to by the state in order to access funding.

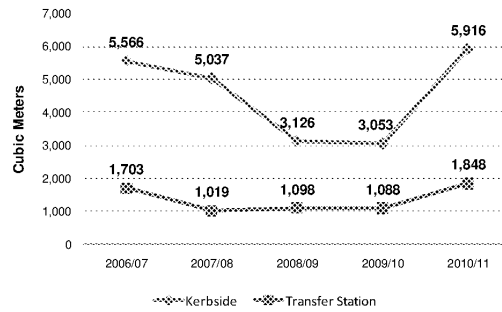
Sustainability training for Staff

While sustainability principles and practices are relatively well known these days it is more and more evident from sustainability project case studies across the private and government sector that without whole-organisational training, commitment and embedded practices the long term success of any sustainability initiative is limited. We need to develop a cross-organisation training and awareness raising programme to keep people aware of what they can do to encourage the organisation to further reduce waste, along with our water and energy consumption.

The Year Ahead

- A 'green' redevelopment/refit of the old council library to office space to ensure occupancy comfort and functionality with minimum environmental impact during construction and ongoing operations
- Development of a Roadside Environmental Management Plan to replace the existing Roadside Vegetation Management Plan to minimise environmental impacts associated with necessary road works and maximise the protection of roadside vegetation that is outside of the road maintenance area
- Continue to work with the community on improving the health of Lake Colac and Barongarook Creek by carrying out more weed control and revegetation works. The foreshore path, Lions Park and Bird Reserve areas will again be the focus of our efforts to ensure the work carried out in previous years is consolidated
- Undertake an Alvie Landfill audit to comply with the EPA landfill license reform requirements
- Undertake rehabilitation works at the Marengo Landfill site in accordance to EPA's landfill post closure requirements
- Work with DSE for Underaria control at the Apollo Bay Harbour

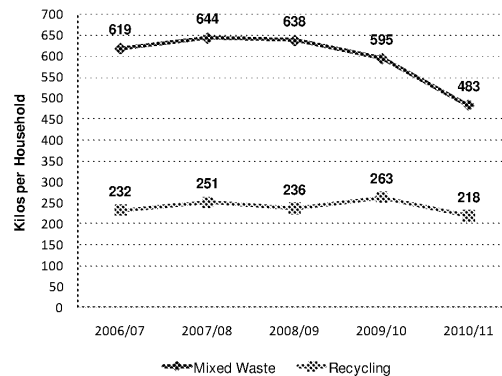
Organic Waste Diverted from Landfill (cubic metres)



The increase in organic waste reflects increased seasonal growth following a return to average rainfall after a number of dry years, and the introduction of the 3-bin system which has resulted in less organic material being sent to landfill as a result of contamination.

Mixed Waste (Landfill) and Recycling Kerbside Collection (tonnes)

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|-------------|---------|---------|---------|---------|---------|
| Mixed Waste | 5,478 | 5,816 | 5,845 | 5,452 | 4,463 |
| Recycling | 2,051 | 2,287 | 2,158 | 2,410 | 2,013 |



The 3-bin system has made it easier for households to sort their waste, resulting in less organic material going to landfill as a result of contamination.



Welcome to Colac Otway's E-newsletter
 Our newsletter is an annual publication that provides you with the latest news, information and updates on council activities, programs, projects and initiatives.
 It is updated regularly and is available in both print and electronic formats. You can choose to receive the newsletter in either format or both. If you have any queries, please contact the Council's Information Services Unit.
 This e-newsletter is available to all residents of Colac Otway Shire and is free of charge.

Starting this first update the focus is on **Traveling Smarter!**

Our network of 117 "green" travel agents is now available to help you plan your next holiday. Support and advice is available 24/7. Our website also provides information on the latest travel deals and offers. Visit our website at www.colacotway.vic.gov.au for more information.
 The range of services we offer is growing and we are excited to offer these services. Book now to take advantage of our special offers!




















Our message for the future is to encourage you to ride your bike more often. It's a healthy and fun way to get around town. It's also a great way to reduce your carbon footprint. We encourage you to ride your bike to work, school, or the shops. It's a simple way to make a difference. We encourage you to ride your bike more often. It's a healthy and fun way to get around town. It's also a great way to reduce your carbon footprint. We encourage you to ride your bike to work, school, or the shops. It's a simple way to make a difference.

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ABOVE: Electronic newsletters share environmental initiatives with staff

Progress on Council Plan Actions

 Completed
 In progress, continuing in 2011/2012
  Completed in 2010/2011/repeated annually
 On hold, for review

| Council Plan Strategies | Actions | Status |
|---|--|---|
| Develop a coordinated approach to managing environmental issues across all Council activities | Implementation of the Environment Strategy |  |
| | Development of annual Action Plans for the Environment Program |  |
| Ensure the protection and enhancement of environmental values on Council owned and managed land | Develop and implement action plans to manage the threats to environmental assets on Council managed land in accordance with the Environment Strategy 2010-2018 |  |
| | Continue to implement the Lake Colac Management Plan and the Re-vegetation and Weed Control Master Plan |  |
| Facilitate the protection and enhancement of environmental values on private land | Continue to carry out audits of forestry operations on private land |  |
| | Continue to raise the awareness of private landholders on their responsibilities in relation to the environment |  |
| | Update the environmental overlays in the Planning Scheme to introduce the latest biodiversity mapping prepared by State Government |  |
| Minimise environmental impacts and the use of natural resources associated with Council operations in accordance with Council's Environment Strategy 2010-2018 | Continue program of works and practices in the Greenhouse Action Plan to reduce Council's carbon footprint |  |
| | Continue to implement agreed, viable water saving measures via Council's Sustainable Water Use Plan |  |
| | Implementation of the planning scheme and Council processes to manage environmental issues associated with Council works |  |
| Promote environmental values in the broader community and work with other stakeholders on managing large scale issues in accordance with the process identified in the Environment Strategy 2010-2018 | Coordinate a range of environmental events across the region |  |
| | Promote awareness of environmental issues through various media and forums |  |
| | Advocate where appropriate community views on environmental issues outside the direct responsibility of Council |  |
| | Encourage energy efficiency including the use of renewable and alternative energy sources |  |
| Minimise, recycle and manage residential waste | Implement the Landfill Rehabilitation Plan |  |
| | Implement the Waste Management Plan and new contractual arrangements |  |
| | Implementation of the Waste Water Management Strategy |  |

Economic Development



Objective

Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership.

Services, projects and programs supporting this key result area

Business Development
Economic Development
Small Town Improvement
Tourism

ABOVE: Thriving Murray St in Colac's CBD PHOTO: Jon Barber

Highlights

Infrastructure Projects Directly Impacting Economic Development

The Small Town Improvements Program (STIP) for 2010/11 was successfully implemented. This program is designed to facilitate a healthy and resilient economy through the development of infrastructure for business investment, growth and liveability and through these additional resources, develop small town/community capability. STIP priority projects are based on Township Community Infrastructure Plans, to which Council commits \$80,000 each year. The following township projects were completed:

- Forrest Tiger Rail Trail – providing a safe, off-road route for people of all abilities
- Lavers Hill Hall – installation of a commercial kitchen and upgrade to the meeting room, allowing broader use of the facility
- Beeac Windmill Park – development of a tourist and local heritage attraction, including production of a History Walk brochure for the town
- Gellibrand pathway – construction of a 500m all access walking track loop connecting the Old Beechy Rail Trail and the Rex Norman Park, enhancing social and recreational activities
- Birregurra Park - construction of a new shelter and installation of new barbeques, picnic tables and seating, new pathways, landscaping, and installation of a new 3-phase power connection. To complete the upgrade new playground equipment was funded from the Recreation budget. The refurbished park provides better access for the community and more effective use for events such as the Birregurra Festival and monthly markets

In addition, Township Community Infrastructure Plans were reviewed for Beeac and Cressy and a new plan developed for Skenes Creek.

Planning for CBD Redevelopment

The initial draft planning process for the redevelopment of the Colac Central Business District and town entrances has been completed. The planning process has identified streetscape improvements that will increase the visual appeal and liveability of

the town, attracting new investment, new residents and tourists.

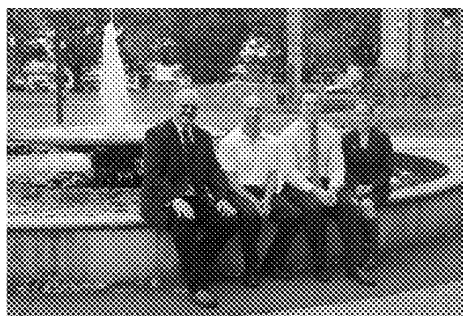
Confident Business Community

A business confidence survey revealed a positive result, with 83% of businesses expecting their net income to be almost the same or higher than for 2009/10. 63% of businesses have also indicated that they think the local economy will improve this year and 85% of businesses are looking to employ more staff within the next 1-2 years. Another positive outcome of the survey was that 58% of businesses are planning on investing money into their business within the next 1-2 years.

Supporting Local Business Development

The 'On the Front Foot for Business' program was successfully completed and well attended. This program of events supports business training and development and business networking. The series included:

- Succession Planning – David Haymes, Haymes Paints
- Business Services, End of Financial Year - WHK
- ANZ Business Breakfast - Michelle Gamble, Marketing Angels
- Business mentoring sessions - Small Business Mentoring Service
- 2011 Business Awards Launch event - past winners discuss how it has positively affected their business
- Social Media marketing - Sam Mutimer, Thinktank Media (p 15)



ABOVE: Representing the 12 person Colac CBD Development Reference Group, L - R: Cr Brian Crook, Frank DeLorenzo, Michael Swanson, Business Development Officer, and Alisha Bergman

Fast Facts

Net Expenditure
\$1,044,706

Equivalent Full-time Positions
13.2

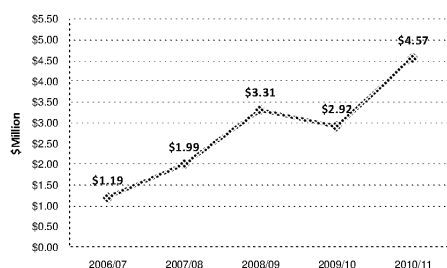
Key Functions

- Work with business, government and community partners to help develop a sustainable local economy
- Supporting local business development
- Providing services for tourism to encourage them to stay longer in our region and spend more locally to support local business and the community
- Delivering capital works projects that have a direct impact on economic development
- Promoting investment in local communities
- Developing and implementing local Township Master Plans and implementing local priorities through the Small Town Improvement Program

Service Statistics

- 204,306 walk-in visitor enquiries serviced and answered 26,061 phone enquiries at the Colac and Great Ocean Road Visitor Information Centres. Both Centres maintained Level 2 accreditation
- 6 Small Town Improvement Program projects undertaken, with council contributing \$60,000
- 222 people attended local business development forums

Grants Received from Government Sources



(Highlights cont)

Supporting Our Community

A focus of the Economic Development program is to assist/facilitate other organisations and groups to achieve outcomes influencing economic development that they would find very difficult to achieve alone. Therefore we:

- Assisted the Colac Otway Vocational Education Cluster (COVEC) (includes the six secondary colleges in the Shire; Colac Secondary College, Trinity College, Colac Specialist School, and Lorne, Apollo Bay and Lavers Hill P – 12 schools) in making a successful application for funding to establish a Trade Training Centre. This vocational education and training facility will enhance local skills training to support a growing workforce and local economy
- Facilitated an intergovernmental and community forum in Forrest to discuss the future strategic direction of mountain biking and the impacts on tourism and the local community
- Continued to support the Business Women's Network, which meets monthly to engage professional women in business development and networking

Success in Grant Applications

We were successful in achieving a number of grants from both the state and federal governments totalling \$4,574,067. Grants are vital in assisting council to support and develop our community and help to reduce the cost to ratepayers of delivering local infrastructure development, community leadership, business development, strategic planning and recreation facilities. Two significant projects are able to proceed as a result of grant monies:

- Commencement of the Apollo Bay Harbour Precinct planning scheme amendment to progress plans to redevelop the precinct to provide enhanced community access and facilities, attract more tourists to Apollo Bay, support local business, create jobs and support the local economy. \$255,000 was received from the State government for this project
- Development of a plan to redevelop the Colac Central Business District of Colac and city entrances. \$75,000 was

received from the state government to match council funds for this project

Careers Expo a Success

The Colac Otway Careers Expo was well supported, with over 30 exhibitors and attendances by over 400 students. This annual event assists young people in making career choices and demonstrates the range of career options available to them locally (p 61).

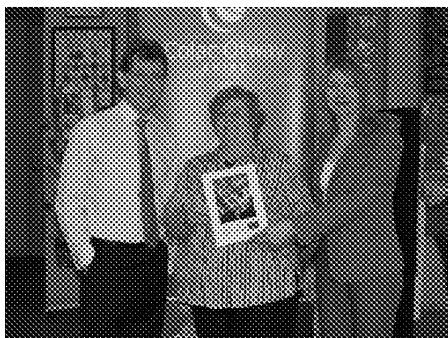
Disappointments

Regional Tourism Action Plan Delayed

The implementation of the Tourism Victoria Regional Tourism Action Plan (RTAP) was expected to be completed by 30 June 2011 with the introduction of a new regional structure for the development and marketing of the tourism industry in the region. The process was marred by the inability of stakeholders to agree on the structure. The RTAP implementation is important as it will provide a new Great Ocean Road regional structure that can develop and promote a world standard tourism experience in the Colac Otway Shire and the region.

Cancellation of Sustainability Forum

A planned environmental sustainability business training and development forum had to be cancelled due to lack of interest. This was prior to the introduction of the 'Carbon Tax' and the council's business confidence survey indicated that at the time business was not interested in making any commitment to this area until the federal government had resolved this issue. Further efforts in 2011/12 will be made to engage business on the impacts of the carbon economy and the profit enhancing benefits sustainability initiatives.



Challenges

Development of Industry Training and Development Program

Developing a new program of industry training and development and networking forums that are relevant to current industry needs. This will include a sustainability event that will provide information and ideas on responding to the 'Carbon Tax.'



The Year Ahead



- Completion of the Colac Marketing Strategy and initial implementation of recommended initiatives
- Managing the transition of the tourism industry into the new regional structure and defining the new relationship between Colac Otway Shire, Otways Tourism and the local tourism association throughout the shire
- Completion of the Colac Central Business District and Entrances Project
- Commencement of the Apollo Bay Harbour Precinct Planning Scheme Amendment
- Creation of an intergovernmental and community steering group to develop a strategic plan for the development of the Forrest mountain bike trails and its impact on tourism, the local township and community














Council has taken over the Colac Careers Expo from the South West LLEN

LEFT: L - R: Mike Barrow, Manager Economic Development; Cr Lyn Russell and Kerri Bauer, South West LLEN

Progress on Council Plan Actions

 Completed
 In progress, continuing in 2011/2012

 Completed in 2010/2011/repeated annually
 On hold, for review

| Council Plan Strategies | Actions | Status |
|---|---|---|
| Support the development of a diverse, skilled and capable workforce | Work with industry sectors on strategic workforce planning initiatives, including training and education |  |
| | Participate in local and regional task groups to improve access to vocational education and training and post compulsory education and training |  |
| Work with business to recognise growth potential from climate change and renewable energy initiatives | Form a climate change business reference group and participate in regional networks and initiatives that promote sustainable economic development and growth in 'green collar employment' and 'green economy' workforce development |  |
| | Encourage and promote renewable and alternative energy opportunities for the Colac Otway Shire |  |
| Support local business to develop and succeed | Implement new business support and facilitation services that make it easy to do business in the Shire |  |
| | Enhance Colac's regional service centre status through the development of a Marketing strategy |  |
| | Develop a Master Plan to support the redevelopment of the Colac Central Business District streetscape including traffic management, parking and the Memorial Square |  |
| | Continue to provide world standard tourism support services |  |
| | Implement Business Development training programs, networking events and Business Awards |  |
| | Provide on line information for customers and potential investors to access businesses in the Shire |  |
| Lead, support and/or participate in regional and local development networks and partnerships | Promote and encourage the development of infrastructure to support nature based tourist development of Great Otway National Park/Otway Forest Park and Great Ocean Walk |  |
| | Promote and encourage the development of infrastructure to support Lake Colac tourism and community use |  |
| | Support local business associations such as Otway Business Inc, Apollo Bay Chamber of Commerce and Tourism |  |
| Participate in regional and Shire based marketing and promotion initiatives designed to promote 'brand awareness' of Colac Otways and Great Ocean Road region | Promote the Shire's strengths and competitive advantages to attract new investment |  |
| | Identify the capacity, demand and rating of accommodation in Colac including the attraction of a high end quality star hotel |  |
| | Facilitate the development of services and a calendar of business events / industry conferences designed to attract and engage external business and job opportunity for families and young people |  |
| | Continue to provide strategic support to tourism including operation of the Colac and Apollo Bay Visitor Information Centres and provision of funding to Otways Tourism |  |
| Facilitate the development of infrastructure for business investment, growth and liveability | Support the Apollo Bay Harbour Precinct development |  |
| | Develop small town / community capability by providing infrastructure and resources, including continued support for the Small Town Improvement Program |  |
| | Develop a strategy to establish a mini technology/ business facility in Apollo Bay to service local knowledge based and visitor requirements |  |
| | Lobby for improved telecommunications in the Colac Otway Shire for broadband and mobile coverage |  |
| Work in partnership with business, industry groups, government and agencies on sustainable economic growth | Develop improved educative material on Council policy and practices to assist business with development proposals |  |
| | Review business attraction and local business development policies |  |

Community Health and Wellbeing



Objective

Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities.

Services, projects and programs supporting this key result area

| | |
|---|---|
| Aged & Disability Services | Immunisation Services |
| Bluewater Fitness Centre (BWFC) | Maternal and Child Health Services |
| Colac Otway Performing Arts and Cultural Centre | Health and Wellbeing Alliances Public Health planning |
| Community Transport | Recreation, Culture |
| Economic Development (part) | Rural Access |
| Environmental Health Services | Transport Connections |
| Family and Children's Services | Youth Services |
| Festivals and Events | |

ABOVE: L - R: Robyn Edwards and Doreen Kennett at Bluewater Fitness Centre

Highlights

Completion of the Colac Community Library and Learning Centre

The new Colac Community Library and Learning Centre opened its doors to the public in October, celebrated by a gala launch attended by more than 300 people. The Corangamite Regional Library Corporation, Colac Secondary College and the Colac Toy Library moved into the new state-of-the-art facility at this time and have thoroughly enjoyed their new home. The facility has attracted increased patronage particularly from young families.

Recreation Strategy Development

Commenced development of the Tennis Facility Audit and Development Plan, which will guide future improvements to our tennis facilities. A significant amount of work has been done on preparing the Public Open Space Strategy and the Apollo Bay Trails Feasibility Study. These projects will be completed in 2011/12.

Works Completed on Key Facilities

Capital works projects completed included the \$600,000 redevelopment of the Colac Otway Performing Arts and Cultural Centre (COPACC) Civic Hall, the upgrade of the Colac Skate Park and the Eastern Reserve Netball Court redevelopment. The \$750,000 Old Beechy Rail Trail redevelopment project also commenced and will be completed in 2012. These projects were made possible through financial contributions from council, the State government and community organisations. In particular, the two netball associations that use the Eastern Reserve Netball Courts contributed significant funds towards the project ensuring the project was able to be completed.

Community Grants Program and Festival and Events Support Scheme

This year council contributed \$177,476 to 87 organisations through the Community Grants Program and Festival and Events Support Scheme. The Community Grants program allows groups to undertake important projects leveraging significant contributions from community organisations. The Festival and Events Support Scheme enables a suite of events, from international events through to local community events, providing significant social and economic

benefits. The number of events held in the Colac Otway Shire continues to grow, enhancing the shire's reputation as the state's event capital (p 9, 81).

Funding commitment for Bluewater Fitness Centre Stadium Redevelopment

The Federal Government committed \$3.78 million to the redevelopment of the Bluewater Fitness Centre Stadium. The welcomed news brought us one step closer to achieving significant improvements to the 30 year old facility. The redevelopment will include a third court, extension of the existing two courts to meet compliance standards, spectator seating, new amenities and dry programming space. In addition, the State Government has committed funds to the Colac Secondary College Stage 3, which includes an allocation to the Bluewater Fitness Centre stadium.

"The library floor space is enormous, and offers spaces for groups as well as comfortable niches for people to sit down and have a quiet read. The lecture theatre is fantastic, as are the meeting rooms, which can be sectioned off or opened up to form a larger space. There is a dedicated children's area, gallery space as well as an outdoor area. We are incredibly fortunate to have a library of this standard in our municipality."

Cr Lyn Russell



ABOVE: Cr Lyn Russell at the launch of the new Colac Library and Learning Centre

Fast Facts

Net Expenditure
\$2,113,538

Equivalent Full Time Positions
65.4

Key Activities

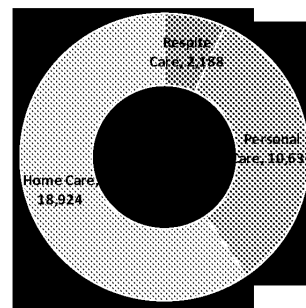
- Provision of services and facilities that promote and support a broad range of options for recreation, arts, events, health and fitness in partnership with the community and various key stakeholders
- Provide assessment, care management, maintenance and support services for frail older people, younger people with moderate to severe disabilities, and their carers
- Support for families with children aged from birth to 6 years of age
- Home visiting to families in need
- Developmental assessments of children
- Appropriate referrals and the provision of information and parent education
- Planning for current and future early years services
- Assisting with the needs of migrant and refugee families
- Coordinating quality care for children from birth to twelve years in the homes of educators who contract their services to council
- Inspection of food premises
- Investigation of health related issues such as septic tanks and water discharge
- Enforcement of EPA guidelines
- Immunisation services
- Investigation of reports of infectious disease outbreaks for the origin of the disease
- Emergency planning for a public health response
- Public health promotion and education

Service Statistics

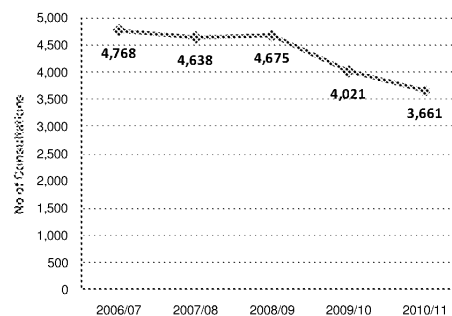
- 39 community events delivered
- 55,350 attendances at events
- 8 FreeZA events delivered, with attendances of 1,700
- 944 events were held at COPACC attracting in excess of 45,425 people
- 15 exhibitions conducted in the COPACC foyer
- 476 multi-passes were sold at Bluewater Fitness Centre, an increase of 38% on 2009/10

- 1,001 attended the Learn to Swim program, with another 1,000 from the schools' swimming program
- 6,451 community transports provided for older people and people with a disability
- 1,093 hours of property maintenance provided
- 354 children registered for Family Day Care
- 261 birth notifications
- 4,550 immunisations given
- 367 premises and other outlets selling food
- 788 food safety inspections undertaken

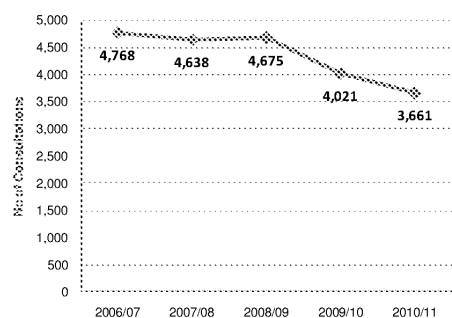
Hours of Aged Care Support



Meals on Wheel Delivered



Maternal and Child Health Consultations



(Highlights cont)

Development of Key Health and Wellbeing Plans

This has been a significant year in developing plans for Health and Community Services. These plans include: Public Health and Wellbeing; Access, Equity and Inclusion, and Early Years and reflect the increasing importance of health and wellbeing within our communities. A key emphasis during the next two years will be to embed and enable health and wellbeing principles and implement actions.

New Initiatives for Maternal and Child Health Services

During the 2010/11 year Maternal and Child Health nurses implemented the Key Ages and Stages framework for consultations with parents. This involved a number of new initiatives which provide more information to, and support confidence building within, parents. It also allows for longer consultations with parents who have more complex issues with their infant/child. This explains the reduction in consultations for 2010/11 (p 54).

New Rating System for Food Premises

Our Environmental Health Unit has successfully implemented the Victoria-wide new class rating system for food premises, which alters the requirement and type of food safety plans and registration for each premises. This new rating system allows for uniform reporting of inspections and food samples by all councils to the state government data bank.

Transport Connections Project – Connecting our Communities

The very successful Wednesday bus service from Apollo Bay to Colac and return continued through Phase 2 of Transport Connections. The summer seasonal Colac/Lorne bus service again attracted a high number of users. The low-floor bus for Colac has been very successful in increasing usage rates, but these could still improve. A review of the Colac routes is currently being conducted by the Department of Transport.

Transport Connections undertook a review of access to the Colac Community Library and Learning Centre. This report made a

number of recommendations to improve access. These are being considered in a number of strategies being developed in 2011/12.

Meals on Wheels Usage Declines

Demand for "Meals on Wheels" continues to decrease. Many clients continue requesting meals, but not at the same frequency. Alternative meal choices include individual portion serves available from supermarkets, which now offer a wide range of choice. This is encouraged by our service as it fits with our Active Service Model approach, being developed during 2011/12 (p 54).

Positive Changes to Community Based Respite Care

Community Based Respite, provided through 'The Meeting Place' program, is undergoing significant changes designed to increase opportunities for people of all abilities to participate in community activities and to develop community capacity and confidence building for attendees. Features include trips together, regular meetings at Straight Shooters as a community based venue, Saturday activities, transport for rural members, and providing an opportunity for independent living skills and social participation at Kanyana for residents from Colanda.

Disappointments

Bluewater Fitness Centre Stadium Redevelopment

Council's application to Sport and Recreation Victoria's Community Facilities Funding Program was unsuccessful. The application will be resubmitted in 2011-12.

Maternal and Child Health Consultation Data not Capturing Increased Demand

The current method of recording consultations has not truly reflected the increasing number of complex cases with vulnerable families that require Enhanced Services. A review of Enhanced Services needs to be undertaken in 2011/12 to better capture and highlight this increasing demand.

Challenges

Increased Funding for Recreation

Attracting State and Federal Government support for major recreation infrastructure projects such as the Bluewater Fitness Centre Stadium Redevelopment and the Central Reserve Master Plan Implementation is vital for the delivery of the upgrades to these facilities.

Growth of events held in the Shire

The increasing number of events being held in the shire presents a challenge of maintaining a thorough event application and authorisation process to ensure compliance regulations are applied and event organisers are receiving adequate support.

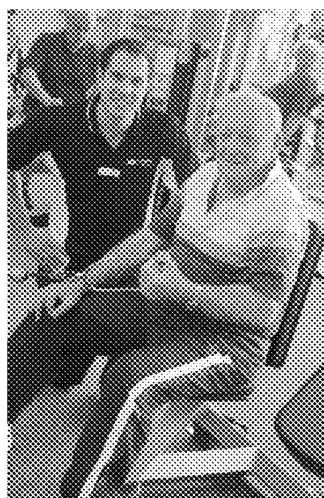
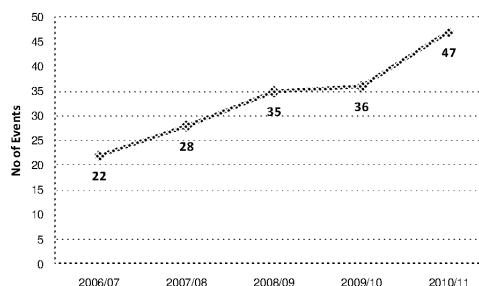
Changes to Early Years Services

The Federal and State governments require significant changes to be implemented in Early Years services during the next two years. These include the new Early Years Learning Framework; Universal Access, which allows for 15 hours of kindergarten for every child prior to entering school; and Cluster Management for kindergartens. Plans need to be developed to implement these changes.

The Year Ahead

- Commence the \$5M redevelopment of the Bluewater Fitness Centre stadium
- Complete and commence implementation of the Public Open Space Strategy
- Progress implementation of the Central Reserve Master Plan through successful funding submissions
- Continue the \$750,000 redevelopment of the Old Beechy Rail Trail
- Strategy Development and review – complete the Apollo Bay Trails Feasibility Study, develop a Playground Strategy and Active Transport Strategy and review the Recreation, Arts and Culture Unit's three key strategies for recreation, events and arts and culture
- Review of Enhanced Services for Maternal and Child Health
- Implementation of the Active Service Model for people receiving Home and Community Services

Events Undergoing Risk Management


























ABOVE: Bluewater Fitness Centre's Russell Whitford with Norm Sutherland who is an active member of the Seniors Program



ABOVE: Don't be shy, dancing is fun at COPACCI

Progress on Council Plan Actions

 Completed
 In progress, continuing in 2011/2012
  Completed in 2010/2011/repeated annually
 On hold, for review

| Council Plan Strategies | Actions | Status |
|---|--|---|
| Provide, facilitate or advocate for a range of health, recreation, community services and facilities | Develop a 10 year upgrade works program for Colac Otway Performing Arts and Cultural Centre |  |
| | Develop a 10 year capital upgrade works program for Blue Water Fitness Centre |  |
| | Develop a 10 year capital upgrade works facility improvement program for all recreation facilities and investigate external funding options to assist with these works, with priority to Council owned facilities |  |
| | Continue in partnership with the Colac Community and project stakeholders to plan and develop the Beechy Precinct in accordance with Council approvals and review Council's continued involvement in the Beechy Precinct in respect of all elements that still require Council approvals |  |
| | Review and reconsider the recommendations from the "Apollo Bay Library and Facility Development Project" |  |
| | Implement the recommendations of Council for the Colac Library Annexa/Sub-Branch |  |
| | Review and implement the Council Community Grants Program guidelines |  |
| | Implement Council's Recreation Strategy |  |
| | Develop an Open Space Strategy |  |
| | Develop a Bicycle Strategy |  |
| Promote and facilitate cultural and community events throughout the municipality | Implement strategies in the Drug Action Plan |  |
| | Implement the Arts and Cultural Strategy |  |
| | Implement the Festival and Events Strategy |  |
| Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community | Work with event organisers and community groups to develop a broad range of community festivals and events |  |
| | Implement and promote the Municipal Public Health Plan |  |
| | Implement the Positive Ageing Strategy |  |
| | Develop and implement an Early Years Plan |  |
| | Develop and implement an Access, Equity and Inclusion Plan |  |
| Support local communities to develop, grow and be great places to live | Review the provision of Youth Services in the Shire |  |
| | Implement the Transport Connections Strategy |  |
| | Liaise with local Real Estate Industry to monitor the local market and encourage diversity in housing choice |  |
| | Participate in local and regional Affordable Housing task groups |  |
| | Work with Developers to create liveable, affordable and sustainable housing |  |

Our People



Our people play a vital role in ensuring we deliver our services and meet our business objectives. Colac Otway Shire is committed to providing our employees with a safe and healthy workplace and professional and personal development opportunities to enhance their skills and knowledge, improving both their future and ours.

ABOVE: Colac Otway Shire and Otway Community Health Services staff completed Certificate IV in Home and Community Care Services. L - R: Back Row: John Whitwell, Lorraine Simmonds, Pollyanna Day, Kate Sculley, Marj Pitthouse, Kylie Carew, Judy Forssman; Middle Row: Dianne Quigley, Sharon McNamara, Simone Conway, Karen Jordan; Front Row: Linda Bonnet

Health and Wellbeing

The aim of our Health and Wellbeing Program is to promote a safe and productive workplace and lifestyle. This contributes to a healthy, positive workplace culture and is an important part of our staff retention strategy.

Throughout the year, a number of initiatives gave employees information and skills in basic health and wellbeing management, both for the workplace and home, including participating in confidential health checks (approximately 90 staff), eye examinations, financial planning consultations, depression awareness information sessions, flu vaccinations, MAV Local Government Employees Health Plan consultations and subsidised membership to Council's Bluewater Fitness Centre.

Staff were also given the opportunity to participate in well recognised health fundraisers including 'Movember', Australia's Biggest Morning Tea, Jeans for Genes Day (fundraiser for Children's Medical Research Institute), Daffodil Day, Sids and Kids Red Nose Day, RSPCA Cupcake Day and Footy Colours Day (Fight Cancer Foundation).

Employee Support

Our Employee Assistance Program offers staff a range of emotional, physical and social support services to ensure the ongoing well being of our staff with either personal or work related issues that impact on their general well being and work performance.

Learning and Development

Professional development programs were a focus in 2010/11 with training provided on performance management and leadership, report and business writing, as well as programs designed to support confident workplace interactions.

| Training | Attendees |
|---------------------------------------|-----------|
| Assertiveness in the Workplace | 20 |
| Conflict Resolution | 15 |
| Emotional Intelligence and Leadership | 16 |
| Minute Taking | 14 |
| Project Management | 15 |
| Report/Business Writing | 15 |
| Time Management | 16 |
| Microsoft Excel | 20 |
| Microsoft PowerPoint | 8 |

A fundamental principle of good governance is to ensure that we comply with the law. As well as staff receiving specific training 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 2010/11 staff participated in training covering privacy, equal opportunity, risk management and fraud prevention (p 77, 78).

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

Tertiary Study Support

Our employees are encouraged to participate in further education. Our Tertiary Study Assistance Program provides financial assistance toward the cost of tertiary study in recognised courses that will benefit their role, career progression and our organisation. We currently have five staff accessing tertiary assistance.

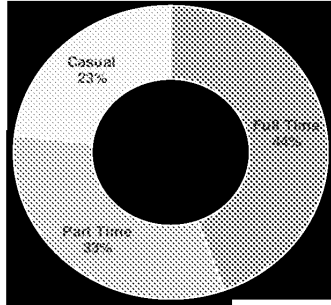
Occupational Health and Safety (OH&S)

We are committed to providing a safe and healthy workplace for our staff, contractors, volunteers and visitors. Our OH&S Consultative Committee meets quarterly, 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 2010/11 staff participated in a number of training and activities including:

- OH&S Representative refresher training
- Cardio Pulmonary Resuscitation (CPR) updates
- Defensive Driving Training
- Staff Health and Wellbeing activities
- Home Care & Personal Care Training (delivered utilising WorkCover Agent Risk Management funding)
- OH&S/Risk Management/Fraud compliance Training

Staff by Employment Status

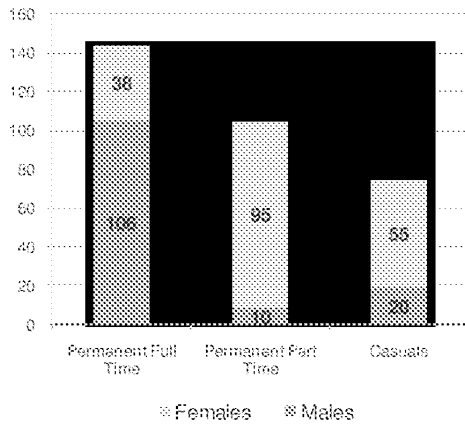


Equivalent Full Time Staff (EFT)

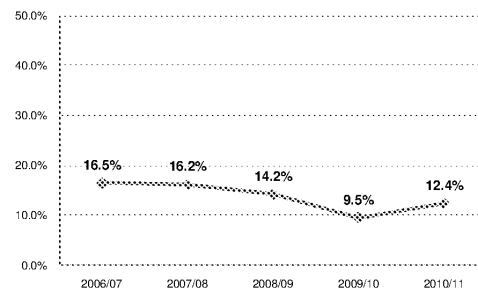
| Business Unit | EFT |
|--------------------------------------|--------------|
| Apollo Bay Harbour Operations | 4.8 |
| Capital Works | 5.2 |
| Corporate and Community Services | 2.0 |
| Cosworks | 47.3 |
| Economic Development | 12.7 |
| Environment and Community Safety | 14.0 |
| Executive | 4.1 |
| Finance | 18.2 |
| Health and Community Services | 37.8 |
| Information Services | 8.7 |
| Infrastructure and Services | 2.0 |
| Major Contracts | 4.4 |
| Organisation Support and Development | 5.1 |
| Planning and Building | 12.0 |
| Recreation, Arts and Culture | 27.2 |
| Sustainable Assets | 4.8 |
| Sustainable Planning and Development | 2.0 |
| TOTAL | 213.3 |

Note: EFT is based on annual hours worked in each business unit

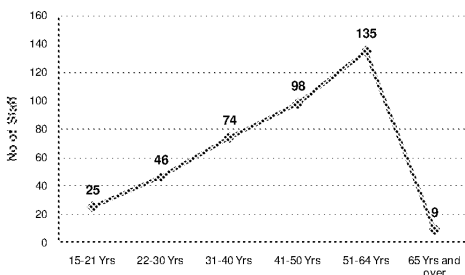
Staff by Gender and Employment Category



Annual Staff Turnover Rate

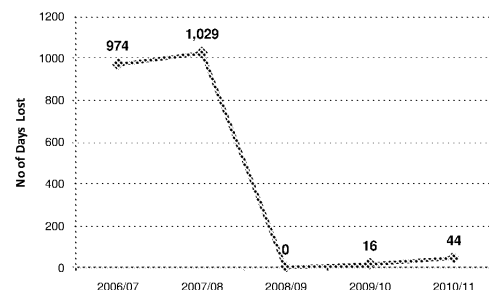


Workforce Age Spread



37% of Colac Otway Shire's workforce is 51+ years old. This means that workforce planning initiatives are urgent.

Days Lost Due to injury



The nature of the injuries in 2006/07 and 2007/08 made return to work programs extremely difficult to achieve.

Developing Opportunities in Local Government Employment

Colac Otway Shire participated in the Colac Expo 'It's Your Career', which provided young people with the opportunity to explore and consider their role in the future of this community. This was a great opportunity to expose students and their families to the range of job opportunities and career pathways that exist in Local Government. Approximately 160 students attended our stall and participated in an activity specifically designed to highlight careers available to them at Colac Otway Shire (p 50).

Student Work Placements

Our secondary school work placement program provides students with opportunities to get an insight into the workplace and helps student gain valuable industry experience. Students from local schools participated in placements in Information Technology, Engineering, Horticulture and Administration.

Colac Otway Shire also provided opportunities for university students looking to enhance their discipline specific skills and employability skills. Students were placed in Maternal/Child Health and Engineering where they were involved in particular projects, given opportunities to observe management and were integrated into workplace teams.

Recruitment Success

Recruitment during 2010/11 has resulted in almost all positions filled as they became vacant, with council attracting multiple applicants to positions that have traditionally been hard to fill. Our continued emphasis on promoting council's career opportunities to local, regional, national and international candidates has reaped rewards. 52 positions were advertised, attracting 530 applications.

Appreciating our Staff

Colac Otway Shire continues to build on a culture that recognises, encourages and celebrates successes in the workplace, with monthly and annual recognition awards and functions. This year 29 employees were recognised for key service milestones:

30 Years:

Norm Dowie, Lillian Caspar, Betty Monahan, Mark Robinson and Gary McDougall

25 Years:

Lorraine Black, Andrew Corp and Lorraine Brown

20 Years:

Jan Gurrie

15 Years:

Brian Edwards, Rob Harrowfield, Noel Symons, Leanne Robinson and Ann-Maree Corvery

10 Years:

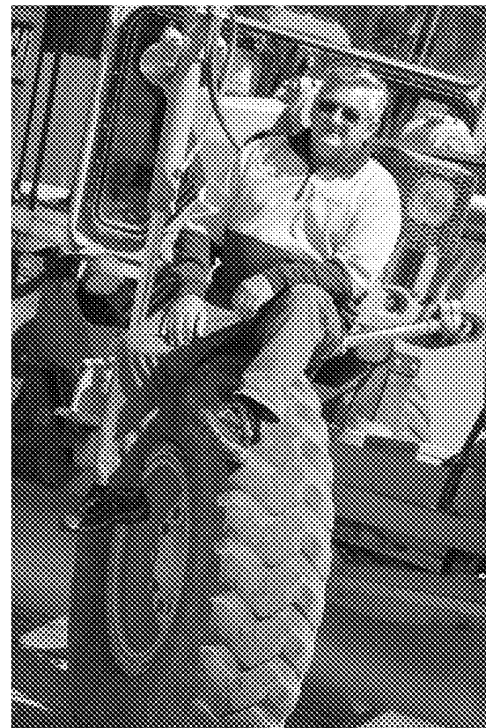
Adam Lehmann, Kevin Young, Janice Dowie, Andrew Barber, Arthur Watson, Terry Maisey, Merinden Trebilcock and Ben DeBruyn

5 Years:

Wendy Palmer, Emily Haslem, Jo Garner, Matthew Craddock, Barbara Tucker, Cheryl Goodwin and Carolyn Betts

Retirement

John Neal retired after 42 years of valued service at council's works and services arm, CosWorks, and a civic reception was held in his honour.



ABOVE: John Neal on his "beloved Cat grader"

Corporate Governance



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

ABOVE: Sunset at Skenes Creek PHOTO: Pam Rixon

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

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 affecting the current and future growth and welfare of our community, inputs from councillors and council staff, community consultation and consideration of statutory and contractual requirements. The Council Plan can be viewed on council's website at www.colacotway.vic.gov.au/Page/page.asp?Page_Id=457&h=0

The 2010/11 Annual Report is reporting against the second year of the 2009-2013 Council Plan. The Council Plan has six Key Result Areas guiding the growth and development of our municipality. These are:

- Leadership and Governance
- Physical Infrastructure and Assets
- Land Use and Development
- Environmental Management
- Economic Development
- Community Health and Wellbeing

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

In September 2010, amendments were made to the *Local Government Act 1989* which included some changes to the information that has to be disclosed in primary and ordinary returns. As a result of the changes copies of guidance information was provided to all councillors and nominated staff to assist them in the completion of their returns.

Copies of the following publications were provided to councillors for information:

- *Conflict of Interest In Local Government, A provisional Guide with amendments to 1 October 2010* published by Local Government Victoria; and
- *Conflict of Interest A Guide for Councillors (Draft)* March 2011 published by Local Government Victoria

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 Council Meeting Procedures and Common Seal | 24 February 2010 | 1 March 2010 |
| No. 5 Colac Livestock Selling Centre | 24 August 2005 | 24 September 2005 |

Local Government Investigations and Compliance Inspectorate (Inspectorate)

The Local Government Investigations and Compliance Inspectorate undertook an audit from 14 to 17 December 2010. The audit was part of their scheduled rolling audit program.

The purpose of the audit was to assess Colac Otway Shire Council's level of compliance with the *Local Government Act 1989 (Act)* and provide feedback in relation to other governance practices.

The audit included 26 topics which were each given a performance rating.

An action plan has been noted for each of the items that were classified as Close to Compliant and Not Compliant:

Close to Compliant:

- Budget (*submitted to the Minister outside the statutory timeframe*)
- Primary and Ordinary Returns -- Nominated Officers (*returns submitted outside the prescribed period*)
- Primary and Ordinary Returns -- Councillors (*returns submitted outside the prescribed period*)

Not Compliant:

- Special Committees (*minutes of all Special Committees not submitted within statutory requirements*)
- Senior Officer Contracts (*3 contracts did not include performance criteria*)

A plan of action has been developed to address these items.

Policies, Strategies and Plans

The following policies, strategies and key plans were reviewed and or adopted by council during 2010/2011:

| Document | Date
Endorsed/Adopted |
|---|--------------------------|
| Great South Coast Regional Strategic Plan | 28 July 2010 |
| Bluewater Fitness Centre Stadium Feasibility Study Final Report | 28 July 2010 |
| Landscaping Sponsorship Policy | 25 August 2010 |
| Off Loading of Livestock at the Colac Livestock Selling Centre Policy | 25 August 2010 |
| Skate Park Events and Hire Policy | 25 August 2010 |
| Playground and Skate Park Maintenance and Improvement Policy | 25 August 2010 |
| Plaques and Memorials in Colac Botanic Gardens Policy | 25 August 2010 |
| Councillor Support Policy | 25 August 2010 |
| Environment Action Plan 2010-2012 | 22 September 2010 |
| Influenza Pandemic Plan | 27 October 2010 |
| Early Years Plan | 23 February 2011 |
| Risk Management Policy | 30 March 2011 |
| Internal Audit Policy | 30 March 2011 |
| Fraud Prevention Policy | 30 March 2011 |
| Public Health & Wellbeing Plan 2010-2013 | 27 April 2011 |
| Access, Equity and Inclusion Plan 2010-2013 | 25 May 2011 |
| Colac Community Library & Learning Centre – Access Report | 29 June 2011 |
| Long Term Financial Plan | 29 June 2011 |

Elected Representatives

Code of Conduct

Council has a Code of Conduct, which was reviewed and adopted on 23 September 2009. The code 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 at Council Chambers in Colac. During the year, ordinary council meetings were also held around the shire in the following towns:

- Cressy:* August 2010
- Apollo Bay:* November 2010 and February 2011
- Birregurra:* June 2011

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

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 of councillors for the reporting period:

| | Number of Council and Statutory Meetings | | Number of Special Meetings | |
|------------------------|--|----------|----------------------------|----------|
| | Eligible to Attend | Attended | Eligible to Attend | Attended |
| Cr Brian Crook (Mayor) | 13 | 13 | 3 | 3 |
| Cr Stephen Hart | 13 | 13 | 3 | 3 |
| Cr Frank Buchanan | 13 | 13 | 3 | 3 |
| Cr Stuart Hart | 13 | 11 | 3 | 2 |
| Cr Geoff Higgins | 13 | 12 | 3 | 3 |
| Cr Lyn Russell | 13 | 13 | 3 | 3 |
| Cr Chris Smith | 13 | 13 | 3 | 1 |

The statutory meeting, including election of the mayor, was held on Wednesday 8 December 2010.

Ordinary Council Meeting Briefing Sessions - Councillor Attendance

| Councillor | 2010 | | | | | | 2011 | | | | | |
|----------------|------|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
| Brian Crook | ✓ | ✓ | ✓ | ✓ | PT | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Stephen Hart | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Frank Buchanan | ✓ | ✓ | ✓ | ✓ | ✓ | PT | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Stuart Hart | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | x* | PT | ✓ | ✓ | PT |
| Geoff Higgins | PT | ✓ | PT | x | x* | x* | PT | ✓ | PT | PT | x* | ✓ |
| Lyn Russell | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | PT | PT | ✓ |
| Chris Smith | x* | x | x | x | x | x | x | x | PT | x | x | x |

✓ = Present; x = Absent; x* = Absent with apology; PT = Attended part of the meeting

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 following table indicates the equipment currently provided to each councillor:

| Councillor | Land Line Phone | Mobile Phone | Laptop Computer | Next G Internet Connection | Fax Machine |
|--------------------|-----------------|--------------|-----------------|----------------------------|-------------|
| Cr B Crook (Mayor) | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cr Stephen Hart | | | ✓ | ✓ | |
| Cr F Buchanan | | ✓ | | | |
| Cr G Higgins | ✓ | ✓ | | | |
| Cr Stuart Hart | ✓ | ✓ | | | |
| Cr L Russell | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cr C Smith | ✓ | | | | ✓ |

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.

The following table sets out the allowances paid to councillors for the reporting period:

| Councillor | Allowance (including superannuation) | Travel ² | Total |
|-----------------------------|--------------------------------------|---------------------|------------------|
| Cr Brian Crook ¹ | 45,010 | - | 45,010 |
| Cr Stephen Hart | 22,341 | 10,234 | 32,575 |
| Cr Frank Buchanan | 22,341 | 15,869 | 38,209 |
| Cr Stuart Hart | 22,341 | 4,380 | 26,720 |
| Cr Geoff Higgins | 22,341 | - | 22,341 |
| Cr Lyn Russell ¹ | 44,350 | 970 | 45,320 |
| Cr Chris Smith | 22,341 | 10,108 | 32,448 |
| Total | \$201,064 | \$41,560 | \$242,624 |

Notes:

1. Cr Crook elected as Mayor on 8 December 2010, taking over from Cr Russell. A councillor vehicle, currently a Toyota Corolla, is provided to the mayor for business and private use.
2. Travel includes remote area travel allowance. The travel allowance represents the amounts paid to councillors during the period 1 July 2010 to 30 June 2011.

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 as follows:

| 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 Advisory Committee | Cr Brian Crook
Cr Frank Buchanan
Cr Lyn Russell
Cr Chris Smith | Once a year in December/January and other meetings as required | To review nominations, select Australia Day Award winners in the various categories and recommend to Council on the location of the Australia Day celebration. |
| Festival & Events Support Scheme Advisory Committee (includes Events Coordinator and 2 external members) | Cr Brian Crook
Cr Frank Buchanan
Cr Stuart Hart
Cr Lyn Russell | Once a year in June, and other meetings 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 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 Frank Buchanan
Cr Lyn Russell
Cr Stuart Hart
Cr Geoff Higgins | Once a year in May, and other meetings as required | To consider the applications received for the Small Town improvement Program. |
| Central Reserve Advisory Committee | Cr Brian Crook | Bi-monthly | To facilitate communication between Council, park user. And local residents about matters concerning planning, development, maintenance and operation of the reserve. |

| | | | |
|--|------------------------------------|---|--|
| Colac Livestock
Selling Centre
Advisory Committee | Cr Geoff Higgins | Annual Budget
meeting and other
meetings as
required | To provide advice on the operations of
the centre and make
recommendations to Council |
| Friends of the Colac
Botanic Gardens
Committee (Advisory
Committee) | Cr Chris Smith | Monthly | To undertake projects and advise
Council on the care and protection of
the gardens |
| Lake Colac
Coordinating
Committee (Advisory
Committee) | Cr Geoff Higgins
Cr Chris Smith | Quarterly | To be a forum to implement the Lake
Colac Management Plan and the Lake
Colac Master Plan |
| Municipal
Emergency
Management
Planning Committee
(MEMPC) | Cr Stuart Hart | Quarterly | To ensure the prevention of, the
response to, and the recovery from
emergencies that could occur within
the Shire |

Council Representation on Other Committees

In addition to the previously listed committees, councillors represented the council on the following other committees and groups:

| | |
|---|---|
| Cr Brian Crook, Mayor | Cr Stuart Hart |
| Australian Local Government Association | G21 Transportation Pillar |
| Barnard Trust Committee | Municipal Emergency Management Planning Committee |
| Colac Central Activities Area Master Plan Steering Committee | Municipal Fire Prevention Committee |
| Community Hub | Transport Connections Local Advisory Group |
| COPACC Trust | |
| G21 Board | Cr Geoff Higgins |
| G21 Education & Training Pillar | Colac Road Hierarchy & Heavy Vehicle Truck Route for Colac Township Community Reference Group |
| G21 Transport Pillar | Lake Colac Community Advisory Committee |
| G21 Recreation Pillar | Municipal Aerodrome Committee -- Colac |
| Great South Coast Municipalities Group | Ondit Quarry Consultative Committee |
| Rural Councils Network (Vic) | Timber Towns Committee |
| | Tirrengower Drainage Scheme Committee of Management |
| Cr Stephen Hart, Deputy Mayor | Weeds Consultative Committee |
| Australian Local Government Association | |
| Barwon Regional Waste Management Committee | Cr Lyn Russell |
| Colac Community Library & Learning Centre Joint Use Advisory Committee | Colac Affordable Housing Strategy |
| Community Hub | Colac Otway Network of Community Centres |
| Corangamite Regional Library Corporation | Gaelong Otway Tourism Board |
| G21 Environment Pillar | G21 Health & Wellbeing Pillar |
| Lavers Hill Swimming Pool Committee of Management | Otways Tourism Inc. |
| Municipal Association of Victoria | Rural Financial Counselling Service |
| | |
| Cr Frank Buchanan | Cr Chris Smith |
| Apollo Bay Harbour Redevelopment Community Reference Group | COPACC Trust |
| Apollo Bay Leisure Centre Liaison Group | Dairy Industry Training Committee |
| Colac Road Hierarchy & Heavy Vehicle Truck Route for Colac Township Community Reference Group | Old Beechy Line Committee |
| G21 Economic Development Pillar | Youth Council |
| Port of Apollo Bay Consultative Group | |
| Public Open Space Strategy Steering Committee | |

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 Stephen Hart | 4 | 4 |
| Cr Stuart Hart | 4 | 4 |

Mr Mike Said was reappointed Chairperson of the committee in March 2011.

Ms Linda MacRae was reappointed for a further three years commencing 1 June 2010.

Cr Stephen Hart and Cr Stuart Hart were reappointed at the Statutory Meeting held in December 2010.

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

Over the financial year the Audit Committee dealt with issues under the following headings as per the Audit Committee Charter:

- Compliance with Laws & Reporting
- External Audit
- Financial Reporting
- Internal Audit
- Internal Control
- Risk Management
- Other Issues

Outcomes

- Developed an Audit Committee Plan for the year
- Review and endorsement of the 2009/10 Financial Statements, Standard Statements, Performance Statement and Audit Management Letters
- Review End of Year Management Report 2009/10
- Review of various Victorian Auditor General's Reports to Parliament applicable to Local Government including Business Continuity Management in Local Government
- Review of the 2010/11 External Audit Strategy and development of an Internal Audit program
- Review of Audit Committee Charter, Fraud Prevention Policy and Risk Management Policy
- Review of Risk Management Issues and monitoring of the Risk Register developments
- Review of the Audits for SafetyMAP, JMAPP Property and Fidelity Insurance
- Monitoring Excess Annual Leave of staff
- Review Benchmarking/Performance Indicator Information
- Monitoring of Road Management Plan compliance
- Quarterly reporting of Fraud Control Program
- Review of Quarterly Performance Reports to Council
- Review of Council Plan, Budget and Long Term Financial Plan processes
- Reviewed the audit scopes, reports and recommendations of internal audit projects, including Local Laws, Debtor Management (non rates) and COSworks including the Colac Livestock Selling Centre and Prior Year recommendations
- Review of Local Government Investigations and Compliance Inspectorate Audit Report
- Review of Waste Management results
- Review of Fraud Prevention/Control Policy
- Review of updates on Tendering and Contracting

Council's External Auditor is Coffey Hunt.

Council's Internal Auditor is Crowe Horwarth.

Risk Management

Strategic Risk Management

In 2010/11 council's Risk Management Policy was reviewed to ensure compliance with ISO 31000 and to ensure our Risk Management Strategy is meeting the needs of council's activities. The policy was endorsed by council's Audit and Risk Management Committees and adopted by council in March 2011.

Use of the Interplan® Risk Management tool ensures key risks are linked to business unit plans and performance plans, with managers receiving greater training in 2011.

Key risks continue to be reported to council's Audit Committee with detailed quarterly Risk Adherence reports supplied by council officers.

Risk Management Committee

Council's Risk Management Committee met in accordance with its terms of reference in 2010/11 and, amongst standing agenda items, considered the following key issues:

- Safety Map Action Plans resulting from our 2010 Audit
- Asset and Insurance Register Review
- Motor Vehicle claims reduction
- Essential Safety Measures for Buildings

External Risk Assessment

In February 2011 council had its regular JMAPP (JLT Municipal Asset Protection Plan) Audit. The audit identified an improved performance in our areas of fidelity and identified areas for improvement in our asset risk management. The improvement areas identified from the JMAPP audit followed on from an internal review of our asset base and its value during 2010/11, which we believe will strongly position council to maintain insurances at a more realistic level for protection of the assets and those council or community groups the assets serve.

SafetyMap re-certification was achieved in August 2010 following a successful 4-day audit. There were only five Corrective Actions Required (CAR's) Council were informed of following the audit, which required attention:

- Review of the OH&S Management Plan
- Testing and tagging of electrical items to be completed at all locations
- Hearing tests to be conducted for all at risk employees within 3 months of commencement
- Missing and out of date Material Safety Data Sheets (MSDS) to be updated
- Evacuation drills not conducted within past 12 months

All of these issues were rectified prior to the September deadline, enabling council to be deemed compliant with the criteria and to maintain our SafetyMap certification.

Insurances

The valuation of council assets was review over the past year has seen our dollar value of assets increase substantially. This review has had a flow-on effect to our Asset Insurance premiums, which increased as a result.

Council was pleased with its performance in receiving a substantial reduction in our WorkCover insurance premium and in having another strong performance in injury management, which will assist us with our premium in 2011/12.

In addition to our major insurances council also has insurances for Motor Vehicle, Airport Operators Liability, Contract Works, Personal Accident, Statutory and Business Practice Liability, Councilor

and Officers Liability, General and Products Liability. The diversity of this premium portfolio supports delivery of council's range of services whilst managing the associated risks at an acceptable level.

Risk Management

Colac Otway Shire is committed to managing risk responsibly by having in place appropriate procedures to reduce the possibility of adverse effects from future events. Mechanisms are in place for the key focus areas of assets, workers, liability and financial sustainability. Risk treatments are incorporated into business planning and reporting functions of Council officers as they are identified.

Public & Professional Liability

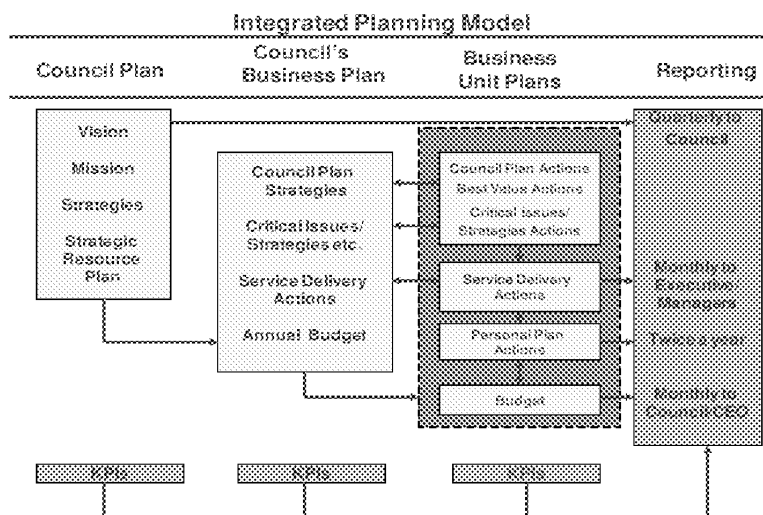
Civic Mutual Plus (CMP) conduct their audits over a two year cycle, with a targeted risk assessment being offered in the year when council is not being audited. Our audit score for this two-year cycle was 89%, which placed us equal second for our region and ranked us 20th for the state. This year council chose to have our targeted risk assessment conducted on Special Committees. Targeted risk assessments are not scored, but the recommendations that have been made will be incorporated into reviews of our processes around the operation of special committees.

Asset Insurance/ Fidelity Insurance

JLT Municipal Asset Protection Plan Discretionary Trust (JMAPP) provide council's asset insurance and also conduct their audits over a two year cycle with the audit year being offset from that of the Liability Mutual Insurance audit. Municipal Officers Fidelity Guarantee Fund (Fidelity) audit is conducted concurrently with the JMAPP Audit. Disappointingly, our JMAPP audit result dropped this year with a result of 76%. This result is attributed to a lack of resources to conduct the necessary pro-active inspections on council's assets, partly due to the emphasis put on the review of our assets register in 2010/11 to ensure our asset base was correctly valued to protect against loss in our insurances. However, on a positive note, our fidelity score in this audit improved by 8% to 65%.

Business Planning

Our integrated business planning framework was augmented this year with the purchase of an additional module (Shuttle Plans), which integrates specialist plans with our council planning and performance management framework. This will create a consistent approach to the development of specialist plans across the organisation and will locate all organisational plans and commitments in one area, allowing integrated reporting and monitoring of key plans and strategies. Our key focus remains that of continuing to strengthen the linkages between the Council Plan, annual business unit plans and employees' personal plans.



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

| Performance Report | Content | Audience | Interval |
|------------------------------|---|---|---|
| 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 | Annual 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 its 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

During 2010/11 our major focus has been on improvements to some of the larger key systems and processes that impact the functioning of the organisation. The improvements resulting from this work will better place the organisation going forward and will enable improvements in the quality and cost of the services we provide.

A large undertaking has been the replacement of our outdated electronic records management system. The new system, which comes on line in September 2011, will vastly improve both the effectiveness of capturing and managing data and will produce efficiencies in timeliness to both store and retrieve information.

The second major system improvement is to project management methodology. Key staff have completed the intensive, certificated course in the *Prince2* methodology and, in partnership with consultants, are tailoring a framework that will result in well considered and viable projects, close up the weakness in evaluation of completed projects and improve future planning.

A review of service levels across the organisation is a large project that commenced in 2010/11 and will continue through the 2011/12 financial year. The planning work for the introduction of the Business Excellence Framework (BEF) has been undertaken and will become operational in September 2011. BEF will apply rigour to the service levels process and to the progressive examination of our services through the application of BEF principles and of those contained in the Best Value legislation.

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. In 2010/11 all staff undertook Privacy Refresher Training conducted by Privacy Victoria. No complaints were received during 2010/11.

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

| | |
|---------|----|
| 2010-11 | 17 |
| 2009-10 | 9 |
| 2008-09 | 22 |
| 2007-08 | 15 |
| 2006-07 | 12 |

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 2010/11.

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. In 2010/11 all staff undertook Equal Opportunity Refresher Training conducted by the Victorian Equal Opportunity and Human Rights Commission.

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 2010/11.

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. The Pound is run in strict accordance with the code of practice for Pounds and Shelters.

Council is effectively implementing the actions in the Domestic Animal Management Plan. The 2010/2011 Animal Registrations process resulted in a significant increase in the number of animals registered in the shire. Outstanding animal registrations were followed up with inspections and by

implementing a process to issue infringement notices for non-compliance and this is helping to increase responsible animal ownership in the region. As at 30 June 2011 there were 6,306 domestic animals registered with council; 4,821 dogs and 1,485 cats.

- Of the 304 dogs impounded, 245 were returned to their owner, 38 were rehoused and 21 were euthanased
- Of the 175 cats impounded, 10 were returned to their owner, 18 were rehoused and 147 were euthanased. Whilst the number of cats humanely destroyed appears to be disproportionately high, this is due to the majority of these being feral animals.

Overall, of the 479 animals impounded, 72 percent were returned to their owner or re-housed. However, this only represents the animals that were physically brought to the pound and does not include the many animals that were able to be taken straight home.

The Domestic Animal Management Plan provides council with a sound basis from which to can plan, coordinate and make decisions to meet the present and future needs of the community.

Country Fire Authority Act 1958

Under the Act council is required to create a Municipal Fire Prevention Plan and to evaluate its implementation in its annual report.

The Municipal Fire Prevention Plan is being implemented effectively. Council has reviewed and updated the plan in line with the recommendations from the 2009 Victorian Bushfire Royal Commission Recommendations. We have also carried out our responsibilities to maintain strategic fire breaks identified in the plan and undertaken the fire prevention inspection process during the fire danger period. Courtesy letters were sent to over 9,500 property owners in October 2010 highlighting the need for the community to prepare for the start of the fire season in November. A total of 839 Fire Prevention Notices were issued to property owners who did not effectively maintain their property to the required standards. Only 27 properties failed to comply with the requirements of a fire prevention notice.

National Competition Policy and Compliance 2010-2011

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 2010 to 30 June 2011, in accordance with the requirements outlined in *National Competition Policy and Local Government (Revised 2011)* as set out below:

| | |
|--|-----------|
| A. Trade Practices Compliance | |
| <i>State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</i> | Compliant |
| B. Local Laws Compliance | |
| <i>State whether the Council is compliant or non-compliant. List any local laws made or remade during 2010-11 which impose a restriction on competition.</i> | Compliant |
| C. Competitive Neutrality Compliance | |
| <i>State whether the Council is compliant or non-compliant for all significant businesses. List any significant businesses that are non-compliant.</i> | Compliant |

I certify that:

- a) this statement has been prepared in accordance with the 2010-2011 National Competition Policy reporting guidelines, and
- b) this statement presents fairly the Council's implementation of the National Competition Policy.

Signed:



(Chief Executive Officer)

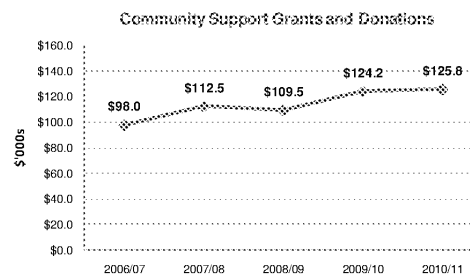
Date: 26 July 2011

Grants and Donations to the Community

To assist our community undertake cultural, recreational, environmental and community support projects and activities, council provides grants and donations to community groups and organisations. In 2011 we gifted a total of \$417,993 to our community; \$125,801 was granted as a result of applications for funding by community groups and organisations (a combination of \$117,476 plus \$8,325 remaining from the 2009/10 allocation) for a variety of projects ranging from minor maintenance to sporting clubs and arts and theatre groups, and \$292,192 was allocated by council to provide support for community events and organisations. Aggregated over the last 5 years this is a \$1.64M investment in the social fabric of our community.

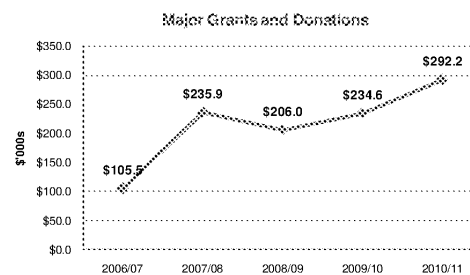
Community support grants and donations

A five year view of the Community Support Grants and Donations reveals council has provided a total of \$570,059 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 \$1,074,132 in Major Grants and Donations to support community events and organisations.



Council Memberships

Council is a member of a number of groups/organisations including the following key memberships:

| Organisation | Amount |
|---|------------------|
| Geelong Otway Tourism | \$81,081 |
| G21 - Geelong Regional Alliance | \$42,900 |
| Barwon Regional Waste Management Group | \$13,192 |
| Livestock Saleyards Association of Victoria | \$2,951 |
| Timber Towns Victoria | \$2,200 |
| Local Government Professionals | \$1,650 |
| TaxEd | \$1,295 |
| Eco Buy | \$1,265 |
| National Sea Change Taskforce | \$1,250 |
| Victorian Association of Performing Arts Centres | \$990 |
| Tourism Alliance Victoria | \$950 |
| ICLEI | \$781 |
| Local Government Finance Professionals | \$575 |
| Parks and Leisure Australia | \$575 |
| Australian Airports Association | \$550 |
| Australian Performing Arts Centres Association | \$510 |
| Victorian Community Transport Association | \$242 |
| Community Transport Organisation | \$165 |
| Cemeteries and Crematoria Association of Victoria | \$70 |
| Total | \$153,132 |

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):

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|------------------|------------------|------------------|------------------|------------------|
| <i>Affordability</i> | | | | | |
| Average rates and charges per assessment | \$1,069 | \$1,151 | \$1,228 | \$1,238 | \$1,400 |
| Average rates and charges per Residential assessment | \$950 | \$1,090 | \$1,000 | \$1,031 | \$1,151 |
| <i>Sustainability</i> | | | | | |
| Average liabilities per assessment | \$698 | \$619 | \$695 | \$887 | \$977 |
| Operating result per assessment – surplus/(deficit) | \$71 | \$46 | \$129 | \$213 | \$222 |
| <i>Services</i> | | | | | |
| Average operating expenditure per assessment | \$2,069 | \$2,246 | \$2,437 | \$2,526 | \$2,580 |
| Community Satisfaction Survey for overall performance generally of the Council | Index Mean
63 | Index Mean
51 | Index Mean
57 | Index Mean
55 | Index Mean
58 |
| <i>Infrastructure</i> | | | | | |
| Average capital expenditure per assessment | \$601 | \$630 | \$564 | \$695 | \$780 |
| <i>Renewal</i> | | | | | |
| Current spending on renewal to Asset base consumed during the year | 83% | 97% | 70% | 71% | 108% |
| <i>Renewal and Maintenance</i> | | | | | |
| Current spending on renewal plus maintenance to Asset base consumed during the year, plus maintenance | 90%* | 98% | 105% | 82% | 105% |
| <i>Governance</i> | | | | | |
| Community Satisfaction Survey for Council's advocacy and community representation on key local issues | Index Mean
63 | Index Mean
54 | Index Mean
57 | Index Mean
56 | Index Mean
62 |
| Community Satisfaction Survey for Council's engagement in decision-making on key local issues | Index Mean
62 | Index Mean
45 | Index Mean
51 | Index Mean
52 | Index Mean
54 |

*The figure of 121% appearing in the 2008/07 report was found to be in error

Financial Reporting



Financial Reporting provides essential information for understanding the financial position of Colac Otway Shire and assessing our performance over the past year. It also enables our community and all stakeholders to consider the ability of Council to continue to deliver current services and maintain existing facilities in the longer term.

ABOVE: Redwoods Magic PHOTO: Margaret Metcalfe

Financial Performance

In brief

- Achieved an \$18.9 million surplus for the period, which was \$16.9 million above budget expectations due to initial asset recognition.
- Achieved an underlying deficit of \$1.36 million which was \$0.18 million above expectations. This continues the long term trend towards an underlying surplus
- Ended the 2010/11 financial year with a cash balance of \$10.77 million
- Decrease in Non-Current Assets by \$0.8 million as a result of a revaluation of road assets

Operating Results

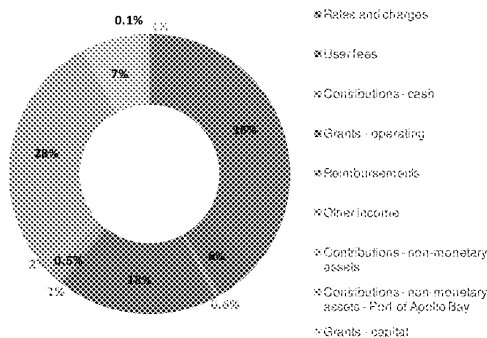
Council achieved an \$18.9 million surplus for the 2010/11 financial year. This is the fifth successive year that we have achieved a surplus, which is a tremendous result given the increasing demands placed upon council services and the tightening of revenue opportunities during the year. One of the major challenges of council will be to maintain ongoing surpluses to fund infrastructure renewal requirements.

Revenue

Council's total revenue for the 2010/11 year was \$56.60 million (as opposed to \$39.13 million for 2009/10) as per the Comprehensive Income Statement. The major contributor to the increase in income as compared to the previous year was the initial recognition of the Port of Apollo Bay assets as 'contributed assets – Port of Apollo Bay'.

A breakdown of council's revenue sources highlights that 82% of council's income is derived from three income categories:

- Rates and charges 38%
- Operating grants – non-monetary assets - Port of Apollo Bay 28%
- Capital grants 18%

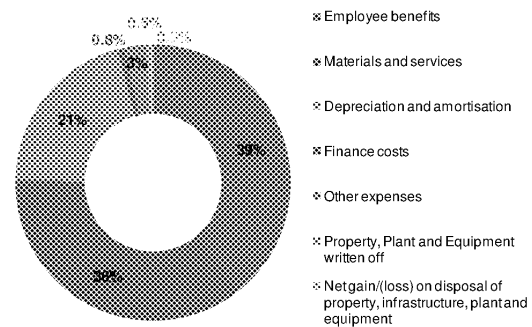


Expenditure

Council's total expenses for the 2010/11 year were \$37.57 million (as opposed to \$36.55 million for 2009/10) as per the Comprehensive Income Statement.

A breakdown of council's expenses highlights that 96% relates to three expenditure categories:

- Employee Benefits 39%
- Materials and Services 36%
- Depreciation and Amortisation 21%



Capital Works

During the financial year, council invested \$11.4 million on Capital Works projects. The investment on capital works continues to focus on addressing the considerable issue of maintaining or renewing the community's existing assets.

Some of the many projects undertaken during the year include:

- Completion of the Apollo Bay Waste Transfer Station
- Civic hall upgrade
- Continued development of the Old Beechy Rail Trail
- Horden Vale Road rehabilitation
- Completion of the Colac Community Library and Learning Centre
- Queen Street road widening

Assets

Council's total assets are \$254 million, a \$0.1 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)

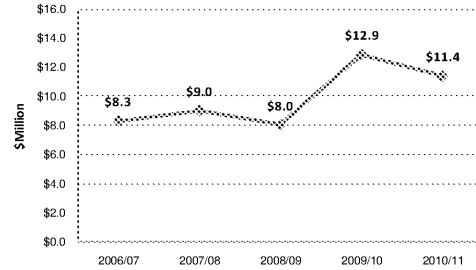
Together these asset categories account for 99% of all assets.

Liabilities

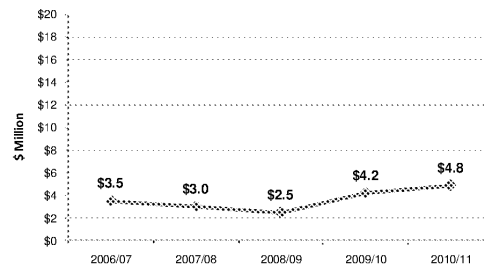
Council's liabilities include loans, amounts owed to suppliers, amounts owed to employees for leave entitlements and provisions for landfill rehabilitation. Council's total liabilities are \$14.29 million as at 30 June 2011.

Council's loan liability levels have increased during the year to \$4.85 million due to finalisation of the new Colac Community Library and Learning Centre and the Apollo Bay Waste Transfer Station. Current debt levels mean that we are operating well within the Victorian State Government prudential ratio limits.

Capital Works



Loan Liability



FINANCIAL INDICATORS

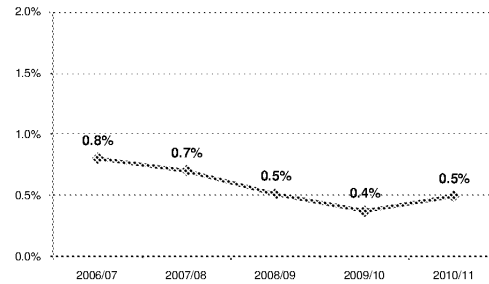
All of the following indicators show an improved financial position over the last five year period:

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 0.54% being well under the prudential limit of 5% set by the Victorian State Government.

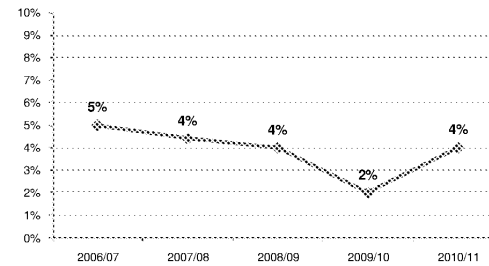
Debt Servicing Ratio



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.

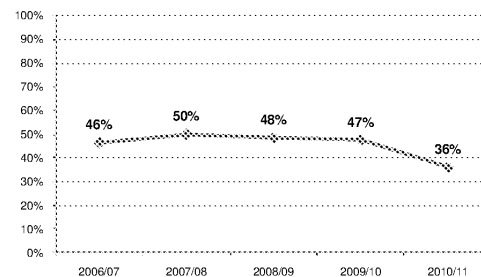
Debt Commitment Ratio



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.

Revenue Ratio



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 ratio is well under the limit of 50% set by the Victorian State Government.

Victorian Auditor General Financial Sustainability Indicators

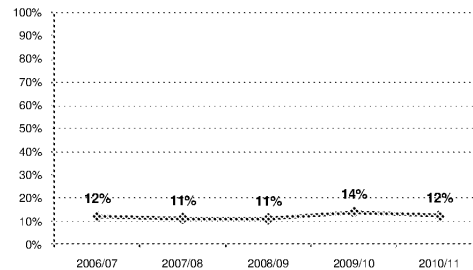
Financial sustainability is defined in a number of different ways. A generally accepted definition is whether local governments have sufficient current and prospective financial capacity (inflows) to meet their current and prospective financial requirements (outflows).

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

The indicators utilised by the Victorian Auditor General to assess the financial viability of councils are:

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

Debt Exposure Ratio



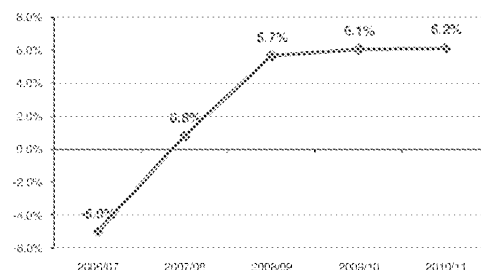
Financial Sustainability Risk Matrix

| Indicators | Colac Otway Result | Risk Levels | |
|-------------------------|--------------------|-------------------------------|-------------------|
| | | High | Low |
| Underlying Result Ratio | 6.2% | Between negative 10% and zero | Greater than zero |
| Liquidity Ratio | 241% | Between 100% and 150% | Greater than 150% |
| Indebtedness Ratio | 33.8% | Between 40% and 60% | Less than 40% |
| Self-Financing Ratio | 30.8% | Between 10% and 20% | Greater than 20% |
| Investment Gap Ratio | 158% | Between 100% and 150% | Greater than 150% |

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

Underlying Result Ratio

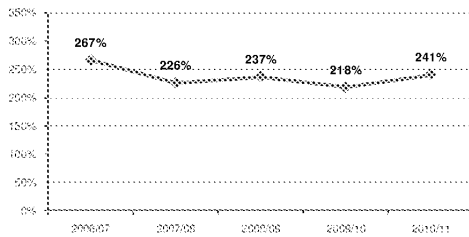
This ratio includes capital grants, which aid in generating an underlying surplus that can be utilised for new assets or asset renewal. This result places council within the 'Low' risk category of the Victorian Auditor General Risk assessment for the financial sustainability of council (p 13).



Liquidity Ratio (or Working Capital Ratio)

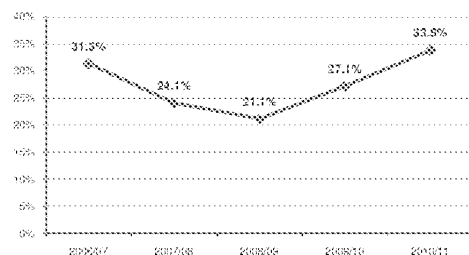
The Working Capital Ratio expresses the level of current assets, such as cash and investments, that council has available to meet its current liabilities including outstanding creditors and employee entitlements.

The target in council's Strategic Resource Plan is to maintain a ratio of at least 150%. Council's current ratio is well over the recommended limit of 150% indicated by the Auditor General. 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.



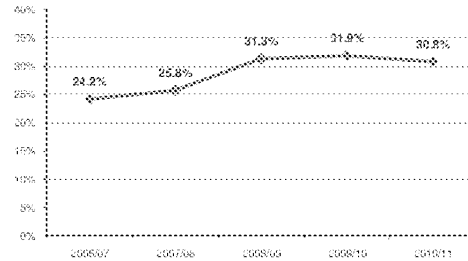
Indebtedness Ratio

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

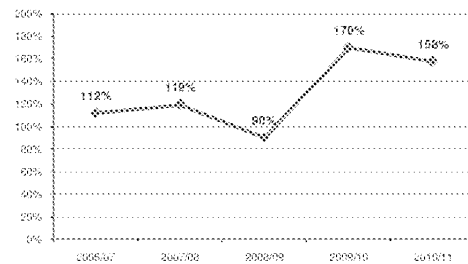
Results indicate that the shire is generating enough cash from operations to fund the renewal of existing assets. This is also a positive result for council and falls within the 'Low' risk category of the Victorian Auditor General Risk assessment for financial sustainability of council.



Investment Gap Ratio

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

The current year shows an ongoing commitment to maintaining a positive ratio of capital expenditure compared with depreciation of infrastructure assets. The ratio now falls into the low risk category of the Victorian Auditor General's risk assessment.



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 2010/2011 financial year and the overall position at the end of the financial year (30 June 2011).

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.

Council's financial report has three sets of statements, all of which will be explained in this guide:

- Standard Statements (p 95)
- Financial Statements (p 105)
- Performance Statement (p 94)

What are the Standard Statements?

The Standard Statements provide council with the opportunity to disclose information in a different format to that presented in the Financial Statements and will differ from council to council. The Standard Statements are designed to provide information in a way more relevant to the readers and our community. There are four different statements provided for in this area:

- The Standard Income Statement
- The Standard Balance Sheet
- The Standard Cash Flow Statement
- The Standard Statement of Capital Works

The Standard Statements provide a comparison between the actual results for the year and the original budget that was set by council at the beginning of the year. All major differences greater than 10% are explained in the accompanying notes.

The figures disclosed in the standard statements are prepared on a basis consistent with the council budget format, and therefore, individual line items in the standard statements may differ to those disclosed in the Financial Statements.

The Standard Income Statement

The Standard Income Statement is sometimes referred to as a Profit and Loss Statement and shows:

- The sources of council's income under various income headings
- The expenditure incurred in running the council during the year. These expenses relate only to the 'operations' and do not include the costs associated with the purchase or the building of assets.

The key figure to look at is the surplus or (deficit) for the year which is the equivalent to the profit or (loss) of council for the year.

The Standard Balance Sheet

The Standard Balance Sheet is a one page summary that shows what council owns as assets and what it owes as liabilities. The bottom line of this statement is called 'net assets' which is the net worth of council which has been built up over many years.

The Standard Cash Flow Statement

The Standard Cash Flow Statement summarises council's cash payments and cash receipts for the year. The values may differ from those shown in the Standard Income Statement because that statement is prepared on an accrual accounting basis. In addition, the amounts disclosed in the standard cash flow statement are at gross value including Goods and Services Tax (GST) where applicable.

The Standard Statement of Capital Works

The Statement of Capital Works set out the expenditure on creating or buying property, infrastructure, plant and equipment, investment property and intangible assets by each broad type of asset. It also shows how much has been spent (invested) on renewing, upgrading or creating new assets.

What is contained in the Annual Financial Report?

Council's financial report has two main sections, the Report and the Notes. There are four Statements and 42 notes. These are prepared by council staff, examined by council and council's Audit Committee and are audited by the Victorian Auditor-General.

The four statements included in the first few pages of the report are the Comprehensive 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.

Comprehensive Income Statement

The Comprehensive Income Statement measures council's performance over the year and shows if a surplus or a deficit has been made in delivering services. The surplus or deficit is the same as a profit or loss.

This 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, in other words we measure how much of an asset we have consumed. Capital costs or new assets acquired 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 (loss) situation, this means that council is not creating a sufficient surplus (profit) 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 surplus means that the revenue was greater than expenses.

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 2011. 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
- Trade and other receivables are monies owed to council by ratepayers and others
- Inventories include the stock held for sale or consumption in council services
- Other assets represent prepayments, which are expenses which have been paid in advance of the service delivery
- Investment in associate is the investment in the Corangamite Regional Library Corporation
- Property, plant and equipment, Infrastructure is the largest component of council's worth and represents the value of all land, buildings, roads, vehicles, equipment, and other items which have been invested in by council over many years

Current and Non-Current Liabilities

- Trade and other payables are those to whom council owes money as at 30 June 2010
- Trust funds and deposits represent money held in trust or deposits received and held by council.
- 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 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 2011. The net value of the council is also synonymous with total equity.

Total Equity

Total equity always equals the net assets. It is made up of the following components:

- Asset revaluation reserve is the difference between the previously recorded value of property and infrastructure assets and their current valuations. In other words, it is the value of assets in excess of what we paid for the assets.
- Other reserves are allocations of the accumulated surplus to specific projects or obligations.
- Accumulated surplus is the value of all net assets accumulated over time

Statement of Changes in Equity

During the course of the year, the value of total 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 Comprehensive Income

Statement as the surplus/(deficit) for the year

- The use of monies from council's reserves and transfers to Council's reserves
- Revaluation of assets; 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

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 Comprehensive Income Statement because this statement is prepared on an accrual accounting basis. In addition, the amounts disclosed in the Cash Flow Statement are at gross value including Goods and Services Tax (GST) where applicable.

Cash in this 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, as well as any movement in trust funds and deposits held by council.

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 Comprehensive 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.

What is the Performance Statement?

The Performance Statement reports on the performance of council for the financial year against the key strategic activities that were adopted as part of the annual budget process.

The performance statement includes the linkage of the activities to the Council Plan (objective), the strategic indicators (what we will do), our target for the year (a measurable target), the result (our actual result against the indicators), the outcome (did we achieve our target or not) and any comments relating to the various indicators.

Each result is reviewed by the external auditors, with supporting evidence and data scrutinised to ensure accuracy of performance reporting.

Statements by Principal Accounting Officer and Councillors

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

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

Auditor General's Report

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

Colac Otway Shire Council
Standard Statements
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*Colac Otway Shire Council
2010/2011 Financial Report*

Notes to the Standard Statements

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 28 July 2010.

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.

Colac Otway Shire Council
2010/2011 Financial Report

Standard Income Statement
For the Year Ended 30 June 2011

| | Note | Actual
\$'000 | Budget
\$'000 | Variance
\$'000 | Variance
% |
|--|------|------------------|------------------|--------------------|---------------|
| Income | | | | | |
| Operating Income: | | | | | |
| Rates and charges | | 20,465 | 20,428 | 37 | 0% |
| Charges, fees and fines | 1 | 3,728 | 3,389 | 339 | 10% |
| Contributions - Operating | 2 | 336 | 121 | 215 | 178% |
| Grants - operating | 3 | 10,439 | 8,480 | 1,959 | 23% |
| Other income | | 1,200 | 1,105 | 95 | 9% |
| Total operating revenues | | <u>36,168</u> | <u>33,523</u> | <u>2,645</u> | <u>8%</u> |
| Capital revenue | | | | | |
| Contributions - Capital | 4 | 994 | 458 | 536 | 117% |
| Contributions transfer - Capital | 5 | 15,658 | - | 15,658 | 100% |
| Grants - Capital | 6 | 3,883 | 3,181 | 702 | 22% |
| Total capital revenue | | <u>20,535</u> | <u>3,639</u> | <u>16,896</u> | <u>464%</u> |
| Total revenue | | <u>56,703</u> | <u>37,162</u> | <u>19,541</u> | <u>53%</u> |
| Expenses | | | | | |
| Employee benefits | 7 | (14,880) | (13,087) | (1,793) | 14% |
| Materials and services | | (13,634) | (12,538) | (1,096) | 9% |
| Depreciation and amortisation | | (7,783) | (8,277) | 494 | -6% |
| Finance expenses | 8 | (308) | (389) | 81 | -21% |
| Other expenses | 9 | (966) | (768) | (198) | 26% |
| Share of net surplus/(loss) of associates accounted for by the equity method | 10 | 46 | - | 46 | 100% |
| Total operating expenses | | <u>(37,525)</u> | <u>(35,059)</u> | <u>(2,466)</u> | <u>7%</u> |
| Capital expenses | | | | | |
| Net loss on disposal of Property, plant, equipment and infrastructure | | (104) | (105) | 1 | -1% |
| Property, plant, equipment and infrastructure written off | 11 | (174) | - | (174) | 100% |
| Total capital expenses | | <u>(278)</u> | <u>(105)</u> | <u>1</u> | <u>-1%</u> |
| Total expense | | <u>(37,803)</u> | <u>(35,164)</u> | <u>(2,465)</u> | <u>7%</u> |
| Surplus (deficit) income | | <u>18,900</u> | <u>1,998</u> | <u>17,076</u> | <u>855%</u> |

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

Standard Income Statement
For the Year Ended 30 June 2011

| Variance Notes | | |
|----------------|--|--|
| Note | Item | Explanation |
| 1 | Charges, fees and fines | User fees for home care \$368k was classified as a grants in Council's budget as they were subsidised by contracted suppliers; User fees Port of Apollo Bay's budget does not form part of Council's budget program \$36k; Council received lower than expected fees in Local laws \$(33)k; Great Ocean Road Visitor Information Office \$(12)k; Waste disposal fees \$(16)k. |
| 2 | Contributions - Operating | Additional home care contributions were received that were not budgeted for \$158k. |
| 3 | Grants - operating | Variations were caused primarily by Port of Apollo Bay operations grant budgeted separately from Council's budget process \$779k; Grant commission additional funding \$100k; Diesel fuel taxation credits were higher than anticipated \$182k; additional home care funding was received \$128k; Additional grant income of \$208k was received for aged services; Grants not budgeted for were received during the year Disaster relief grant for flood repairs; \$232k. Statutory planning grants \$120k; Economic Development Grants \$109k. |
| 4 | Contributions - Capital | A higher level of developer assets were granted to Council than was anticipated. |
| 5 | Contributions transfer - Capital | \$15.658 million of assets related to the Port of Apollo Bay have been recognised for the first time as assets of the Port for which Council is the custodian and have been deemed a non-monetary contribution. |
| 6 | Grants - Capital | Two funding instalments for the upgrade of the Port of Apollo Bay breakwater \$540k budgeted separately from Council's budget. Grant funding was received for the Joint Use Library and the finalisation of federal stimulus package funding for upgrade to Colac Youth & Recreation Centre. Budget for these items was allocated in the 2009/10 year. |
| 7 | Employee benefits | The defined benefits superannuation scheme had a call of \$568k that was paid early. In addition, higher activity level across Council sites and higher levels of maintenance by work crews has resulted in an increase in operational employee costs. |
| 8 | Finance expenses | Delay on timing of borrowings has led to a lower financial cost than expected. |
| 9 | Other expenses | Variances include increased level of donations made to the community; higher amount of bad debts than anticipated; cost of tickets for sale at GORVIC not budgeted for; and minor purchases for COPACC not budgeted for. |
| 10 | Share of net surplus/(loss) of associates accounted for by the equity method | The operating result of the library was not budgeted for. |
| 11 | Property, plant, equipment and infrastructure written off | Minor asset balances on property, plant, equipment and infrastructure written off that are not traditionally budgeted for. |

Colac Otway Shire Council
2010/2011 Financial Report

Standard Balance Sheet
As at 30 June 2011

| | Note | Actual
\$'000 | Budget
\$'000 | Variance
\$'000 | Variance
% |
|---|------|------------------|------------------|--------------------|---------------|
| Assets | | | | | |
| Current assets | | | | | |
| Cash | 12 | 10,775 | 5,754 | 5,021 | 87% |
| Receivables | | 2,779 | 2,716 | 63 | 2% |
| Inventories | 13 | 135 | 94 | 41 | 44% |
| Other assets | 14 | 53 | 139 | (86) | -62% |
| Total current assets | | 13,742 | 8,703 | 5,039 | 58% |
| Non-current assets | | | | | |
| Investment in associates | 15 | 452 | 542 | (90) | -17% |
| Property, infrastructure, plant and equipment | | 239,762 | 246,880 | (7,118) | -3% |
| Total non-current assets | | 240,214 | 247,422 | (7,208) | -3% |
| Total assets | | 253,956 | 256,125 | (2,169) | -1% |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Payables | 16 | 2,107 | 1,166 | 941 | 81% |
| Interest-bearing loans and borrowings | | 465 | 464 | 1 | 0% |
| Provisions | | 3,133 | 3,249 | (116) | -4% |
| Total current liabilities | | 5,705 | 4,879 | 826 | 17% |
| Non-current liabilities | | | | | |
| Interest-bearing loans and borrowings | | 4,380 | 4,398 | (18) | 0% |
| Provisions | 17 | 4,200 | 2,505 | 1,695 | 68% |
| Total non-current liabilities | | 8,580 | 6,903 | 1,677 | 24% |
| Total liabilities | | 14,285 | 11,782 | 2,503 | 21% |
| Net Assets | | 239,671 | 244,343 | (4,672) | -2% |
| Equity | | | | | |
| Accumulated surplus | 18 | 113,159 | 96,429 | (16,730) | -17% |
| Asset revaluation reserve | 19 | 121,703 | 144,508 | 22,805 | 16% |
| Other reserves | 20 | 4,809 | 3,406 | (1,403) | -41% |
| Total Equity | | 239,671 | 244,343 | 4,672 | 2% |

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

Standard Balance Sheet
For the Year Ended 30 June 2011

| Variance Notes | | |
|----------------|---------------------------|---|
| Note | Item | Explanation |
| 12 | Cash | Higher cash balance due to government grants received in advance, increasing cash reserve requirements and funds for carryover projects. |
| 13 | Inventories | Higher level of stock was held for sale as compared to the prior year, at the Visitor Information Centres and garbage bin held at Council's depots. |
| 14 | Other assets | Level of accrued income and prepayments at balance date was lower than estimated. |
| 15 | Investment in associates | Lower than expected share of surplus in associate due to a revaluation of book stock in 2009/10 resulted in a reduction in book stock value but was budgeted for an increase. |
| 16 | Payables | A higher level of creditors remained outstanding at balance date than was budgeted for. The budgeted trade and other payables were based on actual levels which were considerably lower than recorded in 2010/11. |
| 17 | Provisions | A general increase in employee benefits caused a subsequent increase in the associated non-current long service leave provision. The value of landfill provision requirement has increased as a result of a review of the future costs of works to remediate the Council's landfill sites and as a result was under budgeted. |
| 18 | Accumulated surplus | The surplus has been impacted by \$15.658 million of assets relating to the Port of Apollo Bay that have been recognised for the first time as assets of the Port for which Council is the custodian and have been deemed a non-monetary contribution. |
| 19 | Asset revaluation reserve | The reserve has reduced due to a revaluation of the road assets that was conducted during the year. This reduction is a reflection of the current state of the road assets that has been impacted by extreme weather conditions. This has resulted in a general deterioration of the road assets. |
| 20 | Other reserves | Reserves for Open Space, Plant Renewal, Port of Apollo Bay, Landfill Rehabilitation, Colac Livestock Selling Centre and Resource Development were significantly higher at balance date than budgeted for. The Tirrengower Drainage Scheme Reserve was an additional reserve created at year end that contributed to budget variation. |

Colac Otway Shire Council
2010/2011 Financial Report

Standard Cash Flow Statement
For the Year Ended 30 June 2011

| | Note | Actual
\$'000 | Budget
\$'000 | Variance
\$'000 | Variance
% |
|--|------|------------------|------------------|--------------------|---------------|
| Cash flows from operating activities | | | | | |
| General rates and charges | | 20,500 | 20,061 | 439 | 2% |
| Operating Grants and contributions | 21 | 10,164 | 8,872 | 1,292 | 15% |
| Interest received | | 447 | 453 | (6) | -1% |
| User charges | 22 | 4,399 | 3,289 | 1,110 | 34% |
| Other revenue | 23 | 1,135 | 620 | 515 | 83% |
| Net GST refund/payment | 24 | 1,496 | - | 1,496 | 100% |
| Employees costs | 25 | (14,742) | (12,988) | (1,754) | 14% |
| Materials and services | 26 | (14,175) | (12,538) | (1,637) | 13% |
| Other expenses | 27 | (1,011) | (768) | (243) | 32% |
| Net cash provided by (used in) operating activities | | <u>8,213</u> | <u>7,001</u> | <u>1,212</u> | <u>17%</u> |
| Cash flows from investing activities | | | | | |
| Proceeds from property, plant and equipment | 28 | 588 | 520 | 68 | 13% |
| Capital grants and contributions | 29 | 4,076 | 3,042 | 1,034 | 34% |
| Payments for property, plant and equipment | 30 | (12,262) | (10,909) | (1,353) | 12% |
| Net cash provided by (used in) investing activities | | <u>(7,598)</u> | <u>(7,347)</u> | <u>(251)</u> | <u>3%</u> |
| Cash flows from financing activities | | | | | |
| Finance costs | 31 | (282) | (388) | 106 | -27% |
| Trust funds and deposits | 32 | (8) | - | (8) | 100% |
| Proceeds from interest bearing loans and borrowings | | 1,100 | 1,100 | - | 0% |
| Repayment of interest bearing loans and borrowings | | (412) | (431) | 19 | -4% |
| Net cash provided by (used in) financing activities | | <u>398</u> | <u>281</u> | <u>117</u> | <u>42%</u> |
| Net increase (decrease) in cash and cash equivalents | 33 | 1,013 | (65) | 1,078 | -1658% |
| Cash and cash equivalents at the beginning of the financial year | 34 | 9,762 | 5,819 | 3,943 | 68% |
| Cash and cash equivalents at the end of the financial year | | <u>10,775</u> | <u>5,754</u> | <u>5,021</u> | <u>87%</u> |

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

Standard Cash Flow Statement
For the Year Ended 30 June 2011

| Variance Notes | | |
|----------------|--|--|
| Note | Item | Explanation |
| 21 | Operating Grants and contributions | Variations were caused primarily by Port of Apollo Bay operations grant budgeted separately from Council's budget process \$779k; Grant commission additional funding \$100k; Diesel fuel taxation credits were higher than anticipated \$182k; additional home care funding was received \$128k. Council's budgeted Cash Flow Statement does not include GST component of \$170k. |
| 22 | User charges | User fees for home care \$368k was classified as a grants in Council's budget as they were subsidised by contracted suppliers; User fees Port of Apollo Bay's budget does not form part of Council's budget program \$36k; Council's budgeted Cash Flow Statement does not include GST component of \$271k. A larger increase in budgeted debt levels were allowed for than had occurred \$436k. |
| 23 | Other revenue | Council's budgeted Cash Flow Statement does not include GST component of \$23k. Changes to budgeted accounts receivable attributed to other receipts were not as high as allowed for in Council's budget. |
| 24 | Net GST refund/payment | Council's Budgeted Cash Flow Statement does not include GST movements. |
| 25 | Employees costs | The defined benefits superannuation scheme had a call of \$568k that was paid early. In addition, higher activity level across Council sites and higher levels of maintenance by work crews has resulted in an increase in operational employee costs. Council's budgeted Cash Flow Statement does not include GST component of \$29k. |
| 26 | Materials and services | Council's budgeted Cash Flow Statement does not include GST component of \$1,286k. |
| 27 | Other expenses | Variances include increased level of donations made to the community; higher amount of bad debts than anticipated; cost of tickets for sale at GORVIC not budgeted for; and minor purchases for COPACC not budgeted for. Council's Budgeted Cash Flow Statement does not include GST movements of \$45k. |
| 28 | Proceeds from property, plant and equipment | Council's Budgeted Cash Flow Statement does not include GST movements of \$46k. |
| 29 | Capital grants and contributions | Two funding instalment for the upgrade of the Port of Apollo Bay breakwater \$540k budgeted separately from Council's budget. Grant funding was received for the Joint Use Library and the finalisation of federal stimulus package funding for upgrade to Colac Youth & Recreation Centre. Budget for these items was allocated in the 2009/10 year. Council's Budgeted Cash Flow Statement does not include GST movements of \$193k. |
| 30 | Payments for property, plant and equipment | Port of Apollo Bay breakwater \$540k budgeted separately from Council's budget \$871k. Council's Budgeted Cash Flow Statement does not include GST movements \$862k. |
| 31 | Finance costs | Delay on timing of borrowings has led to a lower financial cost than expected. |
| 32 | Trust funds and deposits | Council does not budget for movements in trust funds and deposits. This reflects the return of deposits for works completed. |
| 33 | Net increase (decrease) in cash and cash equivalents | The increase in net cash outflow over the budgeted amount is in part contributed to outstanding projects in 2010-2011 with net expenditure of \$1.4m. |
| 34 | Cash and cash equivalents at the beginning of the financial year | The variation is accounted by Port of Apollo Bay accumulated surplus of \$1.2m, which does not form part of Council's budget process. Capital projects budgeted income recognised in 2009-2010 were not completed until 2010-2011. |

Colac Otway Shire Council
2010/2011 Financial Report

Standard Statement of Capital Works
As at 30 June 2011

| | Note | Actual
\$ | Budget
\$ | Variance
\$ | Variance
% |
|------------------------------------|------|---------------|---------------|----------------|---------------|
| Capital Works Area | | | | | |
| Land | 35 | 625 | 0 | 625 | 100% |
| Parks, Open space and streetscapes | | 161 | 159 | 2 | 1% |
| Buildings | 36 | 3,114 | 1,727 | 1,387 | 80% |
| Plant, equipment & other | 37 | 1,651 | 1,904 | (253) | -13% |
| Roads, car parks & traffic network | 38 | 5,518 | 6,744 | (1,226) | -18% |
| Drainage | 39 | 131 | 375 | (244) | -65% |
| Intangibles | 40 | 200 | 0 | 200 | 100% |
| Total capital works | | 11,400 | 10,909 | 491 | 5% |
| Represented by: | | | | | |
| Renewal | | 8,491 | 8,041 | 450 | 6% |
| Upgrade | | 759 | 2,508 | (1,749) | -70% |
| New | | 2,150 | 360 | 1,790 | 497% |
| Total capital works | | 11,400 | 10,909 | 491 | 5% |

| Variance Notes | | |
|-----------------------|------------------------------------|---|
| Note | Item | Explanation |
| 35 | Land | Completion of the land acquisition for the Apollo Bay Waste Transfer Station. This was budgeted for in the prior financial year as a building acquisition. |
| 36 | Buildings | Completion of the construction for the Apollo Bay Waste Transfer Station with a budgeted net cost of \$214k. Total building asset value of \$952k accounts for a discrepancy of \$697k. Completion of Colac Community Library and Learning Centre budgeted net cost of \$200k. Total building asset value of \$427k accounts for a discrepancy of \$227k. These projects were budgeted for completion in the prior financial year. Council budget did not include expenditure on the Port of Apollo Bay break water construction of \$872k. |
| 37 | Plant, equipment & other | \$200k for software purchases was budgeted as furniture and equipment. This expenditure is reported as intangible assets. |
| 38 | Roads, car parks & traffic network | Pascoe Street Carpark budgeted for \$330k was delayed awaiting negotiations. Timber Roads programme \$485k was dependant on matching funding being allocated, however Council's application was not successful. \$178k bridge projects are to be carried forward to 2011-2012 financial year. \$75k of footpath projects were not completed due to inclement weather. \$130k savings were identified in Council's reseal program. \$264k of budgeted drainage projects were capitalised as road construction being a core task in Council's rehabilitation on unsealed roads. |
| 39 | Drainage | \$264k budgeted drainage works formed part of Council's unsealed road program. |
| 40 | Intangibles | \$200k for software purchases was budgeted as furniture and equipment. |

Colac Otway Shire Council
2010/2011 Financial Report

Certification of the 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*, the *Local Government (Finance and Reporting) Regulations 2004*, Australian Accounting Standards and other mandatory professional reporting requirements.



Brett Exelby CPA
Principal Accounting Officer

22 September 2011

In our opinion the accompanying standard statements present fairly the financial transactions of the Colac Otway Shire Council for the year ended 30 June 2011 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 standard statements to be misleading or inaccurate.

We have been authorised by the Council on 14 September 2011 to certify the standard statements in their final form.



Stephen Hart
Councillor

22 September 2011



Stuart Hart
Councillor

22 September 2011



Rob Small
Chief Executive Officer

22 September 2011

Colac Otway Shire Council
Financial Report
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Comprehensive Income Statement
For the Year Ended 30 June 2011

| | Note | 2011
\$'000 | 2010
\$'000 |
|--|------|-----------------|-----------------|
| Income | | | |
| Rates and charges | 2 | 20,465 | 18,559 |
| Statutory fees and fines | 3 | 540 | 1,286 |
| User fees | 4 | 3,188 | 2,981 |
| Contributions - cash | 6(a) | 336 | 807 |
| Grants - operating | 5 | 10,439 | 10,027 |
| Reimbursements | 8 | 311 | 1,710 |
| Other income | 9 | 889 | 885 |
| | | <u>36,168</u> | <u>36,255</u> |
| Capital Income: | | | |
| Contributions - non-monetary assets (other) | 6(b) | 994 | 564 |
| Contributions - non-monetary assets (Port of Apollo Bay) | 6(c) | 15,658 | - |
| Grants - capital | 5 | 3,883 | 2,249 |
| Net gain/(loss) on disposal of property, infrastructure, plant and equipment | 7 | (104) | 58 |
| | | <u>20,431</u> | <u>2,871</u> |
| Total income | | <u>56,599</u> | <u>39,126</u> |
| Expenses | | | |
| Employee benefits | 10 | (14,880) | (12,387) |
| Materials and services | 11 | (13,634) | (12,589) |
| Depreciation and amortisation | 12 | (7,783) | (8,409) |
| Finance costs | 13 | (308) | (140) |
| Other expenses | 14 | (966) | (2,887) |
| Share of net surplus/(loss) of associates accounted for by the equity method | 15 | 46 | (18) |
| | | <u>(37,525)</u> | <u>(36,430)</u> |
| Capital Expense: | | | |
| Property, plant, equipment and infrastructure written off | 20 | (174) | (121) |
| | | <u>(174)</u> | <u>(121)</u> |
| Total expenses | | <u>(37,699)</u> | <u>(36,551)</u> |
| Surplus / (Deficit) | | <u>18,900</u> | <u>2,575</u> |
| Other comprehensive income | | | |
| Net asset revaluation increment(decrement) | 20 | (20,297) | 554 |
| Share of other comprehensive income of associates accounted for by the equity method | 15 | - | (62) |
| Comprehensive result | | <u>(1,397)</u> | <u>3,067</u> |

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

Colac Otway Shire Council
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Balance Sheet
As at 30 June 2011

| | Note | 2011
\$'000 | 2010
\$'000 |
|---|------|----------------|----------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 16 | 10,775 | 9,762 |
| Trade and other receivables | 17 | 2,779 | 2,685 |
| Inventories | 18 | 135 | 97 |
| Other assets | 19 | 53 | 292 |
| Total current assets | | 13,742 | 12,836 |
| Non-current assets | | | |
| Investments in associates accounted for using the equity method | 15 | 452 | 406 |
| Property, infrastructure, plant and equipment | 20 | 239,762 | 240,610 |
| Total non-current assets | | 240,214 | 241,016 |
| Total assets | | 253,956 | 253,852 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 21 | 1,820 | 1,965 |
| Trust funds and deposits | 22 | 287 | 295 |
| Provisions | 23 | 3,133 | 3,214 |
| Interest-bearing loans and borrowings | 24 | 465 | 412 |
| Total current liabilities | | 5,705 | 5,886 |
| Non-current liabilities | | | |
| Provisions | 23 | 4,200 | 3,153 |
| Interest-bearing loans and borrowings | 24 | 4,380 | 3,745 |
| Total non-current liabilities | | 8,580 | 6,898 |
| Total liabilities | | 14,285 | 12,784 |
| Net Assets | | 239,671 | 241,068 |
| Equity | | | |
| Accumulated surplus | | 113,159 | 93,666 |
| Reserves | 25 | 126,512 | 147,402 |
| Total Equity | | 239,671 | 241,068 |

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

Colac Otway Shire Council
2010/2011 Financial Report

Statement of Changes in Equity
For the Year Ended 30 June 2011

| | | Accumulated | | Asset | Other |
|--|-------|-------------|---------|-------------|----------|
| | | Total | Surplus | Revaluation | Reserves |
| 2011 | | 2011 | 2011 | 2011 | 2011 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at beginning of the financial year | | 241,068 | 93,666 | 142,000 | 5,402 |
| Surplus / (Deficit) | | 18,900 | 18,900 | - | - |
| Transfers to other reserves | 25(b) | - | (4,408) | - | 4,408 |
| Transfers from other reserves | 25(b) | - | 5,001 | - | (5,001) |
| Net asset revaluation increment | | (20,297) | - | (20,297) | - |
| Balance at end of the financial year | | 239,671 | 113,159 | 121,703 | 4,809 |

| | | Accumulated | | Asset | Other |
|--|-------|-------------|---------|-------------|----------|
| | | Total | Surplus | Revaluation | Reserves |
| 2010 | | 2010 | 2010 | 2010 | 2010 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at beginning of the financial year | | 238,001 | 92,218 | 141,508 | 4,275 |
| Surplus / (Deficit) | | 2,575 | 2,575 | - | - |
| Transfers to other reserves | 25(b) | - | (2,051) | - | 2,051 |
| Transfers from other reserves | 25(b) | - | 924 | - | (924) |
| Net asset revaluation increment | | 554 | - | 554 | - |
| Share of other comprehensive income of associates accounted for by the equity method | | (62) | - | (62) | - |
| Balance at end of the financial year | | 241,068 | 93,666 | 142,000 | 5,402 |

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

Colac Otway Shire Council
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Cash Flow Statement
For the Year Ended 30 June 2011

| | Note | 2011
Inflows/
(Outflows)
\$'000 | 2010
Inflows/
(Outflows)
\$'000 |
|---|------|--|--|
| Cash flows from operating activities | | | |
| Rates | | 20,500 | 17,866 |
| User charges and other fines (inclusive of GST) | | 4,399 | 4,271 |
| Grants (inclusive of GST) | | 14,240 | 13,109 |
| Developer contributions (inclusive of GST) | | 340 | 888 |
| Reimbursements (inclusive of GST) | | 330 | 671 |
| Interest | | 447 | 447 |
| Other receipts (inclusive of GST) | | 465 | 482 |
| Net GST refund/payment | | 1,496 | 1,779 |
| Payments to suppliers (inclusive of GST) | | (14,175) | (14,183) |
| Payments to employees (including redundancies) | | (14,742) | (11,798) |
| Other payments | | (1,011) | (1,244) |
| Net cash provided by (used in) operating activities | 26 | <u>12,289</u> | <u>12,288</u> |
| Cash flows from investing activities | | | |
| Payments for property, infrastructure, plant and equipment | 20 | (12,262) | (14,258) |
| Proceeds from sale of property, infrastructure, plant and equipment | | 588 | 473 |
| Net cash provided by (used in) investing activities | | <u>(11,674)</u> | <u>(13,785)</u> |
| Cash flows from financing activities | | | |
| Finance costs | | (282) | (140) |
| Trust funds and deposits | | (8) | 53 |
| Proceeds from interest bearing loans and borrowings | | 1,100 | 2,000 |
| Repayment of interest bearing loans and borrowings | | (412) | (305) |
| Net cash provided by (used in) financing activities | | <u>398</u> | <u>1,608</u> |
| Net increase (decrease) in cash and cash equivalents | | 1,013 | 111 |
| Cash and cash equivalents at the beginning of the financial year | | 9,762 | 9,651 |
| Cash and cash equivalents at the end of the financial year | 27 | <u>10,775</u> | <u>9,762</u> |
| Financing arrangements | 28 | | |
| Restrictions on cash assets | 29 | | |

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

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

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 a Comprehensive 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(g), 1(j) and 1(q).

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 42 for further details.

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

(b) 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 5. 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.

Trade and other receivables

Receivables are carried at amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.

Rental

Rents are recognised when the payment is due, or the payment is received, whichever first occurs.

Interest

Interest is recognised progressively as it is earned

(c) 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.

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

- (d) 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.

A residual value has been applied to the pavement category of assets. This category reflects the portion of the road asset that lies under the wearing course of a road. The result of this recognition is a reduction in the depreciation charged on roads in the current financial year.

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.

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

| | Period |
|---------------------------------------|----------------|
| Property | |
| Land | |
| land improvements | 10 - 100 years |
| Buildings | |
| buildings | 50 - 100 years |
| building improvements | 50 - 100 years |
| Plant and Equipment | |
| plant, machinery and equipment | 2 - 10 years |
| fixtures, fittings and furniture | 3 - 21 years |
| computers and telecommunications | 5 - 10 years |
| Infrastructure | |
| Roads | |
| road pavements and seals | 12 - 60 years |
| road substructure | 12 - 60 years |
| road formation and earthworks | 50 - 100 years |
| road kerb, channel and minor culverts | 35 - 80 years |
| Bridges | |
| bridges deck | 50 - 70 years |
| bridges substructure | 50 - 70 years |
| Footpaths & cycle ways | |
| footpaths and cycle ways | 30 - 80 years |
| Drainage | |
| drainage | 100 years |
| Aerodromes | 12 - 60 years |
| Off street car parks | 12 - 60 years |
| Intangibles | |
| Software | 5 years |

- (e) 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.

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

(f) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred,
Borrowing costs include interest on borrowings.

(g) 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, transportation, design and supervision incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

From 1 July 2010 Council is recognised as the custodian of Apollo Bay Harbour infrastructure on behalf of the Department of Transport. The value of these assets are held a fair value based on a valuation provided by the Department of Transport as at 30 June 2008.

The following classes of assets have been recognised in Note 20. 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
\$ |
|---------------------------------------|-----------------|
| Property | |
| Land | |
| land | 1,000 |
| land under roads | 1,000 |
| land improvements | 5,000 |
| Buildings | |
| buildings | 5,000 |
| Plant and Equipment | |
| plant, machinery and equipment | 1,000 |
| fixtures, fittings and furniture | 1,000 |
| leased plant and equipment | 1,000 |
| Infrastructure | |
| Roads | |
| road pavements and seals | 10,000 |
| road substructure | 10,000 |
| road formation and earthworks | 10,000 |
| road kerb, channel and minor culverts | 10,000 |
| Bridges | |
| bridges deck | 10,000 |
| bridges substructure | 10,000 |
| Footpaths and cycle ways | 10,000 |
| Drainage | 10,000 |
| Aerodromes | 10,000 |
| Off street car parks | 10,000 |
| Intangibles | |
| Software | 1,000 |

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment and 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 on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced Council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation surplus 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 surplus 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 30 June 2008 in its financial report.

(h) 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.

(i) Investments

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

(j) 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 Comprehensive Income Statement.

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

(k) 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 22).

(l) 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.

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

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 30.

(m) Leases

Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

(n) 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.

(o) 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.

(p) 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.

(q) 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 comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(r) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

(s) Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

(t) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet adopted in preparation of the financial statements at reporting date.

| Standard / Interpretation | Summary | Applicable for annual reporting periods beginning or ending on | Impact on Local Government financial statements |
|---|---|--|--|
| AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] | <p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> * simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; * removing the tainting rules associated with held-to-maturity assets; * simplifying the requirements for embedded derivatives; * removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; * allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and * reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: <ul style="list-style-type: none"> a. the objective of the entity's business model for managing the financial assets; and b. the characteristics of the contractual cash flows. | Applicable for annual reporting periods commencing on or after 1 January 2013. | These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments |
| AASB 124: Related Party Disclosures | This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. | Applicable for annual reporting periods commencing on or after 1 January 2011. | Although this standard does not strictly apply to Local Government it is often used as guidance, as such there will be greater clarity on the disclosure of inter government transactions. |

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

(t) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet adopted in preparation of the financial statements at reporting date.

| <i>Standard / Interpretation</i> | <i>Summary</i> | <i>Applicable for annual reporting periods beginning or ending on</i> | <i>Impact on Local Government financial statements</i> |
|--|---|--|--|
| AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] | This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. | Applicable for annual reporting periods commencing on or after 1 January 2011. | These amendments are not expected to impact Council |
| AASB 2009-14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] | This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan. | Applicable for annual reporting periods commencing on or after 1 January 2011. | These amendments are not expected to impact Council |

(u) Contingent assets and contingent liabilities and commitments

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

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and inclusive of the GST payable.

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

| | 2011
\$'000 | 2010
\$'000 |
|---|----------------|----------------|
| Note 2 Rates and charges | | |
| Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its value as assessed by independent valuation undertaken every two (2) years. | | |
| The valuation base used to calculate general rates for 2010/2011 was \$5,110 million (2009/2010 \$4,886 million). Council applied a differential rating regime to the capital improved | | |
| Residential | 8,707 | 7,710 |
| Commercial/Industrial | 2,806 | 2,438 |
| Farm | 4,675 | 4,191 |
| Municipal charge | 2,003 | 1,984 |
| Garbage charge | 2,251 | 2,213 |
| Special rates and charges | 23 | 23 |
| Total rates and charges | 20,465 | 18,559 |
| The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation will be first applied in the rating year commencing 1 July 2010 | | |
| The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2008, and the valuation first applied to the rating period commencing 1 July 2008 | | |
| Note 3 Statutory fees and fines | | |
| Town planning fees | 191 | 180 |
| Health regulations | 104 | 116 |
| Building Permits | 102 | 126 |
| Infringements and costs | 68 | 82 |
| Land information certificates | 65 | 17 |
| Special Charge schemes | 9 | 764 |
| Freedom of information | 1 | 1 |
| | 540 | 1,286 |
| Note 4 User fees | | |
| (a) Bluewater fitness centre fees | 697 | 687 |
| Colac livestock selling centre fees | 558 | 507 |
| Home care and delivered meals fees | 385 | 360 |
| Colac Otway performing arts & cultural centre fees | 342 | 396 |
| Council properties fees and rental | 302 | 137 |
| Visitor information centre fees | 285 | 321 |
| Waste disposal fees | 220 | 171 |
| Parking, animal control and local laws fees | 139 | 154 |
| Port of Apollo Bay fees | 58 | 59 |
| Town planning and building fees | 31 | 29 |
| Other fees and charges | 171 | 160 |
| Total user fees | 3,188 | 2,981 |
| (b) Ageing analysis of contractual receivables | | |
| Please refer to note 34(e) for the ageing analysis of contractual receivables. | | |

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

| | 2011
\$'000 | 2010
\$'000 |
|--|----------------|----------------|
| Note 5 Grants | | |
| Grants were received in respect of the following : | | |
| Summary of grants | | |
| Operating grants | | |
| Victoria Grants Commission - Untied Base Grant | 3,413 | 3,068 |
| Victoria Grants Commission - Local Roads Grant | 2,326 | 2,168 |
| Recreation & Culture | 1,507 | 2,238 |
| Aged & Disabled Services | 1,245 | 1,339 |
| Family & Community Services | 792 | 338 |
| Business & Economic Services | 409 | 378 |
| Local Roads & Bridges | 330 | - |
| Administration | 208 | 304 |
| Environment Protection & Services | 147 | 54 |
| Traffic & Street Management | 36 | 20 |
| Governance | 26 | - |
| Waste Management | - | 120 |
| Total operating grants | <u>10,439</u> | <u>10,027</u> |
| Capital grants | | |
| Local Roads & Bridges | 1,599 | 1,805 |
| Recreation & Culture | 1,045 | 220 |
| Environment Protection & Services | 540 | - |
| Family & Community Services | 368 | - |
| Traffic & Street Management | 179 | 144 |
| Business & Economic Services | 80 | 80 |
| Natural Disaster* | 72 | - |
| Total capital grants | <u>3,883</u> | <u>2,249</u> |
| Total | <u>14,322</u> | <u>12,276</u> |
| <i>* Further claims are expected to be lodged in the 2011/12 financial year.</i> | | |
| Summary of grants | | |
| Recurrent grants | 10,232 | 8,953 |
| Non-Recurrent grants | 4,090 | 3,323 |
| Total | <u>14,322</u> | <u>12,276</u> |
| 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: | | |
| Family & Community Services | 323 | 42 |
| Recreation & Culture | 236 | 123 |
| Business & Economic Services | 217 | - |
| Traffic & Street Management | 88 | - |
| Aged & Disabled Services | 52 | - |
| Environmental Protection & Services | - | 70 |
| Local Roads & Bridges | - | 86 |
| Total | <u>916</u> | <u>321</u> |

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

| | 2011
\$'000 | 2010
\$'000 |
|---|----------------|----------------|
| Note 5 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: | | |
| Recreation & Culture | 123 | 153 |
| Local Roads & Bridges | 86 | - |
| Environmental Protection & Services | 70 | 23 |
| Family & Community Services | 42 | 110 |
| Business & Economic Services | - | 43 |
| Other | - | 118 |
| Total | <u>321</u> | <u>447</u> |
| Net increase (decrease) in restricted assets resulting from grant revenues for the year: | <u>595</u> | <u>(126)</u> |
| Note 6 Contributions | | |
| Operating | 95 | 482 |
| Capital | 1,235 | 889 |
| | <u>1,330</u> | <u>1,371</u> |
| (a) Cash | | |
| Community & health care | 215 | 252 |
| Parks, open space and streetscapes | 47 | - |
| Roads | 15 | 324 |
| Recreational, leisure and community facilities | 11 | 119 |
| Other | 48 | 112 |
| Total | <u>336</u> | <u>807</u> |
| (b) Non-monetary assets (other) | | |
| Land | 125 | - |
| Land under roads | 19 | 86 |
| Roads | 368 | 248 |
| Bridges | - | 75 |
| Footpaths and trails | 23 | - |
| Drainage | 323 | 155 |
| Kerb and channel | 136 | - |
| Total | <u>994</u> | <u>564</u> |
| (c) Non-monetary assets (Port of Apollo Bay)* | | |
| Buildings | 13,793 | - |
| Roads | 1,669 | - |
| Plant, and minor equipment | 196 | - |
| Total | <u>15,658</u> | <u>-</u> |
| * Refer to note 1(g) and note 42 for further information. | | |
| Total contributions | <u>16,988</u> | <u>1,371</u> |

Colac Otway Shire Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 7 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

| 2011 | Asset value | Accumulated
Depreciation | Written down
value of
disposals | Value of
Consideration | Profit on sale of
asset |
|--|--------------|-----------------------------|---------------------------------------|---------------------------|----------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Plant and Equipment</i> | | | | | |
| Plant and minor equipment | 1,155 | (509) | 646 | 542 | (104) |
| Total Plant and equipment | 1,155 | (509) | 646 | 542 | (104) |
| Total property, plant and equipment, infrastructure | 1,155 | (509) | 646 | 542 | (104) |
|
 | | | | | |
| 2010 | Asset value | Accumulated
Depreciation | Written down
value of
disposals | Value of
Consideration | Profit on sale of
asset |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Property</i> | | | | | |
| Land | 2 | - | 2 | 4 | 2 |
| Total Property | 2 | - | 2 | 4 | 2 |
| <i>Plant and Equipment</i> | | | | | |
| Plant and minor equipment | 949 | (601) | 348 | 424 | 76 |
| Fixed plant, furniture and equipment | 44 | (22) | 22 | 2 | (20) |
| Total Plant and equipment | 993 | (623) | 370 | 426 | 56 |
| Total property, plant and equipment, infrastructure | 995 | (623) | 372 | 430 | 58 |

| | 2011
\$'000 | 2010
\$'000 |
|--------------------------------|----------------|----------------|
| Note 8 Reimbursements | | |
| Insurances | 69 | 224 |
| Otway Tourism | 60 | - |
| Legal recoveries | 51 | 1,133 |
| Regional development | 45 | - |
| Long service leave transferred | 43 | - |
| Utilities | 34 | - |
| Family day care | - | 288 |
| Other | 9 | 65 |
| Total reimbursements | 311 | 1,710 |
|
 | | |
| Note 9 Other income | | |
| Interest | 436 | 278 |
| Interest on rates | 118 | 169 |
| State revenue office | 104 | - |
| Vic Roads | 47 | 98 |
| Private works | 41 | 37 |
| Local laws | 16 | 42 |
| Other | 127 | 261 |
| Total other income | 889 | 885 |

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Notes to the Financial Report
For the Year Ended 30 June 2011

| | 2011
\$'000 | 2010
\$'000 |
|--|----------------|----------------|
| Note 10 Employee benefits | | |
| Wages and salaries | 10,681 | 9,675 |
| Annual leave and long service leave | 1,264 | 923 |
| Superannuation | 1,148 | 896 |
| Superannuation - additional call* | 569 | - |
| Sick leave | 359 | 219 |
| Workcover | 279 | 300 |
| Casual staff | 239 | 238 |
| Fringe benefits tax | 133 | 89 |
| Other | 208 | 47 |
| Total employee benefits | 14,880 | 12,387 |
| * during the period Council was required to make an additional contribution to Vision Super to meet our obligations in relation to members of the defined benefit plan | | |
| Note 11 Materials and services | | |
| Contract and materials payments | 11,222 | 10,605 |
| Plant and equipment maintenance | 1,187 | 1,029 |
| Utilities | 801 | 621 |
| Insurances | 424 | 334 |
| Total materials and services | 13,634 | 12,589 |
| Note 12 Depreciation and amortisation | | |
| <i>Property</i> | | |
| Land | | |
| Land improvements | 455 | 244 |
| <i>Buildings</i> | | |
| Buildings [^] | 1,591 | 1,127 |
| <i>Plant and Equipment</i> | | |
| Plant, and minor equipment | 638 | 825 |
| Fixed plant, furniture and equipment | 258 | 202 |
| <i>Infrastructure</i> | | |
| Roads* | 3,688 | 4,874 |
| Bridges | 265 | 254 |
| Footpaths and cycle ways | 176 | 192 |
| Drainage | 257 | 243 |
| Kerb and channel | 447 | 448 |
| <i>Intangibles</i> | | |
| Software | 8 | - |
| Total depreciation and amortisation | 7,783 | 8,409 |
| [^] the buildings category includes significant assets related to the Port of Apollo Bay - refer to Note 42. | | |
| * refer to note 1 (d) for further information. | | |
| Note 13 Finance costs | | |
| Interest - Borrowings | 308 | 140 |
| Total finance costs | 308 | 140 |

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Notes to the Financial Report
For the Year Ended 30 June 2011

| | 2011
\$'000 | 2010
\$'000 |
|--|----------------|----------------|
| Note 14 Other expenses | | |
| Grants and donations paid | 432 | 709 |
| Councillors' allowances | 196 | 220 |
| Auditors' remuneration | 56 | 43 |
| Royalties and commissions | 41 | - |
| Bad debts written off | 15 | 11 |
| Legal settlement | - | 1,675 |
| Other | 226 | 229 |
| Total other expenses | <u>966</u> | <u>2,887</u> |
| Note 15 Investment in associates | | |
| Investments in associates accounted for by the equity method are: | | |
| - Corangamite regional library corporation | <u>452</u> | <u>406</u> |
| Total | <u>452</u> | <u>406</u> |
| Corangamite regional library corporation | | |
| <i>Background</i> | | |
| 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 has a 24.4% equity interest in 2010/2011 (2009/2010 24.4%) | | |
| <i>Council's share of accumulated surplus(deficit)</i> | | |
| Council's share of accumulated surplus(deficit) at start of year | (46) | (35) |
| Reported surplus(deficit) for year | 46 | (18) |
| Transfers (to) from reserves | - | 7 |
| Council's share of accumulated surplus(deficit) at end of year | <u>-</u> | <u>(46)</u> |
| <i>Council's share of reserves</i> | | |
| Council's share of reserves at start of year | 452 | 521 |
| Transfers (to) from reserves | - | (7) |
| Council's share of asset revaluation reserve | - | (62) |
| Council's share of reserves at end of year | <u>452</u> | <u>452</u> |
| <i>Movement in carrying value of specific investment</i> | | |
| Carrying value of investment at start of year | 406 | 486 |
| Share of surplus(deficit) for year | 46 | (18) |
| Share of asset revaluation | - | (62) |
| Carrying value of investment at end of year | <u>452</u> | <u>406</u> |
| Note 16 Cash and cash equivalents | | |
| Cash on hand | 7 | 7 |
| Cash at bank | 8,874 | 8,455 |
| Money market call account | 1,894 | 1,300 |
| Total cash and cash equivalents | <u>10,775</u> | <u>9,762</u> |

Users of the financial report should refer to Note 29 for details of restrictions on cash assets and Note 31 for details of existing Council commitments

Colac Otway Shire Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

| | 2011 | 2010 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Note 17 Trade and other receivables | | |
| Rates debtors | 1,051 | 1,086 |
| Government grants | 759 | 314 |
| Special charge schemes | 261 | 370 |
| Net GST receivable | 231 | 118 |
| Loans and advances to community organisations | 31 | 26 |
| Other debtors | 446 | 771 |
| Total trade and other receivables | <u>2,779</u> | <u>2,685</u> |
| Note 18 Inventories | | |
| Inventories held for sale | 108 | 69 |
| Inventories held for distribution | 27 | 28 |
| Total inventories | <u>135</u> | <u>97</u> |
| Note 19 Other assets | | |
| Prepayments | 31 | 186 |
| Accrued income | 22 | 106 |
| Total other assets | <u>53</u> | <u>292</u> |

Colac Otway Shire Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

| | 2011 | 2010 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| Note 20 Property, infrastructure, plant and equipment | | |
| <i>Summary</i> | | |
| at cost | 25,401 | 29,079 |
| Less accumulated depreciation | 6,083 | 7,601 |
| | <u>19,318</u> | <u>21,478</u> |
| at fair value | 117,023 | 91,906 |
| Less accumulated depreciation | 44,171 | 32,953 |
| | <u>72,852</u> | <u>58,953</u> |
| at council valuation | 245,710 | 225,646 |
| Less accumulated depreciation | 98,118 | 65,467 |
| | <u>147,592</u> | <u>160,179</u> |
| Total | <u>239,762</u> | <u>240,610</u> |
| <i>Property</i> | | |
| Land | | |
| at cost | 1,353 | 525 |
| at fair value as at 30 June 2010 | 31,545 | 31,545 |
| | <u>32,898</u> | <u>32,070</u> |
| Land under roads | | |
| at cost | 194 | 175 |
| | <u>194</u> | <u>175</u> |
| Land improvements | | |
| at cost | 3,009 | 2,709 |
| Less accumulated depreciation | 231 | 226 |
| | <u>2,778</u> | <u>2,483</u> |
| at council valuation as at 30 June 2005 | 2,932 | 2,932 |
| Less accumulated depreciation | 2,856 | 2,422 |
| | <u>76</u> | <u>510</u> |
| <i>Total Land</i> | <u>35,946</u> | <u>35,238</u> |
| Buildings | | |
| at cost | 7,901 | - |
| Less accumulated depreciation | 229 | - |
| | <u>7,672</u> | <u>-</u> |
| at fair value as at 1 July 2008 | 20,682 | - |
| Less accumulated depreciation | 7,149 | - |
| | <u>13,533</u> | <u>-</u> |
| at fair value as at 30 June 2010 | 60,349 | 60,361 |
| Less Accumulated depreciation | 34,119 | 32,953 |
| | <u>26,230</u> | <u>27,408</u> |
| <i>Total Buildings and structures</i> | <u>47,435</u> | <u>27,408</u> |
| <i>Total Property</i> | <u>83,381</u> | <u>62,646</u> |

Colac Otway Shire Council
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| | 2011 | 2010 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| Note 20 Property, infrastructure, plant and equipment (cont.) | | |
| Valuation of land (excluding land under roads) and buildings were undertaken by the qualified independent valuer Mr Robert Tot, (Diploma Property Operations, Graduate Diploma of property) of Landlink Opteon. 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 as at 30 June 2010. | | |
| Land under roads is valued at deemed cost. Deemed cost is based on using 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. | | |
| <i>Plant and Equipment</i> | | |
| Plant and minor equipment | | |
| at cost | 8,797 | 8,943 |
| Less accumulated depreciation | 4,693 | 4,689 |
| | <u>4,104</u> | <u>4,054</u> |
| Fixed plant, furniture and equipment | | |
| at cost | 1,895 | 1,860 |
| Less accumulated depreciation | 803 | 719 |
| | <u>1,092</u> | <u>1,141</u> |
| <i>Total Plant and Equipment</i> | <u>5,196</u> | <u>5,195</u> |
| <i>Infrastructure</i> | | |
| Roads | | |
| at cost | - | 9,295 |
| Less accumulated depreciation | - | 1,749 |
| | <u>-</u> | <u>7,546</u> |
| at council valuation as at 30 June 2008 | - | 157,376 |
| Less accumulated depreciation | - | 39,387 |
| | <u>-</u> | <u>117,989</u> |
| at fair value as at 30 June 2008 | 4,447 | - |
| Less Accumulated depreciation | 2,903 | - |
| | <u>1,544</u> | <u>-</u> |
| at council valuation as at 30 June 2011 | 177,591 | - |
| Less accumulated depreciation | 70,557 | - |
| | <u>107,034</u> | <u>-</u> |
| Bridges | | |
| at council valuation as at 30 June 2010 | 16,833 | 16,833 |
| Less accumulated depreciation | 5,822 | 5,557 |
| | <u>11,011</u> | <u>11,276</u> |

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Notes to the Financial Report
For the Year Ended 30 June 2011

| Note 20 | Property, infrastructure, plant and equipment (cont.) | 2011
\$'000 | 2010
\$'000 |
|---------|---|----------------|----------------|
| | Footpaths and cycle ways
at cost | 789 | 510 |
| | Less accumulated depreciation | 15 | 13 |
| | | <u>774</u> | <u>497</u> |
| | at council valuation as at 30 June 2009 | 8,102 | 8,251 |
| | Less accumulated depreciation | 3,220 | 3,140 |
| | | <u>4,882</u> | <u>5,111</u> |
| | Drainage
at cost | 400 | - |
| | | <u>400</u> | <u>-</u> |
| | at council valuation as at 30 June 2010 | 20,568 | 20,568 |
| | Less accumulated depreciation | 7,882 | 7,625 |
| | | <u>12,686</u> | <u>12,943</u> |
| | Kerb and channelling
at cost | 209 | 73 |
| | Less accumulated depreciation | 2 | 5 |
| | | <u>207</u> | <u>68</u> |
| | at council valuation as at 30 June 2009 | 19,684 | 19,686 |
| | Less accumulated depreciation | 7,781 | 7,336 |
| | | <u>11,903</u> | <u>12,350</u> |
| | <i>Total Infrastructure</i> | <u>150,441</u> | <u>167,780</u> |
| | Intangibles
at cost | 406 | - |
| | Less accumulated depreciation | 110 | - |
| | Total intangibles | <u>296</u> | <u>-</u> |
| | Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Adam Lehmann (BEng).
The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. | | |
| | <i>Works in progress</i>
Buildings at cost | 169 | 4,782 |
| | Land | - | 75 |
| | Roads at cost | 14 | 10 |
| | Footpaths | 146 | 23 |
| | Land improvements | 11 | 99 |
| | Bridges | 54 | - |
| | Drainage | 54 | - |
| | <i>Total works in progress</i> | <u>448</u> | <u>4,989</u> |
| | <i>Total property, infrastructure, plant and equipment</i> | <u>239,762</u> | <u>240,610</u> |

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Notes to the Financial Report
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Note 20 Property, plant and equipment, infrastructure (cont.)

| 2011 | Balance at beginning of financial year | Acquisition of assets | Revaluation increments (decrements) (note 25) | Depreciation and amortisation (note 12) | Written down value of disposals | Assets written off | Non-monetary assets contributed | Transfers | Balance at end of financial year |
|---|--|-----------------------|---|---|---------------------------------|--------------------|---------------------------------|-----------|----------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Property</i> | | | | | | | | | |
| Land | 32,070 | 625 | - | - | - | - | 125 | 78 | 32,898 |
| Land under roads | 175 | - | - | - | - | - | 19 | - | 194 |
| Land improvements | 2,993 | 150 | - | (455) | - | 66 | - | 100 | 2,854 |
| Total land | 35,238 | 775 | - | (455) | - | 66 | 144 | 178 | 35,946 |
| Buildings | 27,408 | 2,945 | - | (1,591) | - | (8) | 13,793 | 4,888 | 47,435 |
| Total Buildings | 27,408 | 2,945 | - | (1,591) | - | (8) | 13,793 | 4,888 | 47,435 |
| Total Property | 62,646 | 3,720 | - | (2,046) | - | 58 | 13,937 | 5,066 | 83,381 |
| <i>Plant and Equipment</i> | | | | | | | | | |
| Plant and minor equipment | 4,054 | 1,228 | - | (638) | (646) | (90) | 196 | - | 4,104 |
| Fixed plant, furniture and equipment | 1,141 | 423 | - | (258) | - | (2) | - | (212) | 1,092 |
| Total Plant and equipment | 5,195 | 1,651 | - | (896) | (646) | (92) | 196 | (212) | 5,196 |
| <i>Infrastructure</i> | | | | | | | | | |
| Roads | 125,535 | 5,071 | (20,297) | (3,688) | - | (88) | 2,037 | 9 | 108,579 |
| Bridges | 11,276 | - | - | (265) | - | - | - | - | 11,011 |
| Footpaths and cycle ways | 5,608 | 233 | - | (176) | - | (56) | 23 | 23 | 5,655 |
| Drainage | 12,943 | 77 | - | (257) | - | - | 323 | - | 13,086 |
| Kerb and channelling | 12,418 | - | - | (447) | - | 4 | 136 | (1) | 12,110 |
| Total Infrastructure | 167,780 | 5,381 | (20,297) | (4,833) | - | (140) | 2,519 | 31 | 150,441 |
| <i>Intangibles</i> | | | | | | | | | |
| Software | - | 200 | - | (8) | - | - | - | 104 | 296 |
| Total Intangibles | - | 200 | - | (8) | - | - | - | 104 | 296 |
| <i>Works in progress</i> | | | | | | | | | |
| Buildings | 4,782 | 169 | - | - | - | - | - | (4,782) | 169 |
| Land | 75 | - | - | - | - | - | - | (75) | - |
| Roads | 10 | 14 | - | - | - | - | - | (10) | 14 |
| Footpaths | 23 | 146 | - | - | - | - | - | (23) | 146 |
| Land improvements | 99 | 11 | - | - | - | - | - | (99) | 11 |
| Bridges | - | 54 | - | - | - | - | - | - | 54 |
| Drainage | - | 54 | - | - | - | - | - | - | 54 |
| Total Works in progress | 4,989 | 448 | - | - | - | - | - | (4,989) | 448 |
| Total property, plant and equipment, infrastructure | 240,610 | 11,400 | (20,297) | (7,783) | (646) | (174) | 16,652 | - | 239,762 |

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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 20 Property, plant and equipment, infrastructure (cont.)

| 2010 | Balance at beginning of financial year | Acquisition of assets | Revaluation increments (decrements) (note 25) | Depreciation and amortisation (note 12) | Assets written off | Losses recognised in profit or loss (b) | Non-monetary assets contributed | Balance at end of financial year |
|--|--|-----------------------|---|---|--------------------|---|---------------------------------|----------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Property</i> | | | | | | | | |
| Land | 29,571 | 525 | 1,976 | - | (2) | - | - | 32,070 |
| Land under roads | 89 | - | - | - | - | - | 86 | 175 |
| Land improvements | 2,463 | 784 | - | (244) | - | (10) | - | 2,993 |
| Total land | 32,123 | 1,309 | 1,976 | (244) | (2) | (10) | 86 | 35,238 |
| Buildings | 29,922 | 624 | (2,011) | (1,127) | - | - | - | 27,408 |
| Total Buildings | 29,922 | 624 | (2,011) | (1,127) | - | - | - | 27,408 |
| Total Property | 62,045 | 1,933 | (35) | (1,371) | (2) | (10) | 86 | 62,646 |
| <i>Plant and Equipment</i> | | | | | | | | |
| Plant and minor equipment | 3,746 | 1,484 | - | (825) | (348) | (3) | - | 4,054 |
| Fixed plant, furniture and equipment | 1,408 | 42 | - | (202) | (22) | (85) | - | 1,141 |
| Total Plant and equipment | 5,154 | 1,526 | - | (1,027) | (370) | (88) | - | 5,195 |
| <i>Infrastructure</i> | | | | | | | | |
| Roads | 126,083 | 4,151 | - | (4,874) | - | - | 175 | 125,535 |
| Bridges | 11,532 | 160 | (237) | (254) | - | - | 75 | 11,276 |
| Footpaths and cycle ways | 5,313 | 494 | - | (192) | - | (23) | 16 | 5,608 |
| Drainage | 12,183 | 22 | 826 | (243) | - | - | 155 | 12,943 |
| Kerb and channelling | 12,792 | 17 | - | (448) | - | - | 57 | 12,418 |
| Total Infrastructure | 167,903 | 4,844 | 589 | (6,011) | - | (23) | 478 | 167,780 |
| <i>Works in progress (a)</i> | | | | | | | | |
| Buildings | 400 | 4,382 | - | - | - | - | - | 4,782 |
| Land | - | 75 | - | - | - | - | - | 75 |
| Roads | - | 10 | - | - | - | - | - | 10 |
| Footpaths | - | 23 | - | - | - | - | - | 23 |
| Land improvements | - | 99 | - | - | - | - | - | 99 |
| Total Works in progress | 400 | 4,589 | - | - | - | - | - | 4,989 |
| Total property, plant and equipment, infrastructure | 235,502 | 12,892 | 554 | (8,409) | (372) | (121) | 564 | 240,610 |

(a) Work in progress

Opening balance of buildings work in progress has been isolated from building costs and was not yet capitalised at year end.

(b) Impairment losses

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

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

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Notes to the Financial Report
For the Year Ended 30 June 2011

| | 2011 | 2010 | | | |
|--|--------------|--------------------|----------------------|--------------|--------------|
| | \$'000 | \$'000 | | | |
| Note 21 Trade and other payables | | | | | |
| Trade payables | 1,598 | 774 | | | |
| Accrued expenses | 222 | 1,191 | | | |
| Total trade and other payables | <u>1,820</u> | <u>1,965</u> | | | |
| Note 22 Trust funds and deposits | | | | | |
| Refundable landscaping bond deposits | 57 | 136 | | | |
| Refundable contract deposits | 23 | 44 | | | |
| Refundable planning deposits | 161 | 60 | | | |
| Refundable builders footpath deposits | 26 | 27 | | | |
| Refundable re-erection of dwellings deposits | 18 | 28 | | | |
| Other refundable deposits | 2 | - | | | |
| Total trust funds and deposits | <u>287</u> | <u>295</u> | | | |
| Trust funds are refundable deposits held as guarantee for compliance with Council regulations. | | | | | |
| Note 23 Provisions | | | | | |
| | Annual leave | Long service leave | Landfill restoration | Other | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2011 | | | | | |
| Balance at beginning of the financial year | 972 | 2,048 | 3,347 | - | 6,367 |
| Additional provisions | 1,028 | 372 | 822 | - | 2,222 |
| Amounts used | (995) | (238) | (23) | - | (1,256) |
| Balance at the end of the financial year | <u>1,005</u> | <u>2,182</u> | <u>4,146</u> | <u>-</u> | <u>7,333</u> |
| 2010 | | | | | |
| Balance at beginning of the financial year | 840 | 1,471 | 2,711 | 290 | 5,312 |
| Additional provisions | 852 | 725 | 655 | - | 2,232 |
| Amounts used | (720) | (148) | (19) | (290) | (1,177) |
| Balance at the end of the financial year | <u>972</u> | <u>2,048</u> | <u>3,347</u> | <u>-</u> | <u>6,367</u> |
| (a) Employee benefits | | | | | |
| Current (i) | | | | | |
| Annual leave | | | | 1,005 | 972 |
| Long service leave | | | | 1,675 | 1,764 |
| | | | | <u>2,680</u> | <u>2,736</u> |
| Non-current (ii) | | | | | |
| Long service leave | | | | 507 | 284 |
| | | | | <u>507</u> | <u>284</u> |
| Aggregate carrying amount of employee benefits: | | | | | |
| Current | | | | 2,680 | 2,736 |
| Non-current | | | | 507 | 284 |
| | | | | <u>3,187</u> | <u>3,020</u> |

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Notes to the Financial Report
For the Year Ended 30 June 2011

| | 2011 | 2010 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Note 23 Provisions (cont.) | | |
| The following assumptions were adopted in measuring the present value of employee benefits: | | |
| Weighted average increase in employee costs | 4.19% | 4.00% |
| Weighted average discount rates | 4.99% | 4.97% |
| Weighted average settlement period | 12 | 12 |
| (i) Current | | |
| All annual leave and the long service leave entitlements representing 10 or more years | | |
| - Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value | 2,005 | 1,972 |
| - Other long-term employee benefits that do not fall due within 12 months after the end | 675 | 764 |
| | <u>2,680</u> | <u>2,736</u> |
| (ii) Non-current | | |
| Long service leave representing less than 10 years of continuous service measured at present value | 477 | 284 |
| | <u>477</u> | <u>284</u> |
| (b) Land fill restoration | | |
| Under agreement Council is obligated to restore the Alvie Landfill site to a particular standard. Current projections indicate that the site will cease operation in 2023 and restoration work is expected to commence shortly thereafter. The forecast life of the landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard and budgeted costs for that work. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs. | | |
| Council does not expect to receive reimbursement from a third party. | | |
| (c) Provision for landfill restoration | | |
| Provision for landfill restoration | | |
| Current | 453 | 478 |
| Non-current | 3,693 | 2,869 |
| Total | <u>4,146</u> | <u>3,347</u> |

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Notes to the Financial Report
For the Year Ended 30 June 2011

| | 2011
\$'000 | 2010
\$'000 |
|---|----------------|----------------|
| Note 24 Interest-bearing loans and borrowings | | |
| <i>Current</i> | | |
| Borrowings - secured | 465 | 412 |
| | <u>465</u> | <u>412</u> |
| <i>Non-current</i> | | |
| Borrowings - secured | 4,380 | 3,745 |
| Total | <u>4,845</u> | <u>4,157</u> |
| The maturity profile for Council's borrowings is: | | |
| Not later than one year | 446 | 412 |
| Later than one year and not later than five years | 1,944 | 1,587 |
| Later than five years | 2,455 | 2,158 |
| Total | <u>4,845</u> | <u>4,157</u> |

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For the Year Ended 30 June 2011

Note 25 Reserves

| | Balance at
beginning of
reporting period | Increment
(decrement) | Share of increment
(decrement) on revaluation
of assets by an associate | Balance at end of
reporting period |
|---|--|--------------------------|---|---------------------------------------|
| (a) Asset revaluation surplus | \$'000 | \$'000 | \$'000 | \$'000 |
| 2011 | | | | |
| Property | | | | |
| Land | 24,387 | - | - | 24,387 |
| Land improvements | 552 | - | - | 552 |
| Fixed plant, furniture and equipment | 293 | - | - | 293 |
| Buildings | 13,137 | - | - | 13,137 |
| Share of CRLC asset revaluation reserve | 450 | - | - | 450 |
| | <u>38,819</u> | <u>-</u> | <u>-</u> | <u>38,819</u> |
| Infrastructure | | | | |
| Roads | 83,905 | (20,297) | - | 63,608 |
| Bridges | 7,782 | - | - | 7,782 |
| Footpaths and cycle ways | 969 | - | - | 969 |
| Drainage | 3,830 | - | - | 3,830 |
| Kerb and channelling | 6,695 | - | - | 6,695 |
| | <u>103,181</u> | <u>(20,297)</u> | <u>-</u> | <u>82,884</u> |
| Total asset revaluation surplus | <u>142,000</u> | <u>(20,297)</u> | <u>-</u> | <u>121,703</u> |
| 2010 | | | | |
| Property | | | | |
| Land | 22,411 | 1,976 | - | 24,387 |
| Land improvements | 552 | - | - | 552 |
| Fixed plant, furniture and equipment | 293 | - | - | 293 |
| Buildings | 15,148 | (2,011) | - | 13,137 |
| Share of CRLC asset revaluation reserve | 512 | - | (62) | 450 |
| | <u>38,916</u> | <u>(35)</u> | <u>(62)</u> | <u>38,819</u> |
| Infrastructure | | | | |
| Roads | 83,905 | - | - | 83,905 |
| Bridges | 8,019 | (237) | - | 7,782 |
| Footpaths and cycle ways | 969 | - | - | 969 |
| Drainage | 3,004 | 826 | - | 3,830 |
| Kerb and channelling | 6,695 | - | - | 6,695 |
| | <u>102,592</u> | <u>589</u> | <u>-</u> | <u>103,181</u> |
| Total asset revaluation surplus | <u>141,508</u> | <u>554</u> | <u>(62)</u> | <u>142,000</u> |

The asset revaluation reserves have been established to capture the movements in asset valuations upon the periodic revaluation of council's assets.

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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 25 Reserves (cont.)

| | Balance at
beginning of
reporting period | Transfer from
accumulated
surplus | Transfer to
accumulated
surplus | Balance at end of
reporting period |
|---------------------------------|--|---|---------------------------------------|---------------------------------------|
| (b) Other reserves | \$'000 | \$'000 | \$'000 | \$'000 |
| 2011 | | | | |
| Plant replacement | 698 | 3,411 | (2,848) | 1,261 |
| Port of Apollo Bay | 1,221 | - | (70) | 1,151 |
| Recreational lands | 519 | 45 | - | 564 |
| Landfill rehabilitation (Alvie) | 410 | 57 | - | 467 |
| Resource development reserve | 406 | 268 | (290) | 384 |
| Colac livestock selling centre | 198 | 146 | - | 344 |
| Kerbside bin replacement | - | 205 | - | 205 |
| Rehabilitation reserve | 30 | 130 | - | 160 |
| Car parking | 210 | 10 | (83) | 137 |
| Unfunded superannuation reserve | 166 | 100 | (166) | 100 |
| Tirrengower Drainage Scheme | - | 36 | - | 36 |
| Waste management | 792 | - | (792) | - |
| Lakeside estate | 744 | - | (744) | - |
| Share of CRLC plant replacement | 8 | - | (8) | - |
| Total Other reserves | 5,402 | 4,408 | (5,001) | 4,809 |
| 2010 | | | | |
| Port of Apollo Bay | 940 | 281 | - | 1,221 |
| Waste management | 535 | 257 | - | 792 |
| Lakeside estate | 744 | - | - | 744 |
| Plant replacement | 725 | 672 | (699) | 698 |
| Recreational lands | 432 | 87 | - | 519 |
| Landfill rehabilitation (Alvie) | 360 | 50 | - | 410 |
| Resource Development Reserve | - | 406 | - | 406 |
| Car parking | 210 | - | - | 210 |
| Colac livestock selling centre | 96 | 102 | - | 198 |
| Unfunded superannuation reserve | - | 166 | - | 166 |
| Rehabilitation reserve | - | 30 | - | 30 |
| Share of CRLC plant replacement | 8 | - | - | 8 |
| Apollo Bay transfer station | 225 | - | (225) | - |
| Total Other reserves | 4,275 | 2,051 | (924) | 5,402 |

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Notes to the Financial Report
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Note 25 Reserves (cont.)

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

Port of Apollo Bay

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

Waste management

This reserve was set up as a source of funding waste collection and management projects and is entirely funded by any surplus funds from the waste collection programme in any given year.

Kerbside bin replacement

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

Lakeside estate

These funds were placed into reserve when the Bruce Street site was sold and was intended for future capital

Plant replacement

This reserve is to fund the replacement of council's plant at the end of their useful lives. Inflows to the reserve accrue out of any plant operating surplus with the funds then being used for the changeover of plant.

Recreational lands

Statutory reserve to be used for the development of recreational reserves and public open space.

Landfill rehabilitation (Alvie)

This reserve relates to the funds required to restore the Alvie Tip, when it requires rehabilitation and will continue to grow until the Tip closes, at which time the funds will be utilised to meet this obligation.

Resource development reserve

The purpose of this reserve is to fund future capital acquisitions or works and special projects.

Car parking

Statutory reserve to be used for the development of car parking.

Colac livestock selling centre

This reserve is for the purpose of funding works at the Colac Livestock Selling Centre and all funds are derived from any 'profit' made from the operations of the Colac Livestock Selling Centre.

Unfunded superannuation reserve

The purpose of this reserve is to fund the expected call by Vision Super for Council to contribute funds for Defined Benefits Superannuation.

Rehabilitation reserve

This reserve is to fund the rehabilitation of the various waste disposal sites across the Colac Otway Shire.

Share of CRLC plant replacement

Colac Otway Shire's share of the Corangamite Regional Library Corporation plant replacement reserve.

Tirrengower Drainage Scheme

These funds are collected via a special rate and must be expended against the purpose of the drainage scheme at Tirrengower.

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Notes to the Financial Report
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| | 2011
\$'000 | 2010
\$'000 |
|--|----------------|----------------|
| Note 26 Reconciliation of cash flows from operating activities to profit/(loss) | | |
| Surplus / (Deficit) | 18,900 | 2,593 |
| Depreciation/amortisation | 7,783 | 8,409 |
| (Profit)/loss on disposal of property, plant and equipment, infrastructure | 104 | (58) |
| Contributions - Non-monetary assets (other) | (994) | (564) |
| Share of result of associate | (46) | 18 |
| Finance costs | 282 | 140 |
| Contributions - Non-monetary assets (Port of Apollo Bay) | (15,658) | - |
| Property, plant and equipment, infrastructure written off | 174 | 121 |
| Net GST receipts and payments | 816 | 1,323 |
| <i>Change in assets and liabilities:</i> | | |
| (Increase)/decrease in trade and other receivables | (94) | (630) |
| (Increase)/decrease in prepayments | 239 | (153) |
| (Increase)/decrease in inventories | (38) | (3) |
| (Decrease)/increase in trade and other payables | (145) | 55 |
| (Decrease)/increase in provisions | 966 | 1,055 |
| Net cash provided by/(used in) operating activities | <u>12,289</u> | <u>12,306</u> |
| Note 27 Reconciliation of cash and cash equivalents | | |
| Cash and cash equivalents (see note 16) | 10,775 | 9,762 |
| Total reconciliation of cash and cash equivalents | <u>10,775</u> | <u>9,762</u> |
| Note 28 Financing arrangements | | |
| Bank overdraft | 1,000 | 1,000 |
| Unused facilities | <u>1,000</u> | <u>1,000</u> |
| Note 29 Restricted assets | | |
| Council has cash and cash equivalents (note 16) 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). | | |
| Long service leave (note 23(a)) | 2,182 | 1,745 |
| Trust deposits (note 22) | 287 | 295 |
| Reserve funds (note 25(b)) | 4,809 | 5,402 |
| Total restricted assets | <u>6,991</u> | <u>7,147</u> |
| * 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 23(a) due to a different basis of calculation prescribed by the regulation. | | |

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Note 30 Superannuation

Colac Otway Shire 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. The Fund was closed to new members from 31 December 1993. As the Plan'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, Corporation 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 Council makes the following contributions:-

- 9.25% of members' salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to any retrenched employees, plus contribution tax (same as previous year);

The Fund surplus or deficit (ie the difference between fund assets and liabilities) is 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 the Council's financial statements. AAS 25 requires that the present value of the defined benefit liability to be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date with no allowance for future benefits that may accrue.

Assessing the financial position of the Defined Benefit plan involves the calculation of various indices of benefits compared to assets. These include 'Vested Benefits Index' (VBI) and the 'Discounted Accrued Benefits Index' (DABI). An actuarial investigation, conducted in 2009, concluded that although the net market value of assets was in excess of accrued benefits at 31 December 2008, based on the assumptions adopted, that there was a shortfall of \$71 million when the funding of future benefits was also considered. A five year funding plan was developed by Vision Super to achieve full funding, however, Council was advised that no additional contributions were required for 30 June 2010.

Following a further planned actuarial review, finalised in late 2010, the funding shortfall of \$71 million for the whole fund still existed. Council's contribution due 1 July 2011 was \$580,316 as our share of the shortfall. Council took advantage of a lower cost option by making its contribution of \$568,647 earlier on 31 March 2011.

A further actuarial review will be undertaken as at 30 June 2011. Based on the result of this further review, a detailed funding plan will be developed and implemented to achieve the target of fully funding the Fund by 31 December 2013.

Accounting Standard Disclosure

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

| | 31 December 2008 |
|--|------------------|
| | \$'000 |
| Net Market Value of Assets | 3,630,432 |
| Accrued Benefits (per accounting standards) | 3,616,422 |
| Difference between Assets and Accrued Benefits | <u>14,010</u> |
| Vested Benefits | <u>3,561,588</u> |

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. |

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| | 2011
\$'000 | 2010
\$'000 |
|---|----------------|----------------|
| Note 30 Superannuation (cont.) | | |
| Fund | | |
| Defined benefits fund | | |
| Employer contributions paid to Local Authorities Superannuation Fund (Vision Super) | 861 | 202 |
| | <u>861</u> | <u>202</u> |
| Accumulation funds | | |
| Employer contributions paid to Local Authorities Superannuation Fund (Vision Super) | 899 | 694 |
| | <u>899</u> | <u>694</u> |

Reconciliation of Notes 10 to 30: Note 30 reports superannuation paid to Local Authorities Superannuation Fund (Vision Super). Note 10 reports amounts owed for superannuation in total.

Contingent Liability

Due to fluctuations in the value of assets underlying the fund and movements in the liabilities of the fund Council may be required to make an additional contribution to the fund. At this point in time the amount, and the likelihood of payment is not certain. Further detail of this matter is disclosed at Note 33 - Contingent liabilities and contingent assets

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Note 31 Commitments

The Council has entered into the following commitments

| 2011 | Not later than 1
year
\$'000 | Later than 1
year and not
later than 2
years
\$'000 | Later than 2
years and not
later than 5
years
\$'000 | Later than 5
years
\$'000 | Total
\$'000 |
|--|------------------------------------|---|--|---------------------------------|-----------------|
| <i>Operating</i> | | | | | |
| Waste management | 2,315 | 1,951 | 4,209 | - | 8,475 |
| Cleaning contracts for council buildings | 203 | 211 | - | - | 414 |
| Property valuation services | - | 201 | - | - | 201 |
| Meals for delivery | 120 | - | - | - | 120 |
| Consultancies | 280 | - | - | - | 280 |
| Information systems & technology | 93 | 97 | 101 | - | 291 |
| Street Lighting | 73 | 83 | 95 | - | 251 |
| Other | 45 | 14 | - | - | 59 |
| Total | 3,129 | 2,557 | 4,405 | - | 10,091 |
| <i>Capital</i> | | | | | |
| Plant and equipment | 602 | - | - | - | 602 |
| Building and other structures | 286 | - | - | - | 286 |
| Total | 888 | - | - | - | 888 |
| Total | 4,017 | 2,557 | 4,405 | - | 10,979 |

| 2010 | Not later than 1
year
\$'000 | Later than 1
year and not
later than 2
years
\$'000 | Later than 2
years and not
later than 5
years
\$'000 | Later than 5
years
\$'000 | Total
\$'000 |
|--|------------------------------------|---|--|---------------------------------|-----------------|
| <i>Operating</i> | | | | | |
| Waste management | 2,821 | 1,716 | 5,516 | - | 10,053 |
| Landfill rehabilitation | 227 | - | - | - | 227 |
| Cleaning contracts for council buildings | 188 | 216 | 703 | - | 1,107 |
| Property valuation services | - | 287 | - | - | 287 |
| Meals for delivery | 215 | 215 | 143 | - | 573 |
| Information systems & technology | 90 | 94 | 97 | - | 281 |
| Gross pollutant trap maintenance | 13 | - | - | - | 13 |
| Total | 3,554 | 2,528 | 6,459 | - | 12,541 |
| <i>Capital</i> | | | | | |
| Joint use library facility | 421 | - | - | - | 421 |
| Plant and equipment | 195 | - | - | - | 195 |
| Building and other structures | 703 | - | - | - | 703 |
| Total | 1,319 | - | - | - | 1,319 |
| Total | 4,873 | 2,528 | 6,459 | - | 13,860 |

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Notes to the Financial Report
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| | 2011 | 2010 |
|---|--------|--------|
| | \$'000 | \$'000 |
| Note 32 Operating leases | | |
| (a) Operating lease commitments | | |
| <p>At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):</p> | | |
| Not later than one year | 128 | 90 |
| Later than one year and not later than five years | 213 | 267 |
| | 341 | 357 |

Note 33 Contingent liabilities and contingent assets

(a) Contingent liabilities

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.

Council operates a landfill at Alvie. Council will have to carry out site rehabilitation works in the future. At balance date Council is unable to accurately assess the financial implications of such works.

(b) Guarantees for loans to other entities

The following Bank guarantees have been provided by Council:

| | | |
|-------------------------|-----|---|
| Otway Community College | 125 | - |
| | 125 | - |

The guarantee is held by the National Australia Bank dated 17 May 2011 for a period of four (4) years. The maximum value guaranteed by Council is for \$125,000.

The amount disclosed for the financial guarantee is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Colac Otway Shire Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 34 Financial Instruments

(a) Accounting Policy, terms and conditions

| Recognised financial instruments | Note | Accounting Policy | Terms and Conditions |
|----------------------------------|------|-------------------|----------------------|
|----------------------------------|------|-------------------|----------------------|

Financial assets

| | | | |
|---------------------------|----|--|--|
| Cash and cash equivalents | 16 | Cash on hand and at bank and money market call account are valued at face value.

Interest is recognised as it accrues.

Investments and bills are valued at cost.

Investments are held to maximise interest returns of surplus cash.
Interest revenues are recognised as they accrue. | On call deposits returned a floating interest rate of 4.56% (3.37% in 2009/2010). The interest rate at balance date was 4.65% (4.0% in 2009/2010).

Funds returned fixed interest rate of between 5.35% (2.90% in 2009/2010), and 5.8% (5.50% in 2009/2010) net of fees. |
|---------------------------|----|--|--|

Trade and other receivables

| | | | |
|---------------|----|---|--|
| Other debtors | 17 | Receivables are carried at amortised cost using the effective interest method. 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 2009/2010). Credit terms are based on 30 days. |
|---------------|----|---|--|

Financial Liabilities

| | | | |
|---------------------------------------|----|--|--|
| Trade and other payables | 21 | 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 | 24 | Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.

Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases. | Borrowings are secured by way of mortgages over the general rates of the Council.
The weighted average interest rate on borrowings is 6.86% (6.81% in 2009/2010).

As at balance date, the Council had no finance leases. |
| Bank overdraft | 28 | 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. |

Colac Otway Shire Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 34 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:

2011

| | 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 | |
| <i>Financial assets</i> | | | | | | |
| Cash and cash equivalents | 8,874 | 1,894 | - | - | 7 | 10,775 |
| Trade and other receivables | - | - | - | - | 2,779 | 2,779 |
| Total financial assets | 8,874 | 1,894 | - | - | 2,786 | 13,554 |
| Weighted average interest rate | 4.56% | 5.57% | | | | |
| <i>Financial liabilities</i> | | | | | | |
| Trade and other payables | - | - | - | - | 1,820 | 1,820 |
| Trust funds and deposits | - | - | - | - | 287 | 287 |
| Interest-bearing loans and borrowings | - | 446 | 1,944 | 2,455 | - | 4,845 |
| Total financial liabilities | - | 446 | 1,944 | 2,455 | 2,107 | 6,952 |
| Weighted average interest rate | | 6.86% | 6.89% | 6.89% | | |
| Net financial assets (liabilities) | 8,874 | 1,448 | (1,944) | (2,455) | 679 | 6,602 |

2010

| | 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 | |
| <i>Financial assets</i> | | | | | | |
| Cash and cash equivalents | 9,755 | - | - | - | 7 | 9,762 |
| Trade and other receivables | - | - | - | - | 2,685 | 2,685 |
| Total financial assets | 9,755 | - | - | - | 2,692 | 12,447 |
| Weighted average interest rate | 3.37% | | | | | |
| <i>Financial liabilities</i> | | | | | | |
| Trade and other payables | - | - | - | - | 1,965 | 1,965 |
| Trust funds and deposits | - | - | - | - | 295 | 295 |
| Interest-bearing loans and borrowings | - | 412 | 1,587 | 2,158 | - | 4,157 |
| Total financial liabilities | - | 412 | 1,587 | 2,158 | 2,260 | 6,417 |
| Weighted average interest rate | | 6.81% | 6.89% | 7.15% | | |
| Net financial assets (liabilities) | 9,755 | (412) | (1,587) | (2,158) | 432 | 6,030 |

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

Note 34 Financial Instruments (cont.)

(c) Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at

| Financial Instruments | Total carrying amount as per
Balance Sheet | | Aggregate net fair value | |
|---------------------------------------|---|----------------|--------------------------|----------------|
| | 2011
\$'000 | 2010
\$'000 | 2011
\$'000 | 2010
\$'000 |
| <i>Financial assets</i> | | | | |
| Cash and cash equivalents | 10,775 | 9,762 | 10,775 | 9,762 |
| Trade and other receivables | 2,779 | 2,685 | 2,779 | 2,685 |
| Total financial assets | 13,554 | 12,447 | 13,554 | 12,447 |
| <i>Financial liabilities</i> | | | | |
| Trade and other payables | 1,820 | 1,965 | 1,820 | 1,965 |
| Trust funds and deposits | 287 | 295 | 287 | 295 |
| Interest-bearing loans and borrowings | 4,845 | 4,157 | 4,502 | 3,468 |
| Total financial liabilities | 6,952 | 6,417 | 6,609 | 5,728 |

(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.

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

Note 34 Financial Instruments (cont.)

(e) Risks and mitigation (cont.)

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. 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.

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 33 - Contingent liabilities and contingent assets.

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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 34 Financial Instruments (cont.)

(e) Risks and mitigation (cont.)

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:

| | 2011 | 2010 |
|---------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Current (not yet due) | 1,254 | 2,575 |
| Past due by up to 30 days | 83 | 53 |
| Past due after 31 days | 391 | 57 |
| Total Trade & Other Receivables | <u>1,728</u> | <u>2,685</u> |

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;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid
- 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

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities for Financial Liabilities

These amounts represent undiscounted gross payments including both principal and interest amounts shown as Contracted Cash Flow. Carrying amount discloses amount owed at 30 June.

| 2011 | 6 mths or less | 6-12 months | 1-2 years | 2-5 years | >5 years | Contracted Cash flow | Carrying Amount |
|---------------------------------------|----------------|-------------|-----------|-----------|----------|----------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade and other payables | 1,820 | - | - | - | - | 1,820 | 1,820 |
| Trust funds and deposits | 287 | - | - | - | - | 287 | 287 |
| Interest-bearing loans and borrowings | 405 | 368 | 809 | 2,168 | 2,882 | 6,632 | 4,845 |
| Total financial liabilities | 2,512 | 368 | 809 | 2,168 | 2,882 | 8,739 | 6,952 |

| 2010 | 6 mths or less | 6-12 months | 1-2 years | 2-5 years | >5 years | Contracted Cash flow | Carrying Amount |
|---------------------------------------|----------------|-------------|-----------|-----------|----------|----------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade and other payables | 1,965 | - | - | - | - | 1,965 | 1,965 |
| Trust funds and deposits | 87 | 54 | 94 | 60 | - | 295 | 295 |
| Interest-bearing loans and borrowings | 377 | 326 | 627 | 1,810 | 2,614 | 5,754 | 4,157 |
| Total financial liabilities | 2,429 | 380 | 721 | 1,870 | 2,614 | 8,014 | 6,417 |

Colac Otway Shire Council
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Notes to the Financial Report
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Note 34 Financial Instruments (cont.)

(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 4.0%.

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 | |
| 2011 | \$'000 | Profit
\$'000 | Equity
\$'000 | Profit
\$'000 | Equity
\$'000 |
| Financial assets: | | | | | |
| Cash and cash equivalents | 10,775 | (216) | (216) | 108 | 108 |
| Trade and other receivables | 2,779 | (21) | (21) | 11 | 11 |
| Financial liabilities: | | | | | |
| Trade and Other payables | 2,107 | 0 | 0 | 0 | 0 |
| Interest-bearing loans and borrowings | 4,845 | 97 | 97 | (48) | (48) |

| | | Interest rate risk | | | |
|---------------------------------------|--------|--------------------|------------------|-------------------|------------------|
| | | -2 % | | 1% | |
| | | -200 basis points | | +100 basis points | |
| 2010 | \$'000 | Profit
\$'000 | Equity
\$'000 | Profit
\$'000 | Equity
\$'000 |
| Financial assets: | | | | | |
| Cash and cash equivalents | 9,762 | (195) | (195) | 98 | 98 |
| Trade and other receivables | 2,685 | (54) | (54) | 27 | 27 |
| Financial liabilities: | | | | | |
| Trade and Other payables | 2,260 | 0 | 0 | 0 | 0 |
| Interest-bearing loans and borrowings | 4,157 | 83 | 83 | (42) | (42) |

Colac Otway Shire Council
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Notes to the Financial Report
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| | 2011 | 2010 |
|-------------------------------------|--------|--------|
| | \$'000 | \$'000 |
| Note 35 Auditors' remuneration | | |
| Audit fee to conduct external audit | | |
| - Victorian Auditor-General | 37 | 32 |
| Internal audit fees | | |
| - Crowe Horwath (WHK) | 49 | 26 |
| | <hr/> | <hr/> |
| | 86 | 58 |

Note 36 Events occurring after balance date

No matters have occurred after the balance date that warrant disclosure in this report

Colac Otway Shire Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 37 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 (Mayor 08/12/10 to current) |
| | Councillor Lyn Russell (Mayor from 09/12/09 to 08/12/10) |
| | Councillor Stephen Hart |
| | Councillor Chris Smith |
| | Councillor Frank Buchanan |
| | Councillor Geoff Higgins |
| | Councillor Stuart Hart |
| Chief Executive Officer | Rob Small |

(ii) Remuneration of Responsible Persons

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

| | 2011
No. | 2010
No. |
|-----------------------|-------------|-------------|
| \$20,000 - \$29,999 | 2 | 5 |
| \$30,000 - \$39,999 | 3 | 2 |
| \$40,000 - \$49,999 | 2 | - |
| \$170,000 - \$179,999 | - | 1 |
| \$190,000 - \$199,999 | 1 | - |
| | <u>8</u> | <u>8</u> |
| | \$'000 | \$'000 |

Total Remuneration for the reporting year for Responsible Persons included above amounted to: 441 375

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2009/2010, 0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2009/2010, \$0).

(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 (2009/2010 \$0).

(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 \$124,000.

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

| Income Range: | 2011
No. | 2010
No. |
|-----------------------|-------------|-------------|
| \$124,000 - \$129,999 | 1 | - |
| \$130,000 - \$139,999 | - | 1 |
| \$150,000 - \$159,999 | - | 1 |
| \$160,000 - \$169,999 | 3 | 2 |
| | <u>4</u> | <u>4</u> |
| | \$'000 | \$'000 |

Total Remuneration for the reporting year for Senior Officers included above, amounted to: 615 616

Colac Otway Shire Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 38 Interest in joint venture

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 \$3,300,000. This represents a 50% share of the asset.

| | 2011 | 2010 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Council's share of assets employed in the joint venture | | |
| Buildings | 3,103 | 2,271 |
| Furniture | 120 | - |
| Intangible assets | 41 | - |
| | <u>3,264</u> | <u>2,271</u> |

Note 39 Income and expenses by function

| | Infrastructure and Services Department | | Corporate and Executive Departments | | Sustainable Planning and Development Department | | Total | |
|---------------------------------|--|-----------------|-------------------------------------|---------------|---|----------------|---------------|--------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| INCOME | 24,841 | 7,427 | 30,121 | 30,195 | 1,641 | 1,504 | 56,603 | 39,126 |
| EXPENSES | (11,240) | (18,796) | (21,539) | (13,265) | (4,924) | (4,490) | (37,703) | (36,551) |
| PROFIT / (LOSS)
FOR THE YEAR | <u>13,601</u> | <u>(11,369)</u> | <u>8,582</u> | <u>16,930</u> | <u>(3,283)</u> | <u>(2,986)</u> | <u>18,900</u> | <u>2,575</u> |

Infrastructure and Services Department

The Infrastructure and Services Department is responsible for protecting and enhancing and developing the Council's social and physical environment. The broad objective will be achieved primarily through planning, coordination and delivery of a diverse range of high quality, cost-efficient community and environmental services which are responsive to the needs of residents and other service

The Department includes the following

| | | |
|--------------------|---------------|--------------------|
| Sustainable assets | Capital works | Port of Apollo Bay |
| Major projects | Cosworks | |

Corporate and Executive Departments

The Corporate and Executive Departments are responsible for providing a range of governance, strategic and operational financial services to business units and to the Council as a whole.

The Departments includes the following

| | | |
|-------------------|--|------------------------------|
| Executive | Organisational support and development | Recreation, arts and culture |
| Servicing Council | Health and community services | Finance and customer service |
| Public relations | Information services | |

Sustainable Planning and Development Department

The Sustainable Planning and Development Department promotes and enhances community wellbeing through funding programs, advocacy, service provision, community partnerships and regulatory activity.

The Department includes the following

| | |
|----------------------------------|----------------------|
| Environment and community safety | Economic development |
| Planning and building | |

Colac Otway Shire Council
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Notes to the Financial Report
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| Note | 40 | Financial ratios (Performance indicators) | | | | | |
|------|---|---|----------|--------|----------|--------|----------|
| | | 2011 | 2011 | 2010 | 2010 | 2009 | 2009 |
| | | \$'000 | (%) | \$'000 | (%) | \$'000 | (%) |
| (a) | Debt servicing ratio (to identify the capacity of Council to service its outstanding debt) | | | | | | |
| | <u>Debt servicing costs</u> | 308 | | 140 | | 185 | |
| | Total revenue | 56,599 | = 0.54% | 39,126 | = 0.36% | 37,535 | = 0.49% |
| | Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft. | | | | | | |
| | The ratio expresses the amount of interest paid as a percentage of Council's total revenue. | | | | | | |
| (b) | Debt commitment ratio (to identify Council's debt redemption strategy) | | | | | | |
| | <u>Debt servicing & redemption costs</u> | 720 | | 445 | | 703 | |
| | Rate revenue | 20,465 | = 3.52% | 18,559 | = 2.40% | 17,602 | = 3.99% |
| | The strategy involves the payment of loan principal and interest, finance lease principal and interest. | | | | | | |
| | The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal. | | | | | | |
| (c) | Revenue ratio (to identify Council's dependence on non-rate income) | | | | | | |
| | <u>Rate revenue</u> | 20,465 | | 18,559 | | 17,602 | |
| | Total revenue | 56,599 | = 36.16% | 39,126 | = 47.43% | 37,535 | = 46.89% |
| | The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council. | | | | | | |
| (d) | Debt exposure ratio (to identify Council's exposure to debt) | | | | | | |
| | <u>Total indebtedness</u> | 11,816 | | 11,039 | | 8,455 | |
| | Total realisable assets | 95,780 | = 12.34% | 78,925 | = 13.99% | 74,278 | = 11.38% |
| | For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use. | | | | | | |
| | Any liability represented by a restricted asset (Note 29) is excluded from total indebtedness. | | | | | | |
| | The following assets are excluded from total assets when calculating Council's realisable assets: land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate. | | | | | | |
| | 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. | | | | | | |

Colac Otway Shire Council
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Notes to the Financial Report
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| Note 40 | Financial ratios (Performance indicators) (cont.) | 2011
\$'000 | 2011
(%) | 2010
\$'000 | 2010
(%) | 2009
\$'000 | 2009
(%) |
|---------|---|----------------|-------------|----------------|-------------|----------------|-------------|
| (e) | Working capital ratio (to assess Council's ability to meet current commitments) | | | | | | |
| | <u>Current assets</u> | 13,742 | | 12,836 | | 11,939 | |
| | Current liabilities | 5,705 | = 240.88% | 5,886 | = 218.08% | 5,264 | = 226.80% |
| | The ratio expresses the level of current assets the Council has available to meet its current liabilities. | | | | | | |
| (f) | Adjusted working capital ratio (to assess Council's ability to meet current commitments) | | | | | | |
| | <u>Current assets</u> | 13,742 | | 12,836 | | 11,939 | |
| | Current liabilities | 5,030 | = 273.20% | 5,122 | = 250.61% | 5,040 | = 236.88% |
| | The ratio expresses the level of current assets the Council has available to meet its current liabilities. | | | | | | |
| | Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period. | | | | | | |
| | Additional KPI ratios | | | | | | |
| | The following five ratios are based upon those used by the Victorian Auditor General to assess Council's financial sustainability level. | | | | | | |
| (g) | Underlying Result (removes non-cash developer contributions and other one-off items from the Operating Result) | | | | | | |
| | Adjusted Net Operating Result | 2,376 | | 2,150 | | 402 | |
| | Total Underlying Revenue | 39,947 | = 6.16% | 38,562 | = 5.6% | 35,329 | = 1.1% |
| (h) | Liquidity Ratio (to assess Council's ability to pay its liabilities in the next 12 months) | | | | | | |
| | Current assets | 13,742 | | 12,836 | | 11,939 | |
| | Current liabilities | 5,705 | = 240.9% | 5,886 | = 218.1% | 5,264 | = 226.8% |
| (i) | Indebtedness Ratio (to assess Council's ability to cover longer term liabilities from its own sourced revenue) | | | | | | |
| | Non-current liabilities | 8,580 | | 6,898 | | 4,662 | |
| | Own-sourced revenue | 25,393 | = 33.8% | 25,421 | = 27.1% | 22,076 | = 21.1% |
| (j) | Self-Financing Ratio (to assess Council's ability to replace assets from cash generated by operations) | | | | | | |
| | Net operating cash flows | 12,289 | | 12,288 | | 11,309 | |
| | Underlying revenue | 39,947 | = 30.8% | 38,562 | = 31.9% | 35,329 | = 32.0% |
| (k) | Investment Gap Ratio (measures whether Council is spending on infrastructure at a faster rate than infrastructure is depreciating) | | | | | | |
| | Capital Spend | 12,262 | | 14,258 | | 8,027 | |
| | Depreciation | 7,783 | = 157.5% | 8,409 | = 169.6% | 8,902 | = 90.2% |

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Notes to the Financial Report
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| | Note | 2011
\$'000 | 2010
\$'000 |
|---|-------|----------------|----------------|
| Note 41 Capital expenditure | | | |
| Capital expenditure areas | | | |
| Land | | 625 | 600 |
| Land improvements | | 161 | 883 |
| Buildings | | 3,114 | 5,006 |
| Plant and minor equipment | | 1,228 | 1,484 |
| Fixed plant, furniture and equipment | | 423 | 42 |
| Roads | | 5,085 | 4,161 |
| Bridges | | 54 | 160 |
| Footpaths and cycle ways | | 379 | 517 |
| Drainage | | 131 | 22 |
| Intangibles | | 200 | - |
| Kerb and channelling | | - | 17 |
| Total capital works | | <u>11,400</u> | <u>12,892</u> |
| Represented by: | | | |
| Renewal of property and buildings | (a) | 2,731 | 876 |
| Renewal of plant and equipment | | 699 | 1,484 |
| Renewal of infrastructure | | 5,061 | 3,594 |
| Upgrade of property and buildings | (b) | 378 | 2,724 |
| Upgrade of plant and equipment | | 4 | - |
| Upgrade of infrastructure | | 377 | 1,151 |
| New property and buildings | (c) | 1,468 | 2,889 |
| New plant and equipment | | 526 | 42 |
| New infrastructure | | 156 | 132 |
| Total capital works | | <u>11,400</u> | <u>12,892</u> |
| 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: | | | |
| Total capital works | | 11,400 | 12,892 |
| Contributions - non-monetary assets (other) | 6(b) | 994 | 564 |
| Asset revaluation movement | 23(a) | (20,297) | 554 |
| Depreciation/amortisation | 10 | (7,783) | (8,409) |
| Written down value of assets sold | 18 | (646) | (372) |
| Contributions - non-monetary assets (Port of Apollo Bay) | 6(c) | 15,658 | - |
| Transfers | 18 | - | - |
| Assets written off | 18 | (174) | (121) |
| Net movement in property, plant and equipment, infrastructure | 18 | <u>(848)</u> | <u>5,108</u> |

(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

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.

Colac Otway Shire Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

Note 41 Capital expenditure (cont.)

(c) New/Expansion

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group.

Note 42 Special committees and other activities - Port of Apollo Bay

The council is the Committee of Management for the Port of Apollo Bay. The income, expenses, assets and liabilities of the committee have been included in the council's financial statements and are summarised below:

| | 2011 | 2010 |
|---|----------------|--------------|
| | \$'000 | \$'000 |
| <u>Income Statement</u> | | |
| <i>Income</i> | | |
| Grants and subsidies | 1,320 | 827 |
| User fees and charges | 84 | 82 |
| Reimbursements | - | 4 |
| Contributions - non-monetary assets | 15,658 | - |
| Other income | 58 | 1 |
| Total income | <u>17,120</u> | <u>914</u> |
| <i>Expenses</i> | | |
| Employee benefits | (393) | (322) |
| Depreciation and amortisation | (433) | - |
| Materials and services | (184) | (317) |
| Other expenses | (1) | - |
| Total expenses | <u>(1,011)</u> | <u>(639)</u> |
| Surplus/(Deficit) | <u>16,109</u> | <u>275</u> |
| <u>Balance Sheet</u> | | |
| <i>Assets</i> | | |
| <i>Current assets</i> | | |
| Trade and other receivables | 1,250 | 1,272 |
| Total current assets | <u>1,250</u> | <u>1,272</u> |
| <i>Non-current assets</i> | | |
| Property, infrastructure, plant and equipment | 16,136 | - |
| Total non-current assets | <u>16,136</u> | <u>-</u> |
| Total assets | <u>17,386</u> | <u>1,272</u> |
| <i>Liabilities</i> | | |
| <i>Current liabilities</i> | | |
| Provisions | 47 | 44 |
| Total current liabilities | <u>47</u> | <u>44</u> |
| <i>Non-current liabilities</i> | | |
| Provisions | 15 | 13 |
| Total non-current liabilities | <u>15</u> | <u>13</u> |
| Total liabilities | <u>62</u> | <u>57</u> |
| Net Assets | <u>17,324</u> | <u>1,215</u> |
| <i>Equity</i> | | |
| Accumulated surplus | 1,215 | 940 |
| Current year surplus | 16,109 | 275 |
| Reserves | - | - |
| Total Equity | <u>17,324</u> | <u>1,215</u> |

Colac Otway Shire Council
2009/2010 Financial Report

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 (CPA)
Principal Accounting Officer

22 September 2011

In our opinion the accompanying financial statements present fairly the financial transactions of Colac Otway Shire Council for the year ended 30 June 2011 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 14 September 2011 to certify the financial statements in their final form.



Stephen Hart
Councillor

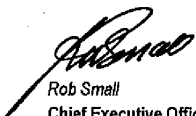
22 September 2011

Stuart Hart
Councillor



22 September 2011

Rob Small
Chief Executive Officer



22 September 2011



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Colac-Otway Shire Council

The Standard Statements and Financial Report

The accompanying standard statements for the year ended 30 June 2011 of the Council which comprises of the 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 accompanying financial report for the year ended 30 June 2011 of the Colac-Otway Shire Council which comprises of the comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification of the financial report has been audited.

The Councillors' Responsibility for the Standard Statements and Financial Report

The Councillors of the Colac-Otway Shire Council are responsible for the preparation and the fair presentation of:

- the standard statements in accordance with the basis of preparation as described in basis of preparation of standard statements of the statements and the requirements of the *Local Government Act 1989*
- 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*.

This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the standard statements and financial report 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 standard statements and financial report 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 standard statements and financial report are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standard statements and financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the standard statements and financial report, 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 standard statements and financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the standard statements and financial report.

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Auditing in the Public Interest



Victorian Auditor-General's Office

Independent Auditor's Report (continued)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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:

- (a) 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*.
- (b) the financial report presents fairly, in all material respects, the financial position of the Colac-Otway Shire Council as at 30 June 2011 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*.

Basis of Accounting for Standard Statements

Without modifying my opinion, I draw attention to basis of preparation of standard statements to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

Matters Relating to the Electronic Publication of the Audited Standard Statements and Financial Report

This auditor's report relates to the standard statements and financial report of the Colac-Otway Shire Council for the year ended 30 June 2011 included both in the Colac-Otway Shire Council's annual report and on the website. The Councillors of the Colac-Otway Shire Council are responsible for the integrity of the Colac-Otway Shire Council's website. I have not been engaged to report on the integrity of the Colac-Otway Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the standard statements and financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited standard statements and financial report to confirm the information contained in the website version of the standard statements and financial report.

MELBOURNE
28 September 2011

J. D. R. Pearson
Auditor-General

The signature of J. D. R. Pearson is written in a cursive, handwritten style. Below the signature, the name 'J. D. R. Pearson' and the title 'Auditor-General' are printed in a standard serif font.

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Auditing in the Public Interest

Performance Statement

| Objectives | Strategic Indicators | Target
2010/11 | Result
2010/11 | Outcome | Comments | |
|----------------------------------|---|--|--|---------------|--------------|---|
| Leadership and Governance | Council will fulfil its statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations | Achievement of Council Commitments and Key Actions | 100% | Not available | Not Achieved | The evidentiary trail supporting this strategic indicator has not been developed. |
| | | Community satisfaction with the Overall Performance of Council | 62% | 58% | Not Achieved | Have not met community expectations; however the difference is not significant given the margin of error in the survey methodology. |
| | | Community satisfaction with Council's Advocacy role | 63% | 62% | Not Achieved | Have not met community expectations; however the difference is not significant given the margin of error in the survey methodology. |
| | | Community satisfaction with Council's Community Engagement | 62% | 54% | Not Achieved | Have not met community expectations. |
| | | Community satisfaction with Council's Customer Contact | 73% | 68% | Not Achieved | Have not met community expectations. |
| | | Risk Liability Assessment | 89% | 89% | Achieved | Council audited every 2 years. Result remains unchanged from 2010. |
| | | Liquidity Ratio | 1.50:1(Est AIFRS Adj) | 2.42:1 | Achieved | |
| | | Audit Opinion issued on Financial Statements | Compliance with all statutory requirements | Yes | Achieved | |

| Objectives | Strategic Indicators | Target
2010/11 | Result
2010/11 | Outcome | Comments |
|--|---|-------------------|-------------------|--------------|--|
| Physical Infrastructure and Assets

Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future | Achievement of Council Commitments and Key Actions | 100% | Not available | Not Achieved | The evidentiary trail supporting this strategic indicator has not been developed |
| | Percentage of Capital Works expenditure projects completed | 85% | 82% | Not Achieved | Several projects were deferred due to factors outside Council control. |
| | Capital Works expenditure actual compared to budgeted expenditure | 85% | 105% | Achieved | |
| | Asset renewal sustainability index | 90% | 110% | Achieved | |
| Land Use and Development

Council will engage, plan and make decisions about land use and development that takes into account the regulatory role of Council, its diverse geography, social community, economic and environmental impacts for current and future generations. | Achievement of Council Commitments and Key Actions | 100% | Not available | Not Achieved | The evidentiary trail supporting this strategic indicator has not been developed |
| | Building permits processed within statutory timeframes | 70% | Not available | Not Achieved | A statutory timeframe does not exist for building permits and the Planning Dept does not track these stats. Deleted as part of the 2011 Council Plan review. |
| | Planning permits processed within statutory timeframes | 70% | Not available | Not Achieved | Considered not achieved as insufficient evidence provided to support the outcome. Evidentiary changes have been put in place for future years. |
| | | | | | |

| Objectives | Strategic Indicators | Target
2010/11 | Result
2010/11 | Outcome | Comments |
|--|--|---|--------------------------|----------------------------------|---|
| Environmental Management | | | | | |
| Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts | Achievement of Council Commitments and Key Actions

Increased Environmental Sustainability | 100%

Milestone 5 (Cities for Climate Protection Program) | Not available | Not Achieved | The evidentiary trail supporting this strategic indicator has not been developed.

Program ceased by the State government so no longer able to measure this indicator. Has been deleted as part of the 2011 Council Plan review. |
| Economic Development | | | | | |
| Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership | Achievement of Council Commitments and Key Actions

Completion of Master Plan priorities for all small towns | 100%

30% | N/A

Not available | Not Achieved

Not Achieved | The evidentiary trail supporting this strategic indicator has not been developed.

Considered not achieved as the wording of the indicator is for all small town master plans, whereas in practice, each year specific projects within master plans are funded. Wording change recommended in the 2012 Council Plan review. |

| Objectives | Strategic Indicators | Target
2010/11 | Result
2010/11 | Outcome | Comments | |
|---------------------------------------|---|---|-------------------|---------------|--------------|---|
| Community Health and Wellbeing | Council will promote community health and wellbeing in partnership with other health services. | Achievement of Council Commitments and Key Actions | 100% | Not available | Not Achieved | The evidentiary trail supporting this strategic indicator has not been developed. |
| | Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. | Community satisfaction with Health and Human Services | 77% | 75% | Not Achieved | Have not met community expectations, however the difference is not significant given the margin of error in the survey methodology. |
| | | Community satisfaction with Recreational Facilities | 66% | 61% | Not Achieved | Have not met community expectations. |

Colac Otway Shire Council
2009/2010 Financial Report

Certification of the Performance Statement

In my opinion the accompanying Performance Statement of the Colac Otway Shire Council in respect of the 2010/11 financial year has been prepared in accordance with the *Local Government Act 1989*.



Brett Exelby (CPA)
Principal Accounting Officer

22 September 2011

In our opinion, the accompanying Performance Statement of the Colac Otway Shire Council in respect of the 2010/11 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 date of signing, we are not aware of any circumstances which would render any particulars in the statement to be misleading or inaccurate.

We have been authorised by the Council on 14 September 2011 to certify the Performance Statement in its final form.




Stephen Hart
Councillor

22 September 2011



Stuart Hart
Councillor

22 September 2011



Rob Small
Chief Executive Officer

22 September 2011



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Colac-Otway Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2011 of the Colac-Otway Shire Council which comprises the statement, the related notes and the certification of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Colac-Otway Shire Council are responsible for the preparation and 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.

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.

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Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Auditor's Opinion

In my opinion, the performance statement of the Colac-Otway Shire Council in respect of the 30 June 2011 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Colac-Otway Shire Council for the year ended 30 June 2011 included both in the Colac-Otway Shire Council's annual report and on the website. The Councillors of the Colac-Otway Shire Council are responsible for the integrity of the Colac-Otway Shire Council's website. I have not been engaged to report on the integrity of the Colac-Otway Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
28 September 2011


D D R Pearson
Auditor-General

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Auditing in the Public Interest

Acronyms and Definitions

| | |
|------------|--|
| BWFC | Bluewater Fitness Centre |
| CBD | Central Business District |
| 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 |
| COVEC | Colac Otway Vocational Education Cluster |
| DOT | Department of Transport |
| DSE | Department of Sustainability and Environment |
| EFT | Equivalent Full Time employees |
| EMP | Emergency Management Plan |
| EPA | Environment Protection Authority |
| ETS | Emissions Trading Scheme |
| FOI | Freedom of Information |
| G21 | Geelong Regional Alliance |
| HACC | Home and Community Care |
| Interplan® | Council's Corporate Performance Management software system |
| JLTA | Jardine Lloyd Thompson Australia |
| JMAPP | Jardine Municipal Asset Protection Package |
| LG | Local Government |
| MAV | Municipal Association of Victoria |
| MOU | Memorandum of Understanding |
| NSP | Neighbourhood Safer Places |
| OH&S | Occupational Health and Safety |
| PES® | Council's Corporate Personnel Evaluation software system |
| RDV | Regional Development Victoria |
| RTAP | Regional Tourism Action Plan |
| SafetyMAP | Accreditation through the Victorian WorkCover Authority |
| STIP | Small Town Improvement Program |
| TLC3 | Towards Liveable Communities Coordinating Committee |
| TTC | Trade Training Centre |
| VCAT | Victorian Civil and Administrative Tribunal |
| VIC | Visitor Information Centre |
| WHK | Accounting and financial advisors |

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Social

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| Councillor | Address | Contact Details |
|---|---|--|
| Cr Brian Crook
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| Cr Stephen Hart
Deputy Mayor | 4925 Great Ocean Road
Lavers Hill Vic 3238 | Phone BH & AH: 5237 3196
Mobile: 0447 844 497
Email: lavershill7@bigpond.com |
| Cr Frank Buchanan | PO Box 275
Apollo Bay Vic 3233 | Phone BH/AH Mobile: 0437 780 070
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| Cr Stuart Hart | 15 Berry's Lane
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| Cr Geoff Higgins | 115 Back Larpent Road
Colac West Vic 3249 | Phone BH/AH: 5231 4864
Mobile: 0418 524 874
Fax: 5231 4864 |
| Cr Lyn Russell | 84 Slater Street
Elliminyt 3250 | Mobile: BH 0419 326 624; AH 5231 5191
Fax: 5595 3177
Email: lyn.russell@colacotway.vic.gov.au |
| Cr Chris Smith | 1330 Bungador Road
Swan Marsh Vic 3249 | Phone BH/AH: 5235 1255
Mobile: 0419 351 255
Fax: 5235 1451 |

Colac Service Centre

2-6 Rae Street
Colac Vic 3250

Phone: (03) 5232 9400
Fax: (03) 5232 1046

Hours: 8.30am – 5.00pm
Monday to Friday

Postal Address:

PO Box 283
Colac Vic 3250

Email Address:

inq@colacotway.vic.gov.au

Website Address:

www.colacotway.vic.gov.au

Apollo Bay Service Centre

69 Nelson Street
Apollo Bay Vic 3233

Phone: (03) 5237 6504
Fax: (03) 5237 6734

Hours: 8.30am – 1.00pm Monday to
Friday



OM112610-5

**COUNCIL SUPPORT TO NEIGHBOURHOOD HOUSES
POLICY**

| | | | |
|-------------|-----------------------------------|-----------|-----------|
| AUTHOR: | Colin Hayman | ENDORSED: | Rob Small |
| DEPARTMENT: | Corporate &
Community Services | FILE REF: | 11/96055 |

Purpose

The purpose of this report is to present a policy "Council Support to Neighbourhood Houses" for Council's consideration and to commence public consultation.

Declaration of Interests

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

Background

As part of a Budget request in 2010/11 from the Barwon Network of Neighbourhood Centres Inc. they also asked for Council to develop a Council policy position on Community Houses.

At a recent meeting with representatives of Neighbourhood Houses the request to develop a policy was again discussed.

Council Plan / Other Strategies / Policy**Community Health and Wellbeing**

Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities.

The development of the policy is consistent with the Council's vision, mission and the objective of Community Health and Wellbeing.

The policy is also consistent with State Government Guidelines as well as a number of other Council policies:

- Positive Ageing Policy
- Early Years
- Public Health and Wellbeing Policy

Issues / OptionsDevelopment of Policy

The draft policy has been based on other Local Government policies. As part of the development of the policy it was circulated to Executive and appropriate managers for comment.

The draft policy was then forwarded to the Coordinators of Neighbourhood Houses and the Department of Human Services (DHS) for comment.

A copy of the policy was provided to all Councillors on 19 September 2011 for comments. No comments were received.

Neighbourhood Houses

There are currently five official Neighbourhood Houses operating in Colac Otway Shire:

- Colac Neighbourhood House
- Gellibrand Community House
- Forrest and District Neighbourhood House
- Apollo Bay Community House
- Lavers Hill Neighbourhood House *

These form the “Otway Network of Community Houses” which comes under the Barwon Network of Neighbourhood Centres Inc.

**The Lavers Hill Neighbourhood House is currently not funded by the Government.*

There is also a Cressy and District Neighbourhood Centre which operates at the Council’s Maternal and Child Health Centre.

Neighbourhood/Community Houses

The four funded Neighbourhood Houses attract funding of \$124,800 per year in co-ordination funding from the Department of Human Services. Each dollar provided in funding returns an investment magnified many times over through activities which strengthen and unite communities through civic participation.

In the Colac Otway Shire’s four Neighbourhood/Community Houses:

- An average of 810 people walk through the doors in any one month
- The people take part in an average of 69 diverse activities
- Volunteers give at least 10,848 hours per year which represents a dollar value of \$162,730 in hours volunteered to strengthen their local communities in the Otway Shire – calculated at \$15 per volunteer hour. A return valued at \$162,730 for a \$124,800 investment in just volunteer input.

Proposal

It is proposed that Council endorses the draft Council Support to Neighbourhood Houses Policy for community consultation.

Financial and Other Resource Implications

Currently Council provides an amount of \$9,000 for Neighbourhood Houses. This is based on \$2,000 for each of the Apollo Bay, Colac, Forrest and District and Gellibrand Houses and \$1,000 to support the outreach work of the Barwon Region Community House networked in the Colac Otway Shire.

For 2012/13 it would be the intention to increase this amount and provide funds to both the Cressy and Lavers Hill Houses.

Risk Management & Compliance Issues

Each of the Houses have Risk Management processes in place.

Environmental and Climate Change Considerations

Not applicable.

Community Engagement

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement Policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

The method selected to date has been to consult with various stakeholders.

A copy of the policy was provided to Executive and a various managers for comment. An updated policy was provided to the Co-ordinator of the Houses and the Department of Human Services for comment.

A copy of the policy was provided to Councillors on 19 September 2011 for comment.

The next stage of the process would be to inform and consult the community on the draft policy.

Implementation

Once the draft policy has been endorsed by Council, there will be a consultation process for a period of at least six weeks.

Conclusion

Neighbourhood Houses are a vital and significant contributor to community development. The draft policy provides details of Council's support to the Neighbourhood Houses within the Shire.

Attachments

1. Draft Council Support to Neighbourhood Houses Policy

Recommendation(s)

That Council endorses the draft "Council Support to Neighbourhood Houses Policy" for community consultation to commence early November 2011 for a period of six weeks.

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# **COUNCIL SUPPORT TO NEIGHBOURHOOD HOUSES POLICY**

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**Policy No: 6.4**

**Date Adopted:**

**File No: GEN01688**

**Revised:**

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## **1. INTRODUCTION**

There are currently five official Neighbourhood Houses operating in Colac Otway Shire:

- Colac Neighbourhood House
- Gellibrand Community House
- Forrest and District Neighbourhood House
- Apollo Bay Community House
- Lavers Hill Neighbourhood House

These form the "Otway Network of Community Houses" which comes under the Barwon Network of Neighbourhood Centres Inc.

There is also a Cressy and District Neighbourhood Centre which operates at the Council's Maternal and Child Health Centre.

## **2. RELATIONSHIP WITH COUNCIL PLAN**

Council's vision is:

*Council will work together with our community to create a sustainable, vibrant future.*

Council's mission is:

*Council will work in partnership with our community and other organisations to provide:*

- *Effective leadership, governance and financial accountability*
- *Affordable and effective services*
- *An advocacy and engagement approach to sustainably grow our community.*

The Key Result Area of Community Health and Wellbeing has the following objective:

*"Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focussed health, recreational, cultural and community amenities, services and facilities."*

This policy is consistent with the Vision, Mission and Objective of Community Health and Wellbeing.

### **3. OBJECTIVES/PURPOSE**

The purpose of this policy is to provide details of Council's support to the Neighbourhood Houses within the Colac Otway Shire.

Council recognises and supports the benefits to local communities of Neighbourhood Houses in relation to Council's role in facilitating the development and strengthening of local communities. Council identifies Neighbourhood Houses as a significant contributor to community development.

This policy is underpinned by the community development principles of access, equity, participation, rights, partnership and diversity.

### **4. BACKGROUND**

The first Neighbourhood House/Community Centre in Victoria was established in 1973 with the help of State Government funding. Currently there are approximately 360 Neighbourhood Houses and Community Centres throughout Victoria.

Community Centres/Neighbourhood Houses are managed for and by the community itself. Decision making is shared by the community itself. These of course are the people who best understand their own diverse needs.

Community Centres/Neighbourhood Houses have a special atmosphere. They are welcoming, non-threatening places where anyone can come to meet new friends, contribute to their community, get helpful information and learn new skills.

Although Community Centres/Neighbourhood Houses differ from each other in many ways, they all aim to encourage personal growth, self-help and sharing of knowledge. Community Centres/Neighbourhood Houses work with a range of other local and state organisations in both formal and informal networking and partnership arrangements. Many centres have also become a social force for their local communities by reducing social inequalities and enriching the quality of life for community members.

For the purpose of this policy the Department of Planning and Community Development previously identified the following elements as common to Neighbourhood Houses. (Neighbourhood Houses are now managed by the Department of Human Services)

- Neighbourhood Houses aim to enhance the social and economic development of communities and run on principles of inclusive participation, community empowerment, life-long learning and active citizenship.
- Neighbourhood House programs aim to enhance the social and physical well-being of local communities by working with local residents to promote and develop their ability to be self-determining and self-reliant.



- Neighbourhood Houses are not for profit organisations where available funds are combined with a strong volunteer base to respond to community needs, aspirations and priorities. Each Neighbourhood House is a legal entity or auspiced by a legal entity with a formal membership base. Neighbourhood Houses are governed by voluntary committees of management.
- Neighbourhood Houses focus primarily, but not exclusively, on the geographic community in which the House is located.
- The Neighbourhood House role in local communities includes community education, advocacy, social action, networking with local agencies, information provision and gathering, opportunities for community management and social research and planning.

### **What Services do Neighbourhood Houses/Community Centres Provide?**

- Relaxation, people to talk to, sharing of common interests and having fun.
- Information, skills development, affordable and supportive retaining and promotion of self-esteem for long-term unemployed.
- Support, referral and community education on problems such as family violence, grief and grieving, financial management, parenting, etc.
- Development of skills to encourage economic self-sufficiency.
- Adult literacy and numeracy.
- Health education and preventative programs.
- Computer education.
- Activities for children from pre-schoolers to teenagers.
- Activities and information for indigenous and ethnic groups.
- Integration of disabled and disadvantaged into community activities.

## **5. DEFINITIONS**

### **Community**

A group of people living in the same geographic location (locality, township or suburb) and/or a group of people having common interest and needs.

### **Neighbourhood House**

Neighbourhood House organisations are known by a variety of names, including Community Houses, Community Centres, Neighbourhood Centres and Learning Centres. The defining attribute and common thread is that they are all not-for-profit organisations which focus on providing generalist activities, programs and services that respond to diverse community needs.

Neighbourhood Houses provide a place where members of the community are able to access support, information, learning opportunities and participate in social programs or in the operation and management of the House, as volunteers.

## **6. POLICY**

It is Council policy to support Neighbourhood Houses in the following ways:

1. Provision of financial assistance via annual funding to the Neighbourhood Houses located within the Colac Otway Shire where funds are available within annual budgets.
2. Financial support to the Regional Neighbourhood House network provided via an annual funding amount where funds are available within annual budgets.
3. Where possible provision and maintenance of facilities at peppercorn rental according to the lease documentation.
4. Support to the individual committee of management in providing advice and information where requested.
5. Advocacy on behalf of committees and management of the Houses and the Neighbourhood House program.
6. Participation in Otway Network of Community Houses to ensure a co-ordinated approach to addressing community needs.

Council recognises and supports the benefits to the community of Neighbourhood Houses in providing programs, services and venues for community development as well as avenues for informal support and opportunities for resident participation in the planning and delivery for services at a local level.

This policy recognises the ongoing community development role Neighbourhood Houses play at a local level and has been developed to provide guidance in the support of Neighbourhood Houses.

Council will work in partnership with committees of management to develop and resource local communities.

Support to Neighbourhood Houses has a dual benefit that underpins the concept of community building. It provides avenues for Council to communicate with and enhance local communities as well as enhancing the Neighbourhood Houses ability to work with local residents to meet their needs.

## **7. IMPLEMENTATION AND REVIEW**

This policy will be reviewed in line with changing needs of the communities in the Colac Otway Shire, State Government Neighbourhood House Policy on a three year basis.

## **8. RELATED POLICIES/PROCEDURES/GUIDELINES**

Neighbourhood House Co-ordination Program 2009/2012  
*Program Guidelines and Neighbourhood House Sector Information Guide*  
- *Department of Planning and Community Development.*



OM112610-6

**COLAC COMMUNITY LIBRARY AND LEARNING CENTRE -  
SERVICE REVIEW**

|             |                                   |           |           |
|-------------|-----------------------------------|-----------|-----------|
| AUTHOR:     | Colin Hayman                      | ENDORSED: | Rob Small |
| DEPARTMENT: | Corporate &<br>Community Services | FILE REF: | 11/96219  |

**Purpose**

For Council to receive a Service Review report prepared for the Colac Community Library and Learning Centre (CCLLC).

**Declaration of Interests**

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

**Background**

Earlier this year the funding partners appointed Roslyn Cousins, Chief Executive Officer of the Corangamite Regional Library Corporation, to undertake a service review that considered all operational aspects of the CCLLC.

The final Service Review report has been received.

**Council Plan / Other Strategies / Policy****Community Health and Wellbeing**

Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities.

**Issues / Options**Service Review Document

The report covers a number of areas, including:

- Executive Summary
- Document Review
- Current Levels of Service
- Compliance
- Relationships and Interdependencies
- Budgets
- Functional Areas, Standards and KPIs
- Integrated Work Practices
- Benchmark Model
- Various Appendices.

Conditions for Success

As part of the Service Review a number of documents were reviewed to develop a list of conditions for success.

A total of 77 conditions were identified covering a broad range of areas. 63.5% of all of the conditions have already been successfully achieved and another 26 or 34% may yet be

achieved. The report indicates the two key factors that influence the outcome of the conditions for success that have yet to be achieved are:

- Staffing levels; and
- Funding for equipment and stock.

The conditions for success are grouped under the following headings:

- Community profiling
- Governance
- Access
- Cost saving
- Location
- Layout
- Collections
- Services
- Staffing
- Evaluation.

Many of the conditions for success are improvements to the range of programs and services offered to the public which were identified in the Mach II report of 2010 on the enhancement of public library services in Colac.

The report indicates only two of the 77 conditions cannot be achieved. These relate to a population threshold of less than 10,000 people and that the Board of Management should perform an advisory role to the library manager.

#### Current Levels of Service

Public library levels of service have been extended since the opening of CCLLC.

Improvements which benefit all users include:

- Increased opening hours (up by 7.5 hours per week during school terms, up by 2.5 hours per week during school holidays when compared with the old public library hours).
- Increased access to technology (free wireless internet, increased numbers of public access computer, increased numbers of catalogues, three PC's dedicated to preschool educational games, access to three self-issue machines for library lending).
- Double the number of children's programs with the introduction of fortnightly alternating sessions for babies (Baby Bounce) and toddlers (Rhyme Time) in addition to the weekly Storytime for pre-schoolers.

The report notes that public visitor numbers increased by 19.6% in the first nine months of operation, when compared to the same time the previous year in the former library. Monthly average visits for members of the public have increased from 5,579 people per month to 6,671 per month.

#### **Proposal**

That Council receives the Colac Community Library and Learning Centre Service Review report.

**Financial and Other Resource Implications**

The report provides a summary of budgets and the responsibility for the various components.

The Joint use Agreement assigns the preparation of budgets, business plans and capital budgets to the College Council. The Agreement also assigns which organisation is responsible for expenditure and what percentage is charged to the other party.

**Risk Management & Compliance Issues**

Risk Management and Occupational Health and Safety issues are considered as part of the operations of the facility.

**Environmental and Climate Change Considerations**

Not applicable

**Community Engagement**

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement Policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

The methods selected have included inform, consult and involve.

Throughout the review process there was consultation on various aspects of the report. Copies of the draft report were provided to members of the Project Management Group which includes representatives of the various funding partners.

**Implementation**

Copies of the report have been provided to members of the Project Management Group and the CCLLC Joint Use Committee.

**Conclusion**

The report indicates what has been able to be achieved since the opening of the new CCLLC.

The report indicates that 63.5% of conditions identified as necessary for success have already been achieved.

Further review of those areas yet to be achieved will continue to be monitored to ensure that continuous improvements are undertaken at the facility.

**Attachments**

1. Colac Community Library and Learning Centre - Service Review

**Recommendation**

***That Council receives the Colac Community Library and Learning Centre Service Review report.***

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Colac Community Library
and Learning Centre

Service Review

Prepared by

Roslyn Cousins

September 2011



CONTENTS

- 1. Executive Summary**
 - 2. Document Review**
 - 3. Current levels of Service**
 - 4. Compliance**
 - 5. Relationships and interdependencies**
 - 6. Budgets**
 - 7. Functional Areas, Standards & KPIs**
 - 8. Integrated Work Practices**
 - 9. Benchmark Model**
- Appendix 1: Sources**
- Appendix 2: Acronyms**
- Appendix 3: Conditions for Success**
- Appendix 4: JUA Check List**
- Appendix 5: Standards & KPIs**
- Appendix 6: Building Size Calculations**

1. EXECUTIVE SUMMARY

Public visitor numbers at the Colac Community Library & Learning Centre (CCLLC) have increased by 19.6% in its first nine months of operation, when compared to the same time the previous year in the former library. Monthly average visits for members of the public have increased from 5,579 people per month to 6,671 per month.

On top of the attraction of the spacious premises, members of the public have been drawn to the increased access to technology, increased opening hours and the doubling of the children's programming. In line with the original vision of the project partners CCLLC offers free wireless Internet access, double the number of public PCs, and dedicated children's PCs with educational games. The Library now offers double the number of weekly children's programs, adding sessions specifically designed for babies and toddlers to the existing story times for preschoolers. These have been well received and now attract up to 60 carers and children to each session. Families from as far afield as Apollo Bay attend every week.

CCLLC has already achieved 63.5% of conditions identified as necessary for success in the literature regarding joint use libraries.

The achievement of the 26 conditions for success yet to be achieved depend upon:

- Allocation of staff time; and
- Funding available for equipment & stock.

Partners have adapted their work practices to the benefit of the overall organisation and clearly CCLLC has delivered benefits to the community. Despite providing improved services to all customer groups, the number of loans has declined since January 2011 with an 11% decrease overall in 2010/11. In part this drop is due to a change in public library workflows in which PC sessions were previously recorded through the circulation system, but taking this only accounts for 3% of the drop. This drop in lending items is not a general trend across public libraries, but rather specific to Colac.

The operation of the facility occurs seamlessly to members of the public, although students have strict guidelines regarding their use of the library during school hours.

A range of administrative and management processes, including the reimbursement of shared costs between the partners, are yet to be finalised.

Effective informal lines of communication have been established in addition to the formal governance structures that are in place, and these enable the library staff to swiftly adapt to the Department of Education and Early Childhood Development (DEECD) requirements.

While Corangamite Regional Library Corporation (CRLC) has adopted a set of four Key Performance Indicators (KPIs), the library would benefit if the College Council and the Colac Otway Shire Council reviewed the KPIs and came to an agreed evaluation matrix.

Library staff members have shown flexibility and commitment to integrated services and work practises.

While there is no doubt that CCLLC currently has processes in place that would benefit from benchmarking with other joint use libraries, this should only be pursued if the partners can release staff from other duties to undertake the processes required for a successful analysis of processes.

2. DOCUMENT REVIEW

The literature was scanned to identify issues which should be considered in the set up and running of a joint facility and these are condensed into a list of conditions for success. The documents reviewed are listed in Appendix 1. A traffic light grading has been assigned to each issue resulting in a heartening result of 63.5% of conditions already being successfully achieved. Of the 77 conditions identified in the literature review, only two (2), or 2.5%, cannot be achieved and another 26 conditions may yet be achieved. A full list of outcomes is listed in Appendix 3.

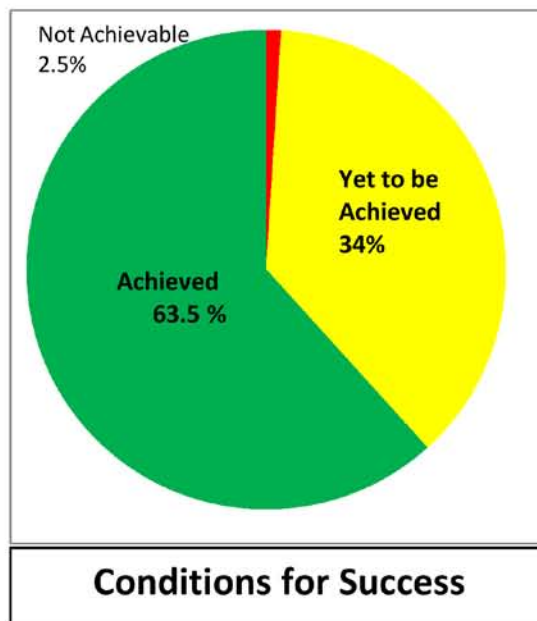
Bundy and Haycock identify a population threshold of less than 10,000 people as a condition of success, which is not attainable.

The second condition which is not met is from the Australian Library and Information Association’s statement on Joint Use Libraries which states that the Board of management should perform an advisory role to the library manager. At CCLLC no Board of Management exists, rather an advisory Joint Committee with set terms of reference has been established.

Two factors influence the outcome of the conditions for success that have yet to be achieved:

- Staffing levels; and
- Funding for equipment & stock.

Many of these conditions are improvements to the range of programs and services offered to the public which were identified in the Mach II report of 2010 on the enhancement of public library services in Colac.

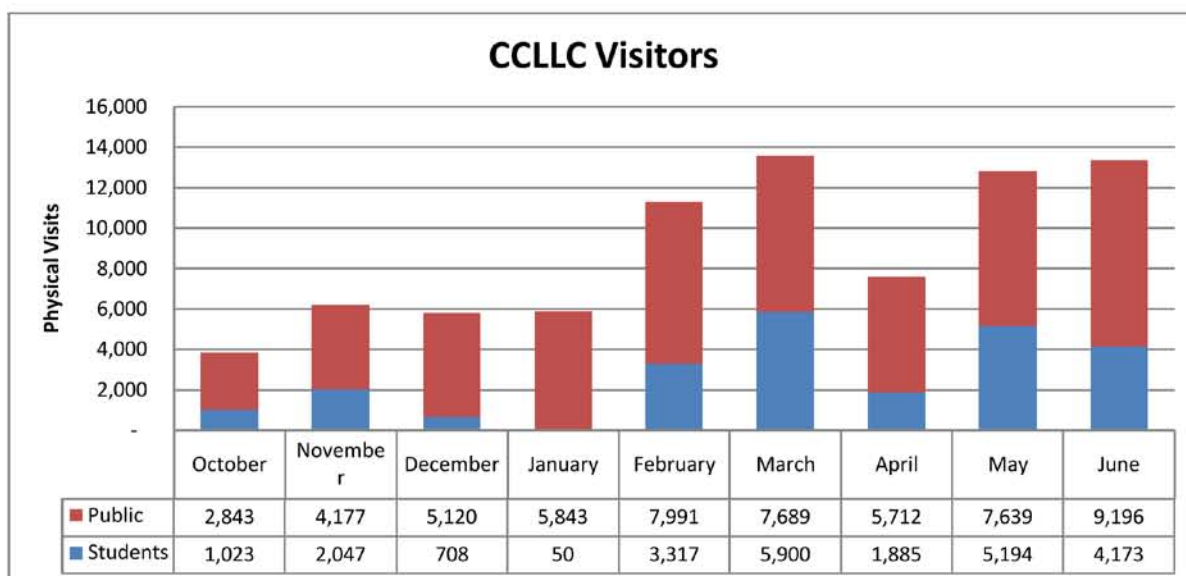


3. CURRENT LEVELS OF SERVICE

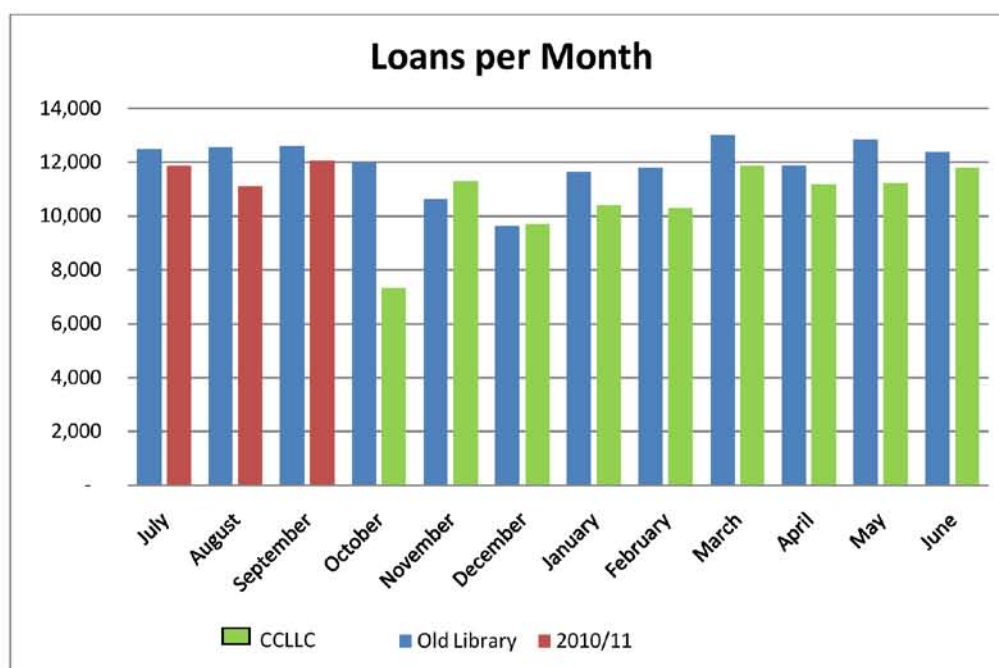
Public library levels of service have been extended since the opening of CCLLC. Improvements which benefit all users include

- Increased opening hours (up by 7.5 hrs per week during school terms, up by 2.5 hours per week during school holidays when compared with the old public library hours)
- Increased access to technology (free wireless Internet, increased numbers of public access computer, increased numbers of catalogues, three PCs dedicated to preschool educational games, access to three self issue machines for library lending)
- Double the number of children’s programs with the introduction of fortnightly alternating sessions for babies (Baby Bounce) and toddlers (Rhyme Time) in addition to the weekly Story time for preschoolers

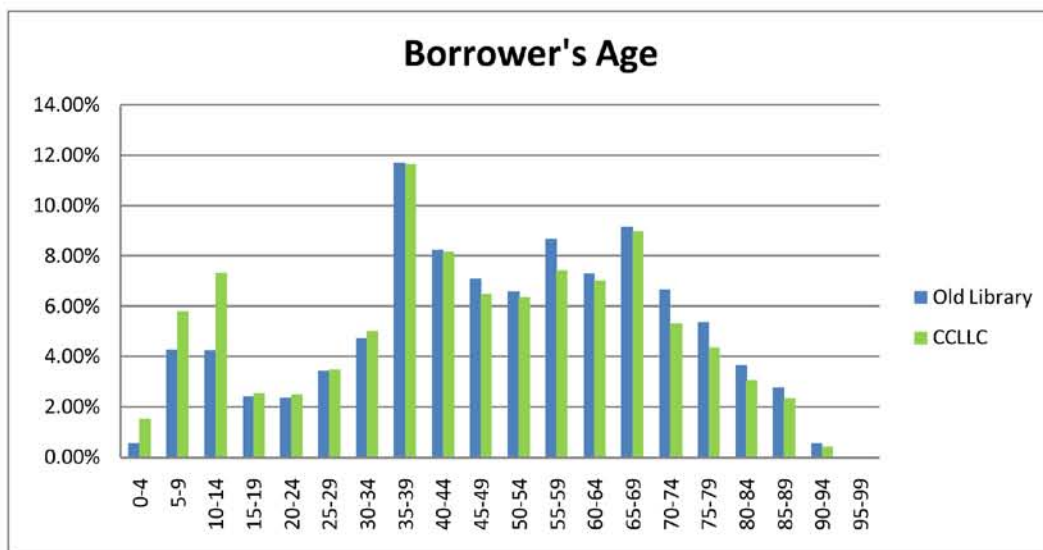
Public visitor numbers have increased by 19.6% in the first nine months of operation, when compared to the same time the previous year in the former library. Monthly average visits for members of the public have increased from 5,579 people per month to 6,671 per month. Members of the public average 75% of all visitors. Public visitor numbers, as shown in the graph below, also track an ongoing upwards trend.



It is of concern that the number of loans has decreased library since the opening of CCLLC. The chart below shows CCLLC in green. Since January 2011 every month has recorded a lower number of loans than the same month in the previous year.



Charting the age of customers who borrow items and comparing the percentage of loans for each age group shows that there has been an increase in young people borrowing (all groups under 35 years of age) and only a slight decline in the other age groups.



The chart above compares July to September 2010 (the former library operation) with October 2010 to the end of April 2011. Numbers of individual loans have been converted to a percentage of the total loans for the period to enable the comparison of unequal reporting periods.

In part this drop in loans is due to a change in public library work practises in which PC sessions were previously recorded through the circulation system, but taking this into account only answers for 3% of the drop. This decline is not a general trend across public libraries, but rather specific to Colac. Nor is it the case that these loans have been picked up by the Library Annexe since its opening in December 2010. The Annexe is averaging 818 loans per month, which if added into the total for CCLLC still leaves a fall of 6% over the previous year.

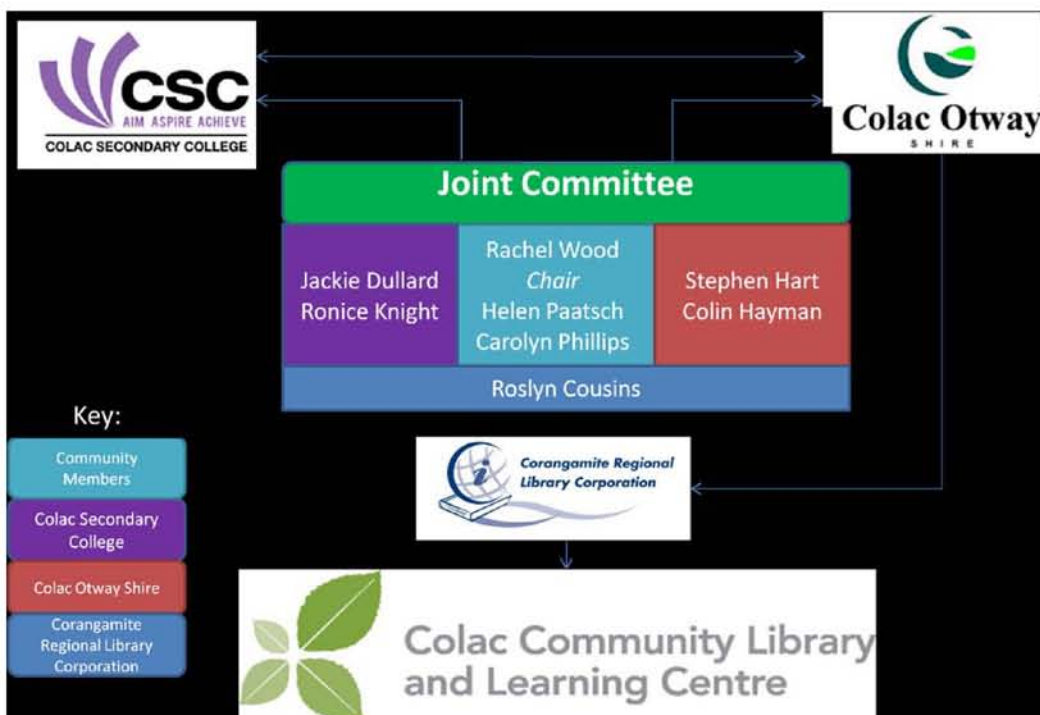
Public Library staff members have suggested that an increase in adult programming would assist in arresting this trend.

4. COMPLIANCE

A detailed review of the obligations of the various stakeholders involved in CCLLC is included in Appendix 3: Joint Use Agreement Check List.

5. RELATIONSHIPS AND INTERDEPENDENCIES

The Joint Use Agreement clearly defines the role of the advisory Joint Committee. In addition this group also serves as an important part in the communication between the organisations and provides a channel for community input into the operation of the facility. The governance chart below documents the avenues of formal communication with the Joint Committee.



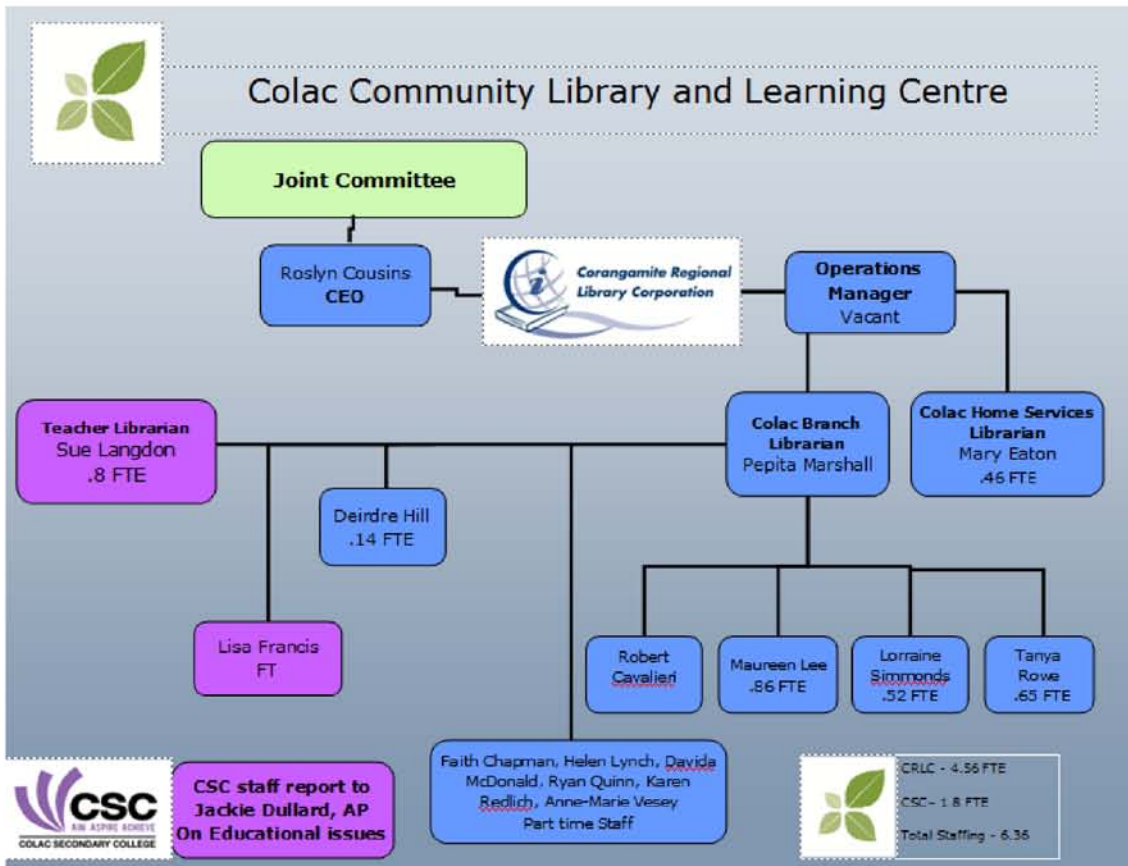
Informal and direct communication between the involved parties occurs as needed. Library staff members are now more familiar with the avenues for contact with different issues relating to building maintenance, security and cleaning. When a public library issue or practise impinges on DEECD expected norms, the senior school staff members liaise directly with the Branch Librarian and CRLC management. Issues that have occurred include staff smoking on school property and access to CCLLC by students on suspension. These issues have been promptly resolved and public library staff members have recognised the need to comply with DEECD regulations.

Staffing at the opening of CCLLC consisted of the former public library staff and Colac Secondary School staff.

Both the CRLC & Colac Secondary College (CSC) reviewed their library staffing levels since the start of 2011 and made the following changes:

- CSC increased the hours of Library Officer Lisa Francis from .8 to full time
- CRLC reassigned hours formerly contributed from a Regional Office staff member to employ two junior staff members. This adds a third staff person to the Friday evening and Saturday rosters.

A full CCLLC staff chart as at 30/6/2011 is detailed below.



6. BUDGETS

The Joint Use Agreement, Section 12.1, assigns the preparation of budgets, business plans and capital budgets to the College Council. Specifically

- (a) A 5-year rolling business plan
- (b) A 5-year rolling capital works plan and capital expenditure plan and
- (c) A 5-year rolling asset maintenance and management plan

These are due by 31 December each year and are submitted to the Shire Council for comment.

CRLC prepares its budgets on a financial year, due to the Minister of Local Government by 31st of August. However the proposed budget is due to forwarded to Colac Otway Shire for its consideration by the 1st of March each year. Below is a summary of the funding supplied by Colac Otway Shire, either directly (such as insurance) or through CRLC. Colac Secondary College at this time chooses to provide any financial information directly to the Colac Otway Shire upon request. The 5 year plans are yet to be produced.

| CCLLC | Colac Otway Shire
2011/12 |
|---------------------------------|------------------------------|
| Staffing | \$265,345 |
| Book stock & equipment (21.84%) | \$76,877 |
| CRLC IT costs (33.67%) | \$31,397 |
| CRLC Head office (21.84%) | \$139,973 |
| Operating | |
| Maintenance | |
| Insurance | \$8,000* |
| Total Costs | \$521,591 |

*50% of Insurance costs are reimbursed from the Colac Secondary College.

The Joint Use Agreement also assigns which organisation is responsible for expenditure and what percentage will be charged to the other party. This process is summarised below, with full detail in Appendix 4.

| Costs | JUA Clause | Colac Secondary College | Colac Otway Shire |
|--|------------|--|---|
| Operating (Cleaning, utilities, security etc.) | 14.1(a) | Responsible | 50% within 30 days |
| Capital | 14.1 (c) | Responsible | To reimburse according to Business Plan |
| Maintenance | 14.1 (a) | Responsible | 50% within 30 days |
| Computing costs | 11.4 (b) | Reimburse a share of costs | Responsible through CRLC |
| Insurance | 13.6 | 50% only of Industrial Special Risk: replacement of facility & replacement of equipment belonging to the Shire | Responsible |

Income generated through the service includes:

| INCOME | Collected by: | Retained by: | Notes |
|-----------------------------|---------------|---------------------------------------|---|
| Library Fines & Fees | CRLC | CRLC | Only applied to borrowers 18 year of age or over |
| Lost & damaged item charges | CRLC | CRLC or CSC as the owner of the item | Amount due to CSC will be remitted in July each year. |
| Sale of withdrawn Stock | CRLC | CRLC | No withdrawn stock from the College is sold. |
| Meeting Room Hire charges | CRLC | CRLC on behalf of the Joint Committee | JUA 15.2 (c) to be spent as agreed by the Joint Committee for the benefit of the facility. To the end of May 2011, \$3178 has been raised. |
| Grants & Donations | CRLC | | Since opening:
Handbury Foundation \$5,000
Ubergang Foundation \$2,000
Colac Community Enterprise \$2,000
South West Foundation Colac Sub Fund \$1,700
Rotary Club of Colac \$500
University of the Third Age \$120 |

Grant funds have been applied to for the purchase of display cases, meeting room equipment (fridge, whiteboards, screens, TV & DVD, laptop), outdoor equipment for the children's activity area and for children's story telling props. In-kind assistance has also been given by the Rotary Club of Colac West to construct the cubby house purchased with a grant from the Colac Community Enterprise.

7. FUNCTIONAL AREAS, STANDARDS & KPIS

Public libraries collect an extensive range of data to monitor performance. These are listed in Appendix 5. From the plethora of possible performance targets it is recommended to use the three indicators from the Essential Services Commission's 'Establishing a Victorian Local Government Services Report, Final Report' as listed in the table below. In addition CRLC also monitors loans per capita. The Victorian average and targets for CRLC are listed in the following table.

| Public Library Indicator | 2009/10 Victorian | 2009/10 Actual | 2011/12 Target | Data Source |
|-------------------------------------|-------------------|----------------|----------------|-----------------|
| Loans per capita | 9.88 | 7.52 COS | 8 | Spydus |
| No. of (physical) visits per capita | 5.2 | 3.37 COS | 4 | People Counters |
| No. of website hits per capita | 2.76 | .89 CRLC | 2.5 | Internal |
| Activity rate of active borrowers | 43% | 36% CRLC | 37% | Spydus |

Australian and Victorian school libraries do not have agreed performance measures and tend to gather data such as the book budget or the employment of staff with teaching and librarianship qualifications.

8. INTEGRATED WORK PRACTISES

From the first day of operation CCLLC began with a fully integrated library management system which has incorporated the parameters needed for student, staff and public use of the library.

Staff commitment to integration of the service despite varying work practises has resulted in a seamless service for customers. Seeking opportunities for cooperation has led to drama students enlivening occasional story time sessions. The table below documents the state of integrated work practises at CCLLC.

| Colac Secondary College | Integrated | CRLC |
|---------------------------|---|--|
| Collection selection | Opening & closing procedures | Collection selection |
| School library classes | Reference Service | Preschool programs <ul style="list-style-type: none"> • Baby bounce • Rhyme time |
| School AV support | Meeting Rooms | Story time <ul style="list-style-type: none"> • Participation from CSC drama students |
| Teacher reference support | Reference Service | Holiday programs <ul style="list-style-type: none"> • Summer Reading |
| Cataloguing | Online public access catalogue | Cataloguing |
| | <ul style="list-style-type: none"> • Membership • Reservations • Issues • Overdues • Fines & charges | Community programs <ul style="list-style-type: none"> • Author visits • U3A |
| School IT service | | Public technology access <ul style="list-style-type: none"> • Wireless internet • 6 internet PCs • 3 Preschoolers PCs |

There are considerable differences in stock management practises particularly with regard to withdrawal and weeding practises. Public libraries are required to report on the age of their collections and depreciate their stock over a maximum of eight years. While there are still public library books on the shelves over 10 years of age, anything over 15 years of age is scrutinised carefully with regard to its usefulness. CRLC has routinely withdrawn the same number of items as those purchased each year over the past three years. The combined Colac Secondary School stock is much older and given the tight book buying budget much less is withdrawn.

9. BENCHMARK MODEL

Benchmarking provides libraries with opportunities to improve processes which are often labour intensive and therefore expensive to the organisation.

Longbottom’s ‘PAIR’ approach has been applied in the international library benchmarking projects and provides a relatively simple 4 step process (unlike some models that contain up to 33 steps).

1. Planning - investigation, measurement and examination of the strengths and weaknesses of current processes;
2. Analysis – identifying potential benchmarking partners and then exchanging information, and observing and comparing processes;
3. Implementation – adaptation and modification of processes based on learning from the analysis stage; and
4. Review – ongoing review and refinement.

| Stage | Steps | Examples |
|----------------|--|--|
| Planning | Determine which processes are important to management, customers and library staff through surveys and focus groups.

Refine this list of processes by determining which have most room for improvement.

Document selected processes. | Conduct surveys with customers

Brainstorm with staff

Interview management

Process flow charts developed

Develop metrics for the processes

Conduct measurement of selected processes & analyse |
| Analysis | Select potential benchmarking partners.

Share flowcharting and metrics for agreed process examination. | Contact other well established joint use school/public libraries

Exchange information

Interview best practise partner |
| Implementation | Adapt and modify processes based on results of both internal and external analysis. | |
| Review | Commit to continuous improvement to ensure ongoing review and refinement of processes. | Include as a routine part of staff meetings

Include as an element of performance appraisals |

The weakness in any benchmarking process is the large commitment of staff time. For benchmarking to achieve results it is necessary to release staff from other duties to undertake the:

- documentation & measurement of processes;
- visiting and exchanging of information; and
- analysis of other organisation’s data on their processes.

Formal library benchmarking projects have been the domain of university libraries. Smaller library organisations have depended on Staff Development through network meetings and technology training to enable their staff to improve in house processes. This approach leads to haphazard results depending on the institution's ability to fund relief staffing and the commitment of the staff to professional development.

Appendix 1: Sources

| | | |
|---------------------------------|--|------|
| S. L. Aaron | A study of the combined school public library | 1993 |
| ALIA | Beyond a quality service: strengthening the social fabric | 2011 |
| ALIA | Statement on Joint-use Libraries | 2002 |
| L.J. Amey | The Canadian school-housed public library | 1979 |
| L.J. Amey | Combining libraries : the Canadian and Australian experience | 1987 |
| Alan Bundy | Joint-use libraries - the ultimate form of cooperation | 2002 |
| CRLC | Proposed Budget 2011/2012 | 2011 |
| Dept. of Education, Qld | Guidelines for the development of Joint-use school-community libraries | 1996 |
| DEECD | Annual Survey of Victorian Public Libraries 2009-10
http://www.dpcd.vic.gov.au/localgovernment/publications-and-research/libraries | |
| DEECD | Annual Survey of Victorian Public Libraries 2008-2009 | |
| Dept. for Victorian Communities | Strengthening Victorian Communities : Funding Agreement | 2007 |
| Essential Services Commission | Establishing a Victorian Local Government Services Report, Final Report | 2010 |
| G21 | www.g21.com.au | |
| Heather Nesbitt Consultants | People places: a guide for public library buildings in New South Wales. 2nd ed. | 2005 |
| L.L. Jaffe | The combined school/public library in Pennsylvania | 1982 |
| Ken Haycock | Combined school/public libraries: some basic considerations | 1979 |
| Ken Haycock | Dual use libraries : guidelines for success | 2006 |
| Kevin Hennah | Rethink. Reinvent. Rejuvenate | 2008 |
| D. Longbottom | "Benchmarking in the UK", Benchmarking: an International Journal, Vol 7, no. 2, pp 98-117 | 2000 |
| Lovejoy, Sam | Beechy Centre Access Project (Draft) | 2011 |
| Mach II | Enhanced delivery of library services in Colac | 2010 |
| State Library of Qld. | Queensland Public Library Standards and Guidelines
http://www.slq.qld.gov.au/info/publib/policy/guidelines | |

Appendix 2: Acronyms

| | |
|--------------|---|
| ALIA | Australian Library & Information Association |
| AV | Audio Visual materials |
| COS | Colac Otway Shire |
| CRLC | Corangamite Regional Library Corporation |
| CSC | Colac Secondary College |
| DEECD | Department of Education and Early Childhood Development |
| DPCD | Department of Planning and Community Development |
| G21 | Formal alliance of Government, Business & community organisations working together to improve the lives of people in the Geelong Region |



| | |
|--------------|--|
| JC | Joint Committee established in Section 15 of JUA |
| JUA | Development and Joint Use Agreement |
| PMG | Beechy Project Management Group |
| RFID | Radio Frequency Identification : method to permit security & self checkout for library materials |
| SEIFA | Socio-Economic Indicators for Areas |

APPENDIX 3: CONDITIONS FOR SUCCESS

| Source | Condition | Community Profiling | Status | Evidence |
|------------------------------|--------------------------------|--|--------|--|
| March II | Projected growth? | Physical facilities to match demographics | | Negative or minimal growth |
| March II | Special needs of the Community | Catchment matches | | 19% of pop. over 65 years to rise to 32% by 2011
Lowest SEIFA in G21, 2nd highest need for assistance in G21 |
| Haycock 2006 | Population less than 10,000 | | | Bundy uses a lower population threshold |
| ALLA, People places
Jaffe | Governance | Formal agreement, including facility management
Formal structures
Bring together different community groups on the board
Board to establish broad policies
Board of management is advisory to the Library manager
Direct two way communication between director & funding bodies
Dis/olution methodology
Authority for daily decision making
Name of library will make it clear who may use it | | JUA
PMG JC
COS CSC CRLC + 3 community reps
Section 19 of the JUA
Advisory to CSC & COS
Through JC & CRLC structures
JUA Section 18
Branch Librarian
No longer the 'Global Connector' |
| ALLA 2002
Bundy | Access | All age groups
Home schooled children & their parents
Integrated facility
Children & teachers from other schools
Cross generational access
Increase in evenings, Sat. Sun & 8:30am start
Parenting room
Accessible by the public any time it is open
Accessible for people with disabilities
Connected with a larger network, regional system or consortium | | JUA Section 11.1
JUA Section 11.1
Separate area for adults, designated parking
JUA Section 11.1
Some support, vocal concerns
8:30am opening during term, others not funded |
| March II | | | | |
| March II | | | | |
| Bundy | | | | |
| Dept. Ed Qld, Lovejoy | | | | |
| Haycock 2006 | | | | Gopher access & power points, parking - Beedby Centre Access Project
CRLC |
| Aaron
Bundy | Cost Saving | Economical way to offer facilities
Extended opening hours
Reduction in capital costs | | 41 hr/wk to 48.5 hr/wk term time & 43.5 hr/wk school holidays |
| Dept. Ed Qld | | | | |
| Bundy | Location | If not ideal, extra effort
Good signage
Selected areas for staff, school & public use
Separate entrance for public & students
Future space / extension is addressed in agreement
Furnishing non institutional
Public toilets
Community meeting room
Space to run concurrent public & student activities
Multi faith area
Balanced for all patrons
Integrated collections | | Retail hub is best for public libraries
Is roadside, but not Hollywood style |
| Bundy/Hennah | Layout | | | Not in agreement, but building is designed for extension |
| Jaffe | | | | JUA : M-F 7am to 10.30am Sun 7am to 10pm
Mtg rooms available for booking |
| March II | | | | |
| Dept. Ed Qld | | | | |
| March II | | | | |
| Jaffe | Collections | Not restrictions on access to print, AV or electronic resources or on the circulation of materials
Greater quantity & quality
Earmark school library funds in school budget | | All except CSC AV
Except Reference collections
Over 50,000 items
Normal part of school budget process |
| Amey 1987 | | | | |
| Haycock 2006 | | | | |
| Bundy | | | | |
| Dept. Ed Qld | | | | |

| Source | Condition Services | Status | Evidence |
|----------------------------|---|--------|--|
| Bundy
Dept Ed Qld | Equal or better than separate facilities
Systems support: staffing, PD, advice, finances
Library management system: unified & upgrades?
Home service | | Through CRLC
Implemented. Upgrade funding to be determined in business plans |
| Bundy | Coffee shop | | Continuing |
| March II | Increased number of computers & Internet | | Self service free tea & coffee available
4 to 9 machines (6 adult internet & 3 children's) |
| March II | USB | | Implemented |
| March II | Contemporary IT (Wireless) | | Implemented |
| March II | Video conferencing | | Pending budget outcome |
| March II | Data projectors | | Pending budget outcome |
| March II | Overhead Projectors | | Dependent on allocating staff time |
| March II | Computer classes | | 4 provided |
| March II | Separate online Catalogue PC (separate from PCs dedicated to internet) | | CRLC Budget process |
| March II | Enhanced collection : Diverse, bios, self help, classics, NESB, AV | | Dependent on allocation of staff time |
| March II | Increased children's activities: after school, board game lending, author visits, homework help | | RFID installation operational |
| March II | Self service | | Hazel Edwards, author, visit 27th October 2010, Noise Guy January 2011, Antique Valuation 18 th February 2011 |
| March II | Author/celebrity visits | | Dependent on allocation of staff time |
| March II | Book clubs | | Dependent on allocation of staff time |
| March II | Community notices | | Dependent on allocation of staff time |
| March II | Business professional development opportunities | | Dependent on allocation of staff time |
| March II | Technology training : digital cameras, scanners, iPods, music downloads | | Dependent on allocation of staff time |
| Staffing | | | |
| ALLA 2002 | One management structure | | Less critical in larger joint use libraries (Bundy) |
| Haycock 2006 | Principal of school strongly desires success, future recruitment factors in integration model | | |
| Bundy | Rise to Challenges | | Organisational Chart |
| Haycock 2006 | One highly motivated professional librarian in charge | | Branch Librarian (Secondary) & Library Officer (Primary), Teacher Librarian for PL staff |
| Jaffe | One School Librarian, one public librarian | | |
| ALLA 2002 | Appoint staff with dual experience (school & public) | | |
| Bundy | Access to more staff than in separate facilities | | |
| Haycock 2006 | Planned cooperation between public library staff and school staff | | CSC has committed existing staff numbers |
| Bundy | Structure to prevent rapid fluctuations in staffing levels | | |
| Bundy | Change management process for existing staff | | |
| Dept. Ed Qld | Commitment to replacement staffing (sickness/leave/resignations) | | CRLC in 2011/12 Budget |
| Evaluation | | | |
| Aaron, Haycock, Arney 1979 | Set aims & measure, especially for public service | | Set by CRLC Board |
| Bundy | Regular consultation & reporting for all parties | | Through PMG, Joint Committee, ad hoc other meetings |
| ALLA 2002 | Regular internal & external evaluation (qualitative & quantitative) | | Yet to be implemented |

APPENDIX 4: JOINT USE AGREEMENT CHECK LIST

| | | | | |
|-----|-------------------|-----------------|-------------------------|------|
| Key | Colac Orway Shire | Joint Committee | Colac Secondary College | CRLC |
|-----|-------------------|-----------------|-------------------------|------|

| | Clause | Status | Comments |
|---------------------------|--|---------------------|---|
| Access | | | |
| Car park | All users of the Beechy Precinct at any time | 11.1(k) | |
| General Public Access | All opening hours of the Library/Resource area | 11.1 (c) | 2 days for people with disabilities marked 8:30am start during School Terms |
| Guaranteed Right of Entry | Shire Council and its servants and agents Council can locate equipment | 3.1 | |
| Hub/Technical area | Available to Library staff & college staff during library opening hours | 11.1 (j) | Shire Council's backup |
| Library admin area | Neither Council or public | 11.1 (d) | |
| Not exclusive use | State of Victoria | 3.2 (b) (i) | |
| Ownership | State of Victoria | 3.2 (b) (ii) | |
| School Staff Room | Library staff have access | 11.1 (h) | |
| Business Plans | | | |
| | Within 3 months of the Date of Practical Completion the College Council will prepare, and not later than 31 December annually will update: | 12.1 | Practical Completion Date 30/9/2010, Plan due 31/12/2010 |
| | (a) a 5-year rolling business plan | 12.1 | X |
| | (b) a 5-year rolling capital works plan and Capital Expenditure plan and | 12.1 | X |
| | (c) a 5-year rolling asset maintenance and management plan | 12.1 | X |
| | Within 30 days these plans go to the Shire Council | 12.2 (a) | X |
| | Shire Council has 60 to endorse or notify of problems | 12.2 (b) | |
| | College Council has 30 days to amend Business Plans | 12.2 (c) | |
| | If the Shire Council misses these deadlines, the College Council can deem the plans accepted, subject to 14 days written notice | 12.4 | |
| Costs | | | |
| Annual Licence Fee | Shire Council to pay \$1 on demand | 10.2 (item 9) | Yet to be applied |
| Capital Costs | College Council will procure all Capital Expenditure works unless otherwise agreed | 14.1 (c) | Yet to be applied |
| | Shared between Shire Council & College Council on a basis agreed in the Business Plans | 13.4 (d) & 14.1 (b) | Yet to be applied |
| Damage Costs | Shire Council to reimburse College Council within 28 days, if: | 13.8 | Yet to be applied |
| | Damage caused in whole or substantial part by willful or reckless act by any person the Shire Council is responsible for including library patrons | 13.8 (a) (i) | Yet to be applied |
| | Is not covered by insurance | 13.8 (a) (ii) | Yet to be applied |
| | College Council will notify Shire Council of costs & circumstances | 13.8 | Yet to be required |
| | Shire Council not obliged to reimburse College Council for the costs if: | 14.5 | |
| | Damage caused in whole or substantial part by willful or reckless act by any person the College Council is responsible for including students | 14.5 (a) (i) | Yet to be required |
| | Is not covered by insurance | 14.5 (a) (ii) | Yet to be required |
| | Shire Council will notify College Council of costs & circumstances | 14.5 (b) | |
| | Shire Council will provide all insurances: | 13.6 (a) | |
| Insurance | Public Liability | Item 13 (a) | Invoice has been forwarded to CSC |
| | Industrial special risks: replacement value of facility | Item 13 (b) | |
| | College Council will reimburse 50% of cost for Industrial special risks: replacement value of facility | 14.2 (c) | |
| | Industrial special risks: replacement value of apparatus or equipment belonging jointly to the Shire & the College Council | Item 13 (c) | |
| | Industrial special risks: replacement value of apparatus or equipment belonging to the Shire | Item 13 (d) | |
| | College Council will reimburse 50% of cost for Industrial special risks: replacement value of apparatus or equipment belonging to the Shire | 14.2 (c) | |

Costs (Cont.)

| | | | |
|---------------------------|--|---|---|
| | <p>Accident Compensation Act 1985 & Accident Compensation (Work Cover Insurance) Act 1993 for servants, agents and employees of the Shire Council</p> <p>Volunteer workers equivalent to employees under Accident Compensation (Work Cover Insurance) Act 1993</p> <p>College Council will provide industrial special risks insurance for the replacement value of any equipment belonging to or used by the State of Victoria or the College Council</p> <p>Shire Council must produce for inspection by the College Council insurance policies</p> <p>Shire Council must not do or permit any act which may invalidate any insurance.</p> <p>College responsible</p> <p>Shire Council reimburse College Council 50% within 30 days</p> <p>College responsible</p> <p>Shire Council reimburse College Council 50% within 30 days</p> <p>Cleaning costs</p> <p>Security costs</p> <p>Utilities : gas, electricity & water</p> <p>Employment of staff (except library staff)</p> <p>Engagement of contractors</p> <p>Statutory charges</p> <p>Telephone & Communication charges</p> | <p>Item 13 (e)</p> <p>Item 13 (f)</p> <p>Item 13 (g) & 14.2 (a) (iv) & 14.3</p> <p>13.6 (b)</p> <p>13.7</p> <p>14.1 (a)</p> <p>13.4 (a)</p> <p>14.1(a) & 14.2 (a) (i)</p> <p>13.4 (b)</p> <p>13.4 (b)</p> <p>13.4 (b)</p> <p>13.4 (b) & 14.2 (b)</p> <p>13.4 (b)</p> <p>13.4 (b)</p> <p>13.4 (b)</p> <p>13.4 (b)</p> <p>13.4 (b) & 14.2 (a) (v)</p> <p>11.1 (a) & 11.1 (i) & 15.2 (a) (i)</p> | <p>CRLC covers public library staff</p> <p>CRLC covers public library volunteers</p> <p>Yet to be required</p> <p>System for reimbursement in place</p> <p>System for reimbursement in place</p> <p>Contract in place</p> <p>Approved</p> |
| Hiring of facility | <p>College to inform JC of its requirements for TTC & Seminary room 2 weeks prior to the commencement of term</p> <p>Terms & conditions</p> <p>Instructing users about appropriate behaviour</p> <p>May include fees</p> <p>Users leave in tidy condition</p> <p>Only when not required by Shire or College</p> <p>Require users maintain insurance</p> <p>Fees go to JC used for the facility as decided by the JC</p> | <p>11.1 (c)</p> <p>15.2 (a) (ii)</p> <p>15.2 (a) (iii)</p> <p>15.2 (b) (i)</p> <p>15.2 (b) (ii)</p> <p>15.2 (b) (iii)</p> <p>15.2 (b) (iv)</p> <p>15.2 (c)</p> <p>15.1 (c)</p> | <p>Yet to be finalised</p> <p>Yet to be implemented</p> <p>Yet to be finalised</p> <p>Yet to be finalised</p> <p>Yet to be finalised</p> <p>Yet to be finalised</p> <p>Yet to be finalised</p> <p>Yet to be finalised</p> |
| Joint Committee | <p>Notify each other of names & addresses</p> <p>College or Shire may revoke and substitute their representatives at any time</p> <p>Chairperson an independent member</p> <p>Meets at least quarterly</p> <p>Quorum : 4 members + 1 College Council & 1 Shire Council</p> <p>To provide advice & recommendations</p> <p>Role & Functions in Annexure D</p> | <p>15.1 (c)</p> <p>15.1 (d)</p> <p>15.1 (d)</p> <p>15.1 (b)</p> <p>15.1 (h) (ii)</p> <p>15.1 (i)</p> <p>15.1 (i)</p> | <p>Rachel Wood elected unopposed</p> <p>Approved</p> |
| Lease | <p>College Council to notify Minister & Shire Council in writing</p> <p>20 years</p> <p>30 years</p> <p>Between 18 months & 3 months prior to end of 30 years</p> <p>At Shire's expense</p> <p>Within one month</p> <p>Make good all damage</p> <p>Remove all signs & make good damage</p> <p>Shire must not sub-licence their rights or obligations</p> | <p>7.3</p> <p>10.4 (Item 11)</p> <p>10.3 (Item 10)</p> <p>10.4</p> <p>13.10</p> <p>13.10</p> <p>13.10 (a)</p> <p>13.10 (b)</p> <p>31</p> | <p>Practical Completion date 30/9/2010</p> |

| Library Hours | Operating System | Library Operator (CRLC) | Library Staff | Proper Persons only | Library Stock | Prohibitions | Termination |
|---|--|---|--|---|---|--|--|
| At least 41 hours per week within hours of use
Shire to give 30 days written notice to College Council | CRLC will manage & pay for operating costs of Library system
College Council to reimburse CRLC for a share of these costs | Shire may appoint, will pay all costs, pursuant to a separate agreement developed between the Shire Council and the College Council | Existing school library staff
Existing CRLC Colac staff
New library staff to be employed by Council or CRLC
College Council will contribute towards the costs of employing the new library staff including statutory on-costs and training & development
College Council will pay any redundancy costs for new library staff
Managed by CRLC but subject to DEECD & CRLC conditions
Ongoing staffing - existing CRLC | The Principal may give notice to the Shire Council requesting the Shire Council cease to employ that person or take other action as may be appropriate.
The Principal may ask the Minister to require the Shire Council to remove a person and replacement them with someone of equal competence and or experience | A minimum of 50,000 items
Parties consult & agree including JC | No commercial advertising (unless written prior approval by JC)
No damaging substances
No noxious, noisome, hazardous or offensive acts
No trade, business or occupation
No disturbance, nuisance, damage or danger
No chemical or hazardous things (except cleaning & maintenance) | The Minister for any reason
Upon destruction of the facility - Minister will notify Minister will offer Shire Council one of the following
- Land sale
- Lease for the whole facility or part thereof |
| 11.1 (c)
11.1 (c) | 11.4 (b)
11.4 (b) | 11.4 (a) & 13.4 (c) | 11.3 (c) (i)
11.3 (c) (ii)
11.3 (c) (iii)
14.2 (d)
14.2 (e)
11.3 (d)
11.3 (e) (i)
11.3 (e) (ii) | 13.5 (a) (iii)
13.5 (a) (i) & (ii) | 11.3 (a)
11.3 (b) | 13.2 (b)
13.2 (c)
13.2 (d)
13.2 (d)
13.2 (d) (ii)
13.2 (d) (iii) | 18.1
18.2
19.1
19.1
19.1 |
| | | | | | | | |
| 48.5 during School Term, 43.5 during School Holidays | CRLC, CSC & COS met in May to negotiate costs | | See Organisation Chart
See Organisation Chart | See Organisation Chart | 55,454 at 7/10/2010 | | |

| | | | | |
|-----|-------------------|-----------------|-------------------------|------|
| Key | Colac Otway Shire | Joint Committee | Colac Secondary College | CRLC |
|-----|-------------------|-----------------|-------------------------|------|

APPENDIX 5: STANDARDS & KPIS
Public Library Standard

Source

KPI

Outcome Comment

Data Source

| Victorian Basic Public Library Services | | | | | |
|--|--|---|-----|--|---------------------------------|
| Reciprocal borrowing to other Victorian residents | Strengthening Victorian Communities | Yes/No | | | |
| Free entrance | Strengthening Victorian Communities | Yes/No | | | |
| Free access to all forms of information (inc. Internet) | Strengthening Victorian Communities | Yes/No | | | |
| Free assistance with the use of the collection & reference queries | Strengthening Victorian Communities | Yes/No | | | |
| Provide free training in the use of public access catalogues | Strengthening Victorian Communities | Yes/No | | | |
| Lend items from the collection to members of the public free of charge | Strengthening Victorian Communities | Yes/No | | | |
| Education the public in the effective use of public libraries free of charge | Strengthening Victorian Communities | Yes/No | | | |
| Provide special programs such as story-telling free of charge | Strengthening Victorian Communities | Yes/No | | | |
| Provide additional service which enable access to other basic services (including books on wheels & bulk loans) free of charge | Strengthening Victorian Communities | Yes/No | | | |
| Online services provided by subscriptions or site licences | Strengthening Victorian Communities | Yes/No | | | |
| Victorian Other Public Library Services (which may attract charges) | | | | | |
| Online services accessible only by specific per use charge | Strengthening Victorian Communities | Yes/No | n/a | Don't provide access | |
| Downloading of data onto personal storage devices | Strengthening Victorian Communities | Yes/No | | @ no charge | |
| Loans from academic, government or special libraries | Strengthening Victorian Communities | Yes/No | | @ cost | |
| Reserving specific items from the collection | Strengthening Victorian Communities | Yes/No | | @ no charge for members under 18 y.o. | |
| Providing printed or electronic copies of materials held or accessed by the library | Strengthening Victorian Communities | Yes/No | | @ no charge | |
| Public use software | Strengthening Victorian Communities | Yes/No | | | |
| Staff research | Strengthening Victorian Communities | Yes/No | | | |
| Any service which attracts an external service charge i.e. Speakers | Strengthening Victorian Communities | Yes/No | | | |
| Quantitative Australian Public Library Measures | | | | | |
| Library expenditure per capita | Standards & Guidelines for Australian Public Libraries | \$35 per capita pa or \$388,255 | | \$24.24 in 2010/11 | CRLC Budget |
| Members as a percentage of population | Standards & Guidelines for Australian Public Libraries | 46% | | 79% = 8725 members / 11,093 population | Spydus database 9/10/2010 |
| Visits per capita per annum | Standards & Guidelines for Australian Public Libraries | 5.1 | | 7.52 in 2009/10 | CRLC Statistics |
| Staff ratio for population served | Standards & Guidelines for Australian Public Libraries | 1 staff member (FTE) per 3,000 population or part thereof = 4 staff | | 4.56 CRLC staff | Organisation chart |
| Qualified staff ratio for population served | Standards & Guidelines for Australian Public Libraries | 1 Librarian (FTE) per 10,000 population or part thereof | | 1.46 CRLC Librarians | Organisation chart |
| Building size | People Places | 976 sq m | | 1087 sq m | See Appendix 6 for calculations |

| Public Library Standard | Source | KPI | Outcome | Comment | Data Source |
|--|---|---|---------|---|---|
| Opening Hours | Queensland Public Library Standards and Guidelines: Operation Services standard | 34 hours per week | | 48.5 hours per week during Term time; otherwise 43.5 hours per week | CRLC 2011/12 proposed budget |
| Library material expenditure per capita | Standards & Guidelines for Australian Public Libraries | \$5.40 per capita or \$59,902 | | \$6.75 per capita or \$74,880 | Spydus database |
| Items per capita in the collection | Standards & Guidelines for Australian Public Libraries | 2 per capita or 22,186 | | 32,137 items held | Annual Survey of Victorian Public Libraries 2009/10 |
| Age of the collection (last five years) | Standards & Guidelines for Australian Public Libraries | 50% purchased in last 5 yrs | | 56.17% purchased in last five years | Annual Survey of Victorian Public Libraries 2009/10 |
| Circulation (loans) per capita | Annual Survey of Victorian Public Libraries 2008/09 | 9.0 loans per capita (Vic Av.) | | 13.51 | Annual Survey of Victorian Public Libraries 2009/10 |
| Turnover of stock - loans per volume | Standards & Guidelines for Australian Public Libraries | 4.4 loans per volume | | 4.6 | Annual Survey of Victorian Public Libraries 2009/10 |
| Provision of internet computers | Standards & Guidelines for Australian Public Libraries | 1 internet PC per 3,000 population = 4 PCs | | 6 | Annual survey to be conducted |
| Satisfaction with library services | Standards & Guidelines for Australian Public Libraries | 95% of resp. Good to very good | | | |
| Victoria Local Government Service Reporting | | | | | |
| Active Registered Library Borrowers | Establishing a Victorian Local Government Services Report | Number of borrowers who have used their card in the past 12 months as % of population | | Currently measured | Spydus database |
| Number of physical visits per capita | Establishing a Victorian Local Government Services Report | | | Currently measured | PC based people counter in 3 location |
| Number of website hits per capita | Establishing a Victorian Local Government Services Report | | | Currently measured | Spydus database |
| | | | | Currently measured | Wide only |

Assumptions:
Colac population is 11,093

Hierarchy of data sources

1. Annual Survey of Victorian Public Libraries 2009/10
2. Annual Survey of Victorian Public Libraries 2008/09
3. CRLC Annual report 2009/10
4. Spydus database as of 9/10/2010

Appendix 6: Space Calculations

NSW Methodology: People Places

| | |
|--|-------------|
| Target Collection Factor | 407 |
| =(32,137/100 x.82) +(1,092/10) + (882/100) + (5 x 5) | |
| Relative Area Factor | 240% |
| Core areas | 200% |
| Optional Services | |
| Children's Storytelling | 10% |
| Young Adults | 10% |
| Toy Library | 10% |
| Mobile Library (Outreach) | 5% |
| Multipurpose room | 5% |
| Total | 240% |

| | |
|---------------------|-------|
| Books | 32137 |
| % stock not on loan | 82% |
| # Periodicals | 1092 |
| # recordings | 882 |
| # public computers | 5 |

NSW Public 976 sq m

| | |
|-------------------------------------|-----|
| Min. Floor area based on population | 568 |
| Mobile Library | 50 |
| Toy Library | 24 |
| Meeting Rooms | 300 |

Queensland Public 942 sq m

OM112610-7

LOCAL GOVERNMENT ELECTIONS 2012

| | | | |
|-------------|--------------------------------|-----------|-----------|
| AUTHOR: | Colin Hayman | ENDORSED: | Rob Small |
| DEPARTMENT: | Corporate & Community Services | FILE REF: | 11/96616 |

Purpose

The purpose of this report is to provide Council with an update of various issues and the legislative framework for the Local Government elections to be held in October 2012.

Declaration of Interests

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

Background

The *Local Government Amendment (Electoral Matters) Bill 2011* was passed by the Parliament on 1 September 2011.

The Bill amends the *Local Government Act 1989* to bring forward the general election date from the last Saturday in November to the fourth Saturday in October every four years. This means that the next general election for all Councils will be held on 27 October 2012.

A number of consequential amendments to the Act have also been made as a result of the change in election date, as follows:

- The deadline for candidates to lodge campaign donation returns is brought forward from 60 days to 40 days after election day.
- The deadline for Chief Executive Officers to report to the Minister on campaign donation returns received is brought forward from 28 days to 14 days after the lodgement deadline for returns by candidates.
- The period for election of Mayors by Councillors is changed to occur from the fourth Saturday in October to the 30 November each year (this will not come into effect until 2012).
- The period by which Councils must review and determine Mayoral and Councillor allowances is altered to occur within six months after the general election or by next 30 June, whichever is later.

Council Plan / Other Strategies / Policy**Leadership and Governance**

Council will fulfil its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.

Issues / Options**(a) Provision of Electoral Services**

Council has removed itself from conducting elections since 1995. Council does not have the technology to conduct a postal voting election nor does it have the expertise to conduct a proportional representation vote count. It has also removed any confusion that can arise between the Council organisation and the individual candidate.

The Council has previously outsourced the provision of electoral services to the VEC. The 2008 election cost approximately \$115,000 (excl.GST). The Local Government industry has sought exemption from the Minister for Local Government from being required to tender for the Council contractor to conduct the election. The Minister has not agreed and therefore Council will be required to call for tenders to undertake the election.

Because the Council is obliged to invite tenders for the provision of these services, it is necessary to develop a specification detailing the services required as well as the conditions under which they are to be provided. 78 other Councils are also in the same position.

The Municipal Association of Victoria has proposed co-ordinating a joint tender to provide electoral services. This would provide Council with the opportunity to be part of a bulk tender and to gain benefits from a co-ordinated preparation of a tender document and group advertising. It is therefore recommended that Council agree with this proposal.

The MAV has developed an arrangement where it is offering services to Councils in relation to the development of a specification for the tendering of electoral services and is offering to act as the agent of Councils to conduct the tender process.

This will provide this Council with significant benefits should it accept this offer.

They include:

- Inclusion of Colac Otway in larger and hopefully statewide awareness campaign relating to this year's elections.
- Improved quality specification for services than might be developed from within the Council's limited resources due to the legal complexity surrounding the conduct of elections.
- Savings on the cost of developing specifications.

(b) Conduct of Elections

The legislation requires Council to decide whether to conduct the elections by attendance voting or postal voting. Elections since restructure have been by way of postal voting and have been conducted by the Victorian electoral Commission (VEC) under contract for Council.

Postal voting has a number of advantages.

In a postal election, all voters are sent voting material by post without prior application. Voters usually return their ballots by post, although some deliver their votes to the Returning Officer's office.

Advantages of postal voting include:

- Higher voter participation and significantly lower informality, resulting in higher effective participation.
- More cost effective.
- Generally preferred by voters who like the greater convenience of postal voting and the capacity to consider preferences in their own time.
- Ready provision of information about candidates to assist voters, included along with other postal voting information for voters.

In the 2008 Colac Otway Shire election the number of ballot papers counted, as a percentage of the total enrolment was 84.1%, compared with 81.4% at the election held in 2004.

For the 2008 Local Government elections 70 were conducted by postal voting. The councils who used the attendance method were all metropolitan Melbourne councils.

For all councils the postal election count was 75.96% as against attendance elections at 70.03%.

The incidence of informal voting in 2008 local government elections remained significantly higher for attendance elections, at 9.90% compared to postal elections, with a rate of 3.75%.

Proposal

(a) Provision of Electoral Services

The proposal is to appoint the Municipal Association of Victoria to provide services relating to the tendering for electoral services.

The services will include:

- Advertising of tender
- Creation of tender document in consultation with Council
- Sending and receiving of tenders
- Clarify tender questions
- Evaluation of tenders

(b) Conduct of Elections

The proposal is to undertake the 2012 general election exclusively by postal voting.

A large number of Councils took up the option of postal voting when it was initially introduced and the numbers using it have increased overtime to the point where in the 2008 elections 70 of the 79 Councils in Victoria conducted their elections using postal voting and 9 used attendance voting.

This Council has used postal voting for the past four elections which have been successfully run by the VEC.

The VEC figures indicate a higher vote participation rate as a whole for Councils using this method of voting.

It should also be noted that attendance elections are estimated to be approximately 30% more expensive on average than equivalent sized postal elections.

Financial and Other Resource Implications

There will be a minimum cost for the MAV to undertake the tender process which will be less than if Council undertook the process itself with respect to internal resources required and other costs e.g. advertising.

The cost for the election will need to be built into the 2012/13 Budget.

Risk Management & Compliance Issues

As well as the requirement for Council to determine the method of the conduct of the election, a number of other consequential amendments to the Act will have an impact on the operation of Council, Councillors and prospective candidates during the election period.

These include:

- The deadline for candidates to lodge campaign donation returns is brought forward from 60 days to 40 days after election day.
- The deadline for Chief Executive Officers to report to the Minister on campaign donation returns received is brought forward from 28 days to 14 days after the lodgement deadline for returns by candidates.
- The period for election of Mayors by Councillors is changed to occur from the fourth Saturday in October to the 30 November each year (this will not come into effect until 2012).
- The period by which Councils must review and determine Mayoral and Councillor allowances is altered to occur within six months after the general election or by next 30 June, whichever is later.

Environmental and Climate Change Considerations

Not applicable.

Community Engagement

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement Policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

The MAV has commenced the process of informing and consulting with Councils on the 2012 general elections.

The VEC will be conducting information sessions on the election process.

The communication strategy for the election will form part of the tender for the provision of electoral services and is expected to integrate into a statewide awareness campaign.

Implementation

Once a decision has been made the MAV will be advised of council's resolutions to enable the process to continue.

It is anticipated that the tender process will commence by no later than early March 2012.

Conclusion

The *Local Government Amendment (Electoral Matters) Act 2011* amends the date for municipal elections in 2012.

Engaging the Municipal Association of Victoria to provide services relating to the tendering for electoral services will ensure a consistent approach across a number of municipalities.

The data shows that postal voting has resulted in higher participation rates than attendance voting and a lower rate of informal voting. Postal voting is also a lower cost than attendance voting.

Attachments

Nil

Recommendation(s)***That Council:***

- 1. Appoints the Municipal Association of Victoria as the Council's agent to undertake a public tender for the provision of electoral services for the 2012 local government election.***
- 2. Authorises the Chief Executive Officer to sign and seal the Deed of Agreement with the Municipal Association of Victoria for the tendering for the provision of electoral services for the 2012 local government election.***
- 3. Acknowledges that by authorising the Chief Executive Officer to enter into the contract for the provision of electoral services, it is committing to the allocation of funds for the procurement of electoral services in the 2012/2013 Council budget.***
- 4. Pursuant to section 41A of the Local Government Act 1989 resolves to conduct the 2012 general election exclusively by postal voting.***

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**OM112610-8****END OF YEAR FINANCIAL MANAGEMENT REPORT**

|             |                                |           |              |
|-------------|--------------------------------|-----------|--------------|
| AUTHOR:     | Brett Exelby                   | ENDORSED: | Colin Hayman |
| DEPARTMENT: | Corporate & Community Services | FILE REF: | 11/96471     |

**Purpose**

The purpose of this report is for Council to consider the End of Financial Year Management Report for 2010/2011.

**Declaration of Interests**

Colin Hayman, General Manager Corporate and Community Services who has had input into the report has an interest in that he is a member of Vision Super, Defined Benefits Scheme.

No other officer has declared an interest under the *Local Government Act 1989* in the preparation of this report.

**Background**

At previous Audit Committee meetings an End of Financial Year Management Report has been discussed as being an important report to identify the end of year financial position.

A Financial Management Report has been prepared for 2010/2011 and is attached. The report was considered by the Audit Committee on 12 September and reviewed by Council at a workshop on 14 September 2011.

The report was also considered at the Council Meeting, In-Committee on Wednesday 28 September 2011. Council resolved the following.

***“That Council:***

- 1. Receives the End of Financial Year Management Report 2010/11.***
- 2. Resolved to consider the funding of landfill rehabilitation works as part of the 2012/13 budget process.***
- 3. Resolves to approve the establishment of a Carried Forward Projects Reserve.***
- 4. Resolves that this resolution and the End of Year Financial Management Report 2010/11 is an open document and may be disclosed once the Annual report is released.”***

The purpose of the management report is to highlight to Council the year end result and to provide Council with a range of additional information. This management report includes:

- Financial Statements for 2010/11
- Standard Statements for 2010/11
- Indicative Financial Ratios
- Income and Expense for each Service
- Details of Council's carried forward (carry-over) projects
- Details on the cash position of Council at 30 June 2011

- Details on reserve balances
- Other Issues.

### **Council Plan / Other Strategies / Policy Leadership and Governance**

Council will fulfil its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.

### **Issues / Options**

#### Cash Position of Council at 30 June 2011

In recognition of the various financial statements included in the report and the need to understand Council's cash position at the end of the financial year, analysis has been prepared to provide greater clarity.

Council's cash position at year end was \$10.775 million, which is higher than last year's figure of \$9.762 million. The detailed end of year position is set out in the table below.

| Item                       | \$'000<br>2009/2010 | \$'000<br>2010/2011 |
|----------------------------|---------------------|---------------------|
| Cash at Bank               | 9,762               | 10,775              |
| Plus Receivables           | 2,685               | 2,730               |
| Long service leave         | (1,745)             | (1,919)             |
| Trust deposits             | (295)               | (287)               |
| Reserve funds              | (5,394)             | (4,810)             |
| Carried forward value      | (2,206)             | (3,068)             |
| Grants Received in advance | (1,367)             | (1,457)             |
| Payables                   | (1,965)             | (1,821)             |
| <b>Total</b>               | <b>(525)</b>        | <b>143</b>          |

The above reconciliation between the cash requirement and the cash available indicates unallocated funds of \$143,000, which equates to 0.34% of overall expenditure. These funds are to be utilised for the Office Accommodation Project.

There are two (2) critical areas of concern:

1. The level of grants received in advance (\$1.457 million), which are required to fund the 2011/12 budget operations and not that of the 2010/11 year. This is due to the Commonwealth providing partial funding in advance over the last three (3) years. At some point this action will cease which will result in considerable consumption of Council's cash reserves.
2. The level of carried forward items (\$3.068 million), which is a reflection of works and activities that are incomplete at year end. This value is considerably higher than the previous year and may indicate that Council has exceeded its resource capacity.

#### Reserve Balances

The report provides details of the cash reserves that have been established by Council over many years.

Provided below is a summary of the individual cash reserve balances. More details can be obtained on page 22 of The Financial Management Report.

| Reserve                           | \$'000<br>2009/10 | \$'000<br>2010/11 |
|-----------------------------------|-------------------|-------------------|
| Port of Apollo Bay                | 1,221             | 1,151             |
| Waste management                  | 792               | 0                 |
| Kerbside Bin Replacement          | 0                 | 205               |
| Lakeside Estate                   | 744               | 0                 |
| Plant replacement                 | 698               | 1,262             |
| Recreational lands                | 519               | 564               |
| Landfill rehabilitation (Alvie)   | 410               | 467               |
| Resource development reserve      | 406               | 384               |
| Car parking                       | 210               | 137               |
| Colac Livestock Selling Centre    | 198               | 344               |
| Unfunded superannuation reserve   | 166               | 100               |
| Rehabilitation reserve (Other)    | 30                | 160               |
| Tirrengower Drainage Scheme       | 0                 | 36                |
| <b>Total cash backed reserves</b> | <b>*5,394</b>     | <b>4,810</b>      |

*\*Excludes CRLC plant replacement reserve.*

#### Other Issues

There are several other issues in the report provided for information to Council and management. These issues include:

- Cash Flow Projections
- Landfill Rehabilitation Reserve
- Use of Resource Development Reserve
- Reporting Changes.

#### Summary

Council's overall position, although appearing strong in the financial statements, remains susceptible to shocks and is unable to take advantage of opportunities as they arise. Council continues to improve generally in the sustainability indicators. Council can ensure it is sustainable in the longer term provided it:

- Is willing to undertake the necessary changes to make our business more efficient.
- Keeps an eye toward other opportunistic revenue generation, such as grants funding, structured borrowing strategies, charge schemes and other entrepreneurial activities.

Given the level of expected future demands on Council and the level of current reserves, Council can ill afford to commit to any additional works or projects, regardless of the opportunity it may offer. Council needs to vigilantly adhere to the principles of planning before committing to funding any new or expanded activities.

#### **Proposal**

That Council receives the Financial Management Report.

**Financial and Other Resource Implications**

The report indicates that Council needs to be constantly aware of the current level of cash reserves and the future requirements to build up other reserves for example, Landfill Rehabilitation Reserves.

The Financial Year Management Report 2010/2011 clearly indicates Council's financial position and the issues that Council currently faces.

**Risk Management & Compliance Issues**

The report highlights the areas of concern with respect to the level of cash and reserves.

**Environmental and Climate Change Considerations**

Not applicable.

**Community Engagement**

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement Policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

There has been no consultation. The report was considered by Council at a workshop on 14 September 2011.

The report was considered by the Audit Committee on 12 September 2011.

**Implementation**

The issues raised will be considered in the preparation of the 2012/13 Budget.

**Conclusion**

The report indicates that Council clearly needs to be vigilant in its approach to the level of cash and reserves.

The report also clearly indicates Council's financial position and the issues that it faces.

**Attachments**

1. 2010/2011 - End of Year Management Report

**Recommendation(s)**

***That Council notes the End of Financial Year Management Report 2010/11.***

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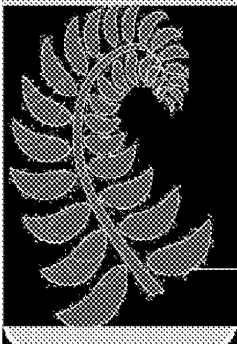
Financial Management Report 2010-2011

Brent Exolby
Colac Otway Shire
September 2011



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INTRODUCTION

The 2010/11 Financial Statements have been audited by the Auditor General's agent. The Financial Statements will be considered by Council's Audit Committee on 12 September 2011.

A report seeking Council approval and certification of the Financial Statements is to be considered at a Special Council Meeting on 14 September 2011. These timelines will enable the finalisation of the process for the Financial Statements, Standard Statements and the Performance Statement for the consolidated position of the Colac Otway Shire Council.

The purpose of this management report is to highlight to Council the year end result and to provide Council with a range of additional information. This management report includes:

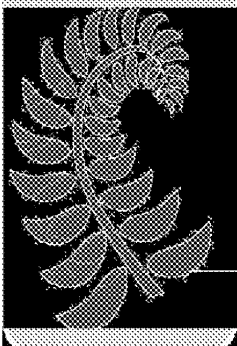
- Financial Statements for 2010/11;
- Standard Statements for 2010/11;
- Indicative financial ratios;
- Income and Expense for each Service;
- Details of Council's carried forward (carry-over) projects;
- Details on the cash position of Council at 30 June 2011;
- Details on reserve balances; and
- Other issues.

FINANCIAL STATEMENTS FOR 2010/11

It is expected that the audit certificate from the Victorian Auditor General will be issued to Colac Otway Shire prior to the end of September 2011. This will enable Council to complete the annual report and have the report submitted to the Minister for Local Government prior to the statutory deadline of 30 September 2011.

The team involved in the preparation of the Financial Statements takes this opportunity to express its appreciation to the Victorian Auditor General's representatives, Coffey Hunt, for the productive and educative approach taken to the audit. The mutually respectful nature of the relationship between Coffey Hunt and Council has again ensured the provision of a positive result for Council.

A particular highlight of the relationship has been the ability of the Colac Otway Shire to present an alternative Comprehensive Income Statement accepted by the Victorian Auditor General Office (VAGO). This alternative view of the Comprehensive Income Statement has allowed the financial statements to provide more meaningful information to the users of our financial statements.





Comprehensive Income Statement
For the Year Ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Income			
Rates and charges	2	20,465	18,559
Statutory fees and fines	3	540	1,286
User fees	4	3,188	2,981
Contributions - cash	6(a)	336	807
Grants - operating	5	10,439	10,027
Reimbursements	8	311	1,710
Other income	9	889	885
		<u>36,168</u>	<u>36,255</u>
Capital Income:			
Contributions - non-monetary assets (other)	6(b)	994	564
Contributions - non-monetary assets (Port of Apollo Bay)	6(c)	15,658	-
Grants - capital	5	3,883	2,249
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	7	(104)	58
		<u>20,431</u>	<u>2,871</u>
Total income		<u>56,599</u>	<u>39,126</u>
Expenses			
Employee benefits	10	(14,880)	(12,387)
Materials and services	11	(13,634)	(12,589)
Depreciation and amortisation	12	(7,783)	(8,409)
Finance costs	13	(308)	(140)
Other expenses	14	(966)	(2,887)
Share of net surplus/(loss) of associates accounted for by the equity method	15	46	(18)
		<u>(37,525)</u>	<u>(36,430)</u>
Capital Expense:			
Property, plant, equipment and infrastructure written off	20	(174)	(121)
		<u>(174)</u>	<u>(121)</u>
Total expenses		<u>(37,699)</u>	<u>(36,551)</u>
Surplus / (Deficit)		<u>18,900</u>	<u>2,575</u>
Other comprehensive income			
Net asset revaluation increment(decrement)	20	(20,297)	554
Share of other comprehensive income of associates accounted for by the equity method	15	-	(62)
		<u>(20,297)</u>	<u>492</u>
Comprehensive result		<u>(1,397)</u>	<u>3,067</u>

The figures of most interest in the Comprehensive Income Statement are that of the surplus/(deficit). For further explanation as to the makeup of the figures, please refer to the complete Financial Statements and the accompanying notes.



Balance Sheet
As at 30 June 2011

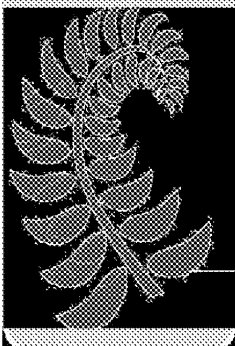
	Note	2011 \$'000	2010 \$'000
Assets			
Current assets			
Cash and cash equivalents	16	10,775	9,762
Trade and other receivables	17	2,779	2,685
Inventories	18	135	97
Other assets	19	53	292
Total current assets		13,742	12,836
Non-current assets			
Investments in associates accounted for using the equity method	15	452	406
Property, infrastructure, plant and equipment	20	239,762	240,610
Total non-current assets		240,214	241,016
Total assets		253,956	253,852
Liabilities			
Current liabilities			
Trade and other payables	21	1,820	1,965
Trust funds and deposits	22	287	295
Provisions	23	3,133	3,214
Interest-bearing loans and borrowings	24	465	412
Total current liabilities		5,705	5,886
Non-current liabilities			
Provisions	23	4,200	3,153
Interest-bearing loans and borrowings	24	4,380	3,745
Total non-current liabilities		8,580	6,898
Total liabilities		14,285	12,784
Net Assets		239,671	241,068
Equity			
Accumulated surplus		113,159	93,666
Reserves	25	126,512	147,402
Total Equity		239,671	241,068



Statement of Changes in Equity
For the Year Ended 30 June 2011

	Total	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves
2011	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year	241,068	93,666	142,000	5,402
Surplus / (Deficit)	18,900	18,900	-	-
Transfers to other reserves	25(b) -	(4,408)	-	4,408
Transfers from other reserves	25(b) -	5,001	-	(5,001)
Net asset revaluation increment	(20,297)	-	(20,297)	-
Balance at end of the financial year	239,671	113,159	121,703	4,809

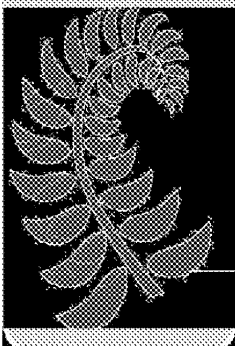
	Total	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves
2010	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year	238,001	92,218	141,508	4,275
Surplus / (Deficit)	2,575	2,575	-	-
Transfers to other reserves	25(b) -	(2,051)	-	2,051
Transfers from other reserves	25(b) -	924	-	(924)
Net asset revaluation increment	554	-	554	-
Share of other comprehensive income of associates accounted for by the equity method	(62)	-	(62)	-
Balance at end of the financial year	241,068	93,666	142,000	5,402





Cash Flow Statement
For the Year Ended 30 June 2011

	Note	2011 Inflows/ (Outflows) \$'000	2010 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates		20,500	17,866
User charges and other fines (inclusive of GST)		4,399	4,271
Grants (inclusive of GST)		14,240	13,109
Developer contributions (inclusive of GST)		340	888
Reimbursements (inclusive of GST)		330	671
Interest		447	447
Other receipts (inclusive of GST)		465	482
Net GST refund/payment		1,496	1,779
Payments to suppliers (inclusive of GST)		(14,175)	(14,183)
Payments to employees (including redundancies)		(14,742)	(11,798)
Other payments		(1,011)	(1,244)
Net cash provided by (used in) operating activities	26	<u>12,289</u>	<u>12,288</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	20	(12,262)	(14,258)
Proceeds from sale of property, infrastructure, plant and equipment		588	473
Net cash provided by (used in) investing activities		<u>(11,674)</u>	<u>(13,785)</u>
Cash flows from financing activities			
Finance costs		(282)	(140)
Trust funds and deposits		(8)	53
Proceeds from interest bearing loans and borrowings		1,100	2,000
Repayment of interest bearing loans and borrowings		(412)	(305)
Net cash provided by (used in) financing activities		<u>398</u>	<u>1,608</u>
Net increase (decrease) in cash and cash equivalents		1,013	111
Cash and cash equivalents at the beginning of the financial year		9,762	9,651
Cash and cash equivalents at the end of the financial year	27	<u>10,775</u>	<u>9,762</u>





INDICATIVE FINANCIAL RATIOS

The below ratios and indicators have been based upon the audited financial data.

Financial ratios (Performance indicators)	2011 \$'000	2011 (%)	2010 \$'000	2010 (%)	2009 \$'000	2009 (%)
---	----------------	-------------	----------------	-------------	----------------	-------------

(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)

<u>Debt servicing costs</u>	308		140		185	
<u>Total revenue</u>	56,599	= 0.54%	39,126	= 0.36%	37,535	= 0.49%

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.

The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

(b) Debt commitment ratio (to identify Council's debt redemption strategy)

<u>Debt servicing & redemption costs</u>	720		445		703	
<u>Rate revenue</u>	20,465	= 3.52%	18,559	= 2.40%	17,602	= 3.99%

The strategy involves the payment of loan principal and interest, finance lease principal and interest.

The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

(c) Revenue ratio (to identify Council's dependence on non-rate income)

<u>Rate revenue</u>	20,465		18,559		17,602	
<u>Total revenue</u>	56,599	= 36.16%	39,126	= 47.43%	37,535	= 46.89%

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

(d) Debt exposure ratio (to identify Council's exposure to debt)

<u>Total indebtedness</u>	11,816		11,039		8,455	
<u>Total realisable assets</u>	95,780	= 12.34%	78,925	= 13.99%	74,278	= 11.38%

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (Note 29) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:

land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets; and Council's investment associate.

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.



Financial ratios (Performance indicators) (cont.)	2011 \$'000	2011 (%)	2010 \$'000	2010 (%)	2009 \$'000	2009 (%)
(e) Working capital ratio (to assess Council's ability to meet current commitments)						
Current assets	13,742		12,836		11,939	
Current liabilities	5,705	= 240.88%	5,886	= 218.08%	5,264	= 226.80%
The ratio expresses the level of current assets the Council has available to meet its current liabilities.						
(f) Adjusted working capital ratio (to assess Council's ability to meet current commitments)						
Current assets	13,742		12,836		11,939	
Current liabilities	5,030	= 273.20%	5,122	= 250.61%	5,040	= 236.88%
The ratio expresses the level of current assets the Council has available to meet its current liabilities.						
Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.						
Additional KPI ratios						
The following five ratios are based upon those used by the Victorian Auditor General to assess Council's financial sustainability level.						
(g) Underlying Result (removes non-cash developer contributions and other one-off items from the Operating Result)						
Adjusted Net Operating Result	2,376		2,150		402	
Total Underlying Revenue	39,947	= 6.16%	38,562	= 5.6%	35,329	= 1.1%
(h) Liquidity Ratio (to assess Council's ability to pay its liabilities in the next 12 months)						
Current assets	13,742		12,836		11,939	
Current liabilities	5,705	= 240.9%	5,886	= 218.1%	5,264	= 226.8%
(i) Indebtedness Ratio (to assess Council's ability to cover longer term liabilities from its own sourced revenue)						
Non-current liabilities	8,580		6,898		4,662	
Own-sourced revenue	25,393	= 33.8%	25,421	= 27.1%	22,076	= 21.1%
(j) Self-Financing Ratio (to assess Council's ability to replace assets from cash generated by operations)						
Net operating cash flows	12,289		12,288		11,309	
Underlying revenue	39,947	= 30.8%	38,562	= 31.9%	35,329	= 32.0%
Investment Gap Ratio (measures whether Council is spending on infrastructure at a faster rate than infrastructure is depreciating)						
Capital Spend	12,262		14,258		8,027	
Depreciation	7,783	= 157.5%	8,409	= 169.6%	8,902	= 90.2%



STANDARD STATEMENTS FOR 2010/11

The Standard Statements are required by the Local Government Act to be prepared by Council. These statements provide a comparison between the actual results achieved for the year against the originally adopted budget for the year. In addition, there are accompanying notes to provide an explanation for any variances from the budget greater than 10%.

It is worth noting that the format of the Standard Statements currently differs from that of the Financial Statements. In accordance with instructions from the Victorian Auditor General the Standard Statements must follow the format of the adopted budget.

Standard Income Statement
For the Year Ended 30 June 2011

	Note	Actual \$'000	Budget \$'000	Variance \$'000	Variance %
Income					
Operating Income:					
Rates and charges		20,465	20,428	37	0%
Charges, fees and fines	1	3,728	3,369	339	10%
Contributions - Operating	2	336	121	215	178%
Grants - operating	3	10,439	8,480	1,959	23%
Other income		1,200	1,105	95	9%
Total operating revenues		36,168	33,523	2,645	8%
Capital revenue					
Contributions - Capital	4	994	458	536	117%
Contributions transfer - Capital	5	15,658	-	15,658	100%
Grants - Capital	6	3,883	3,181	702	22%
Total capital revenue		20,535	3,639	16,896	464%
Total revenue		56,703	37,162	19,541	53%
Expenses					
Employee benefits	7	(14,880)	(13,087)	(1,793)	14%
Materials and services		(13,634)	(12,538)	(1,096)	9%
Depreciation and amortisation		(7,783)	(8,277)	494	-6%
Finance expenses	8	(308)	(389)	81	-21%
Other expenses	9	(966)	(768)	(198)	26%
Share of net surplus/(loss) of associates accounted for by the equity method	10	46	-	46	100%
Total operating expenses		(37,525)	(35,059)	(2,466)	7%
Capital expenses					
Net loss on disposal of Property, plant, equipment and infrastructure		(104)	(105)	1	-1%
Property, plant, equipment and infrastructure written off	11	(174)	-	(174)	100%
Total capital expenses		(278)	(105)	1	-1%
Total expense		(37,803)	(35,164)	(2,465)	7%
Surplus (deficit) income		18,900	1,998	17,076	855%



Notes to Standard Income Statement

Variance Notes		
Note	Item	Explanation
1	Charges, fees and fines	User fees for home care \$368k was classified as a grants in Council's budget as they were subsidised by contracted suppliers; User fees Port of Apollo Bay's budget does not form part of Council's budget program \$36k; Council received lower than expected fees in Local laws \$(33)k; Great Ocean Road Visitor Information Office \$(12)k; Waste disposal fees \$(16)k.
2	Contributions - Operating	Additional home care contributions were received that were not budgeted for \$158k.
3	Grants - operating	Variations were caused primarily by Port of Apollo Bay operations grant budgeted separately from Council's budget process \$779k; Grant commission additional funding \$100k; Diesel fuel taxation credits were higher than anticipated \$182k; additional home care funding was received \$128k; Additional grant income of \$208k was received for aged services; Grants not budgeted for were received during the year Disaster relief grant for flood repairs; \$232k. Statutory planning grants \$120k; Economic Development Grants \$109k.
4	Contributions - Capital	A higher level of developer assets were granted to Council than was anticipated.
5	Contributions transfer - Capital	\$15.658 million of assets related to the Port of Apollo Bay have been recognised for the first time as assets of the Port for which Council is the custodian and have been deemed a non-monetary contribution.
6	Grants - Capital	Two funding instalments for the upgrade of the Port of Apollo Bay breakwater \$540k budgeted separately from Council's budget. Grant funding was received for the Joint Use Library and the finalisation of federal stimulus package funding for upgrade to Colac Youth & Recreation Centre. Budget for these items was allocated in the 2009/10 year.
7	Employee benefits	The defined benefits superannuation scheme had a call of \$568k that was paid early. In addition, higher activity level across Council sites and higher levels of maintenance by work crews has resulted in an increase in operational employee costs.
8	Finance expenses	Delay on timing of borrowings has led to a lower financial cost than expected.
9	Other expenses	Variances include increased level of donations made to the community; higher amount of bad debts than anticipated; cost of tickets for sale at GORVIC not budgeted for; and minor purchases for COPACC not budgeted for.
	Share of net surplus/(loss) of associates accounted for by the equity method	The operating result of the library was not budgeted for.
	Property, plant, equipment and infrastructure written off	Minor asset balances on property, plant, equipment and infrastructure written off that are not traditionally budgeted for.



Standard Balance Sheet
As at 30 June 2011

	Note	Actual \$'000	Budget \$'000	Variance \$'000	Variance %
Assets					
Current assets					
Cash	12	10,775	5,754	5,021	87%
Receivables		2,779	2,716	63	2%
Inventories	13	135	94	41	44%
Other assets	14	53	139	(86)	-62%
Total current assets		13,742	8,703	5,039	58%
Non-current assets					
Investment in associates	15	452	542	(90)	-17%
Property, infrastructure, plant and equipment		239,762	246,880	(7,118)	-3%
Total non-current assets		240,214	247,422	(7,208)	-3%
Total assets		253,956	256,125	(2,169)	-1%
Liabilities					
Current liabilities					
Payables	16	2,107	1,166	941	81%
Interest-bearing loans and borrowings		465	464	1	0%
Provisions		3,133	3,249	(116)	-4%
Total current liabilities		5,705	4,879	826	17%
Non-current liabilities					
Interest-bearing loans and borrowings		4,380	4,398	(18)	0%
Provisions	17	4,200	2,505	1,695	68%
Total non-current liabilities		8,580	6,903	1,677	24%
Total liabilities		14,285	11,782	2,503	21%
Net Assets		239,671	244,343	(4,672)	-2%
Equity					
Accumulated surplus	18	113,159	96,429	(16,730)	-17%
Asset revaluation reserve	19	121,703	144,508	22,805	16%
Other reserves	20	4,809	3,406	(1,403)	-41%
Total Equity		239,671	244,343	4,672	2%



Notes to the Standard Balance Sheet

Variance Notes		
Note	Item	Explanation
12	Cash	Higher cash balance due to government grants received in advance, increasing cash reserve requirements and funds for carryover projects.
13	Inventories	Higher level of stock was held for sale as compared to the prior year, at the Visitor Information Centres and garbage bin held at Council's depots.
14	Other assets	Level of accrued income and prepayments at balance date was lower than estimated.
15	Investment in associates	Lower than expected share of surplus in associate due to a revaluation of book stock in 2009/10 resulted in a reduction in book stock value but was budgeted for an increase.
16	Payables	A higher level of creditors remained outstanding at balance date than was budgeted for. The budgeted trade and other payables were based on actual levels which were considerably lower than recorded in 2010/11.
17	Provisions	A general increase in employee benefits caused a subsequent increase in the associated non-current long service leave provision. The value of landfill provision requirement has increased as a result of a review of the future costs of works to remediate the Council's landfill sites and as a result was under budgeted.
18	Accumulated surplus	The surplus has been impacted by \$15.658 million of assets relating to the Port of Apollo Bay that have been recognised for the first time as assets of the Port for which Council is the custodian and have been deemed a non-monetary contribution.
19	Asset revaluation reserve	The reserve has reduced due to a revaluation of the road assets that was conducted during the year. This reduction is a reflection of the current state of the road assets that has been impacted by extreme weather conditions. This has resulted in a general deterioration of the road assets.
20	Other reserves	Reserves for Open Space, Plant Renewal, Port of Apollo Bay, Landfill Rehabilitation, Colac Livestock Selling Centre and Resource Development were significantly higher at balance date than budgeted for. The Tirrengower Drainage Scheme Reserve was an additional reserve created at year end that contributed to budget variation.



Standard Cash Flow Statement
For the Year Ended 30 June 2011

	Note	Actual \$'000	Budget \$'000	Variance \$'000	Variance %
Cash flows from operating activities					
General rates and charges		20,500	20,061	439	2%
Operating Grants and contributions	21	10,164	8,672	1,292	15%
Interest received		447	453	(6)	-1%
User charges	22	4,399	3,289	1,110	34%
Other revenue	23	1,135	620	515	83%
Net GST refund/payment	24	1,496	-	1,496	100%
Employees costs	25	(14,742)	(12,988)	(1,754)	14%
Materials and services	26	(14,175)	(12,538)	(1,637)	13%
Other expenses	27	(1,011)	(768)	(243)	32%
Net cash provided by (used in) operating activities		8,213	7,001	1,212	17%
Cash flows from investing activities					
Proceeds from property, plant and equipment	28	588	520	68	13%
Capital grants and contributions	29	4,076	3,042	1,034	34%
Payments for property, plant and equipment	30	(12,262)	(10,909)	(1,353)	12%
Net cash provided by (used in) investing activities		(7,598)	(7,347)	(251)	3%
Cash flows from financing activities					
Finance costs	31	(282)	(388)	106	-27%
Trust funds and deposits	32	(8)	-	(8)	100%
Proceeds from interest bearing loans and borrowings		1,100	1,100	-	0%
Repayment of interest bearing loans and borrowings		(412)	(431)	19	-4%
Net cash provided by (used in) financing activities		398	281	117	42%
Net increase (decrease) in cash and cash equivalents	33	1,013	(65)	1,078	-1658%
Cash and cash equivalents at the beginning of the financial year	34	9,762	5,819	3,943	68%
Cash and cash equivalents at the end of the financial year		10,775	5,754	5,021	87%

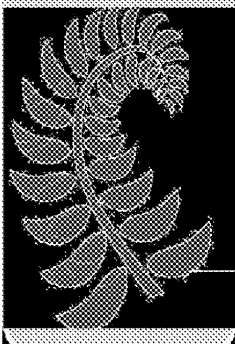
Notes to the Standard Cash Flow Statement

Variance Notes

Note	Item	Explanation
21	Operating Grants and contributions	Variations were caused primarily by Port of Apollo Bay operations grant budgeted separately from Council's budget process \$779k; Grant commission additional funding \$100k; Diesel fuel taxation credits were higher than anticipated \$182k; additional home care funding was received \$128k. Council's budgeted Cash Flow Statement does not include GST component of \$170k.
22	User charges	User fees for home care \$368k was classified as a grants in Council's budget as they were subsidised by contracted suppliers; User fees Port of Apollo Bay's budget does not form part of Council's budget program \$36k; Council's budgeted Cash Flow Statement does not include GST component of \$271k. A larger increase in budgeted debt levels were allowed for than had occurred \$436k.



Variance Notes		
23	Other revenue	Council's budgeted Cash Flow Statement does not include GST component of \$23k. Changes to budgeted accounts receivable attributed to other receipts were not as high as allowed for in Council's budget.
24	Net GST refund/payment	Council's Budgeted Cash Flow Statement does not include GST movements.
25	Employees costs	The defined benefits superannuation scheme had a call of \$568k that was paid early. In addition, higher activity level across Council sites and higher levels of maintenance by work crews has resulted in an increase in operational employee costs. Council's budgeted Cash Flow Statement does not include GST component of \$29k.
26	Materials and services	Council's budgeted Cash Flow Statement does not include GST component of \$1,286k.
27	Other expenses	Variances include increased level of donations made to the community; higher amount of bad debts than anticipated; cost of tickets for sale at GORVIC not budgeted for; and minor purchases for COPACC not budgeted for. Council's Budgeted Cash Flow Statement does not include GST movements of \$45k.
28	Proceeds from property, plant and equipment	Council's Budgeted Cash Flow Statement does not include GST movements of \$46k.
29	Capital grants and contributions	Two funding instalment for the upgrade of the Port of Apollo Bay breakwater \$540k budgeted separately from Council's budget. Grant funding was received for the Joint Use Library and the finalisation of federal stimulus package funding for upgrade to Colac Youth & Recreation Centre. Budget for these items was allocated in the 2009/10 year. Council's Budgeted Cash Flow Statement does not include GST movements of \$193k.
30	Payments for property, plant and equipment	Port of Apollo Bay breakwater \$540k budgeted separately from Council's budget \$871k. Council's Budgeted Cash Flow Statement does not include GST movements \$862k.
31	Finance costs	Delay on timing of borrowings has led to a lower financial cost than expected.
32	Trust funds and deposits	Council does not budget for movements in trust funds and deposits. This reflects the return of deposits for works completed.
33	Net increase (decrease) in cash and cash equivalents	The increase in net cash outflow over the budgeted amount is in part contributed to outstanding projects in 2010-2011 with net expenditure of \$1.4m.
4	Cash and cash equivalents at the beginning of the financial year	The variation is accounted by Port of Apollo Bay accumulated surplus of \$1.2m, which does not form part of Council's budget process. Capital projects budgeted income recognised in 2009-2010 were not completed until 2010-2011.





Standard Statement of Capital Works
As at 30 June 2011

	Note	Actual \$	Budget \$	Variance \$	Variance %
Capital Works Area					
Land	35	625	0	625	100%
Parks, Open space and streetscapes		161	159	2	1%
Buildings	36	3,114	1,727	1,387	80%
Plant, equipment & other	37	1,651	1,904	(253)	-13%
Roads, car parks & traffic network	38	5,518	6,744	(1,226)	-18%
Drainage	39	131	375	(244)	-65%
Intangibles	40	200	0	200	100%
Total capital works		11,400	10,909	491	5%
Represented by:					
Renewal		8,491	8,041	450	6%
Upgrade		759	2,508	(1,749)	-70%
New		2,150	360	1,790	497%
Total capital works		11,400	10,909	491	5%

Variance Notes

Note	Item	Explanation
35	Land	Completion of the land acquisition for the Apollo Bay Waste Transfer Station. This was budgeted for in the prior financial year as a building acquisition.
36	Buildings	Completion of the construction for the Apollo Bay Waste Transfer Station with a budgeted net cost of \$214k. Total building asset value of \$952k accounts for a discrepancy of \$697k. Completion of Colac Community Library and Learning Centre budgeted net cost of \$200k. Total building asset value of \$427k accounts for a discrepancy of \$227k. These projects were budgeted for completion in the prior financial year. Council budget did not include expenditure on the Port of Apollo Bay break water construction of \$872k.
37	Plant, equipment & other	\$200k for software purchases was budgeted as furniture and equipment. This expenditure is reported as intangible assets.
38	Roads, car parks & traffic network	Pascoe Street Carpark budgeted for \$330k was delayed awaiting negotiations. Timber Roads programme \$485k was dependant on matching funding being allocated, however Council's application was not successful. \$178k bridge projects are to be carried forward to 2011-2012 financial year. \$75k of footpath projects were not completed due to inclement weather. \$130k savings were identified in Council's reseal program. \$264k of budgeted drainage projects were capitalised as road construction being a core task in Council's rehabilitation on unsealed roads.
39	Drainage	\$264k budgeted drainage works formed part of Council's unsealed road program.
40	Intangibles	\$200k for software purchases was budgeted as furniture and equipment.



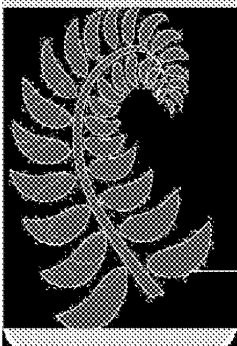
INCOME AND EXPENSE FOR EACH SERVICE

The information below provides an indication of the income generated and the expense incurred by each service or section of Council. The data has been grouped per department of Council.

Service/Section	Expense	Income	Grand Total
Chief Executive Office	954,976	-156	954,817
Elected Members	337,237	-156	337,079
Executive Office	472,798	0	472,798
Public Relations & Marketing	144,941	0	144,941
Corporate & Community Services	20,599,543	-34,605,646	-14,010,103
Aged & Disability Services	1,963,795	-1,618,385	145,410
Bluewater Fitness Centre	1,131,998	-724,124	407,874
Children & Family Services	762,717	-548,846	213,871
COPACC	842,859	-435,931	406,928
Corporate & Community Services Management	348,462	-45,236	303,223
Customer Service	358,300	-1,256	357,042
Financial Services	10,264,191	-29,828,176	-19,563,985
Health & Community Service Management	208,998	-102,668	106,330
Human Resources	398,738	-6,467	392,270
Information Management	279,435	-1,500	277,935
Information Services	982,790	-8,647	974,143
Land	9,629	0	9,629
Library	525,625	-45,364	480,261
Organisational Development	254,931	0	254,931
Other Leisure & Fitness Centres	32,685	-14,935	17,751
Public Health	278,129	-144,039	134,091
Recreation & Events	1,017,347	-600,223	437,124
Recreation, Arts & Culture Management	320,639	-101,345	219,294
Risk Management	485,949	-68,136	417,813
Rural Access	68,522	-66,059	2,463
Transport Connections	43,129	-20,727	22,402
Vic Roads	20,674	-47,577	-26,903
Infrastructure & Services	10,216,817	-3,281,022	6,935,795
Aerodrome	25,572	-333	25,239
Buildings	-1,125,517	0	-1,125,517
Capital Works Management	628,491	-251,999	376,492



Service/Section	Expense	Income	Grand Total
Contract Management	252,824	-31,678	221,145
COSWORKS Management	1,008,303	-160,063	848,240
Council Facilities	1,523,634	-34,216	1,489,418
Drainage	921,892	0	921,892
Footpath K&C Program	79,531	0	79,531
Infrastructure Services Management	307,540	0	307,540
Livestock Selling Centre Operations	389,923	-586,910	-196,987
Other Structures	423,984	0	423,984
Parks & Reserves Program	921,077	-13,777	907,300
Plant & Minor Equipment	-1,210,633	360,184	-850,449
Private Works	29,699	-41,221	-11,522
Roads	1,027,253	0	1,027,253
Sustainable Assets Management	557,540	0	557,540
Waste Management	4,455,707	-2,521,009	1,934,698
Operations Apollo Bay Harbour	1,010,629	-1,413,816	-16,061,126
Operations	1,010,629	-17,071,755	-16,061,126
Sustainable Planning & Development Services	4,924,542	-1,640,566	3,283,976
Building Control	236,262	-152,470	83,792
Business Development	709,178	-319,401	389,777
Emergency Management	368,286	-69,201	299,085
Environment	491,807	-90,122	401,685
Local Laws	591,012	-296,285	294,727
Statutory Planning	893,580	-309,403	584,177
Strategic Planning	365,264	-57,168	308,096
Sustainable Planning & Development Management	267,709	0	267,709
Tourism	1,001,445	-346,516	654,929
Grand Total	37,706,506	-58,803,147	-16,896,641





DETAILS OF COUNCIL'S CARRIED FORWARD (CARRY-OVER) PROJECTS

The attached pages provide Council with a comprehensive list of those projects and activities that were incomplete at the end of the 2010/11 financial year and where a commitment exists for the expenditure and/or income to be incurred/raised. This list highlights the need to ensure that Council brings forward (carries) adequate cash balances at the end of the year to fund these activities and projects.

Note, that none of the projects and activities listed as being carried forward have been included in the 2011/12 budget. As a result, without there being a cash surplus adequate to fund the carried forward items, after reserves and other obligations are considered, Council will have to consider other funding options. This may include deferral of items from the 2011/12 budget or the options of raising additional funds through grants or borrowings.

In summary, the value of carried forward items from 2010/11 is:

	Expenditure	Income	Net Result
Total	4,024,063	-656,420	3,067,663

Project/Activity	Carry-over Expense	Carry-over Income	Net Result
Colac & Apollo Bay Car parking Study	9,989	0	9,989
Colac CBD & Entrances Project	68,496	0	68,496
Rural Living Strategy	15,686	0	15,686
Cressy-Shelford Road Restitution Package	115,703	0	115,703
Auspice Neighbourhood Renewal	14,900	0	14,900
Lake Colac Stage 2	70,000	0	70,000
Stoddart St Pathway	55,000	-65,000	-10,000
Botanic Gardens Pathway	57,700	0	57,700
Gellibrand Landfill Rehabilitation	233,949	0	233,949
Birregurra Structure Plan & Forrest Structure Plan	34,121	0	34,121
Heathfield estate river restoration	3,550	0	3,550
Apollo Bay Harbour Master Plan Implementation	255,000	-38,000	217,000
Refurbishment of the Enhanced Library Service and Accommodation	161,541	0	161,541
Refurbishment of the Enhanced Accommodation Rae Street			
Refurbishment of the Enhanced Accommodation Rae Street	68,268	0	68,268
Refurbishment of the Enhanced Accommodation Rae Street			
Refurbishment of the Enhanced Accommodation Rae Street	180,855	0	180,855
Refurbishment of the Enhanced Accommodation Rae Street			
Refurbishment of the Enhanced Accommodation Rae Street	200,000	0	200,000
Refurbishment of the Enhanced Accommodation Rae Street			
Refurbishment of the Enhanced Accommodation Rae Street	19,443	0	19,443
Refurbishment of the Enhanced Accommodation Rae Street			
Refurbishment of the Enhanced Accommodation Rae Street	255,000	0	255,000



Project/Activity	Carry-over Expense	Carry-over Income	Net Result
Pascoe Street Car park	330,000	-247,380	82,620
Road safety program	16,000	-1,000	15,000
Public Open Space Strategy	19,919	-3,000	16,919
Lake Colac CHMP	10,302	0	10,302
Upgrades to Colac Youth & Recreation Centre	280,701	0	280,701
Birregurra and Forrest Master Plans (STIP)	68,570	-20,000	48,570
Cressy Upgrade (STIP)	62,328	-40,000	22,328
Beeac Street Lighting	13,334	0	13,334
Bridge Rehab Program - Upper Gellibrand Road	177,738	0	177,738
Apollo Bay Settlement Boundary & Urban Design Review	34,256	-8,000	26,256
Colac Commercial Strategy	80,000	-40,000	40,000
Colac Heavy Truck Study	112,310	0	112,310
Apollo Bay Trails Feasibility Study	83,722	0	83,722
Main Drainage Review - Apollo Bay	49,317	0	49,317
Colac City Band Hall Disabled Access Improvement	3,865	0	3,865
Cororooke Hall	36,770	0	36,770
Stonyford Hall Kitchen	0	-42,000	-42,000
RLCIP Round 3 - Upgrade to Energy Efficient Hot Water Services	50,000	0	50,000
Lions Park	86,170	-27,040	59,130
Old Beechy Rail Trail (OBRT) Project	419,426	-400,000	19,426
Colac Litter Bins and Surrounds	10,589	0	10,589
Volunteering Portal	16,123	-2,500	13,623
Colac Marketing Strategy	22,728	0	22,728
Active Service Model	38,533	0	38,533
Beech Forest War Memorial	10,000	0	10,000
Internet Training 4 People With a Disability (Phase 2)	14,856	0	14,856
Marengo Landfill Rehabilitation	94,825	0	94,825
Universal Access - Capacity Assessment Planning	20,000	-10,000	10,000
Universal Access - Action Plan for 2013	27,500	-12,500	15,000
Solar PV system installation - Old Library	15,000	0	15,000
	4,024,083	-956,420	3,067,663





DETAILS ON THE CASH POSITION OF COUNCIL AT 30 JUNE 2011

The end of year analysis below provides an encouraging picture when compared to the previous year. This is especially so when considering that Council has paid its defined benefits superannuation call during the year of \$568,647 (which was not budgeted for in the 2010/11 year).

However, of concern is the increased value of the carry over (carried forward) items, which is a net cost to Council of \$3,067,663. It is my view that this highlights the fact that Council is attempting to undertake projects for which it does not have the physical capacity to deliver.

Item	2009/2010 \$'000	2010/2011 \$'000
Cash at Bank	9,762	10,775
Plus Receivables	2,685	2,730
Long service leave	(1,745)	(1,919)
Trust deposits	(295)	(287)
Reserve funds	(5,394)	(4,810)
Carried forward value	(2,206)	(3,068)
Grants Received in advance	(1,367)	(1,457)
Payables	(1,965)	(1,821)
Total surplus (deficit)	(525)	143

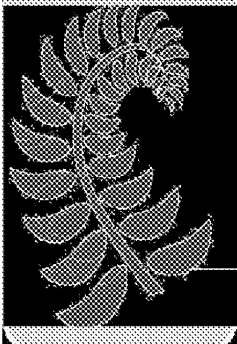
The above reconciliation between the cash requirement and the cash available indicates unallocated funds of \$143,000, which equates to 0.34% of overall expenditure.

Please note that these figures are draft until such time as the financial statements have been approved by the Auditor General.

There are two (2) critical areas of note:

1. The level of grants received in advance (\$1.457 million), which are required to fund the 2011/12 budget operations and not that of the 2010/11 year. This is due to the Commonwealth providing partial funding in advance over the last three (3) years. At some point this action will cease which will result in considerable consumption of Council's cash reserves.
2. The level of carried forward items (\$3.068 million), which is a reflection of works and activities that are incomplete at year end. This value is considerably higher than the previous year and may indicate that Council has exceeded its resource capacity.

Resource capacity constraints adversely affect the ability of the organisation to deliver on services and projects. This limitation forces the organisation to operate in a reactive fashion, rather than in a proactive manner. This reactive approach becomes cyclical and over a period of time the organisation delivers less and less effective and efficient services and projects.





RESERVE BALANCES

Cash reserve balances over the 2010/11 financial year have diminished by \$0.584 million. This is a reflection of the completion of the kerbside bin replacement programme, reduction in the level of funds held for the Apollo Bay Harbour, finalisation of the Lakeside Estate reserve and the payment of the defined benefits superannuation call. Additional funds were allocated to the kerbside bin replacement reserve and the plant replacement reserve. As a result of the favourable position at the end of the financial year additional funds were also allocated to the rehabilitation reserve, the unfunded superannuation reserve and the resource development reserve (to fund unbudgeted projects such as the small town improvement programme as discussed with Council).

The cash reserve balances are displayed in the table below.

Reserve Type	Reserve	Actual 2009/10	Transfer to	Transfer from	Actual 2010/11
Statutory	Car Parking	-210,360	-10,000	82,620	-137,740
Statutory	Open Space	-519,286	-45,000	0	-564,286
Restricted	Landfill Rehabilitation (Alvie)	-410,000	-57,000	0	-467,000
Restricted	Plant Renewal	-698,346	-3,411,165.91	2,847,766.68	-1,261,745.47
Restricted	Port of Apollo Bay	-1,221,476	0	70,185.58	-1,151,290.40
Restricted	Rehabilitation	-30,000	-130,000	0	-160,000
Restricted	Tirrengower Drainage Scheme	0	-35,718	0	-35,718
Identified	Unfunded Superannuation	-166,000	-100,000	166,000	-100,000
Identified	Waste Management	-791,909	0	792,000	91
Identified	Kerbside Bin Replacement	0	-205,000	0	-205,000
Identified	Colac Livestock Selling Centre	-197,654	-146,305	0	-343,959
Identified	Lakeside Estate	-743,169	0	744,000	831
Discretionary	Resource Development	-405,861	-268,000	289,809	-384,052
		-5,394,061	-4,408,189	4,992,381	-4,809,869

An issue that arose from the end of financial year process concerns how best to recognise the value of projects that are carried forward from one financial year to the next. One method used by other Councils is to isolate all projects carried forward in a Carried Forward Projects Reserve. This enables Council to formally recognise the value of those projects that are carried forward from year to year.

As a result of the favourable position of the 2010/11 financial year additional funds have been allocated to reserves. These reserves are:

- Rehabilitation reserve;
- Unfunded superannuation reserve; and
- Resource development reserve.



For reasons detailed in the other issues section of this report, an additional \$130,000 was allocated to the rehabilitation reserve to assist with funding Council's landfill rehabilitation obligations. The budget for 2010/11 had allocated no additional funds to this reserve.

In addition, although the unfunded superannuation call was met by Council in 2010/11, \$100,000 was still allocated to the unfunded superannuation reserve. This decision was made due to the concerns over the state of the current market and potential exposure Council faces to a further call on the Defined Benefits Superannuation Fund.

A further \$268,000 was allocated to the resource development reserve to address the shortfall in funding for the Economic Development Unit and the Health and Community Services Unit. This shortfall consists of the following activities:

- Small Town Improvement Programme (STIP);
- Economic Development Strategy Implementation;
- On the Front Foot for Business;
- PowerCor Colac Otway Business Awards;
- Small Town Signage;
- ID Profile subscription;
- Working Women's Networking Group;
- Colac Visitor Information Centre Inventory purchases;
- Lake Colac Projects; and
- Health and community care services for Apollo Bay.

The balance of the funds in the resource development reserve are those remaining for the works on the Gellibrand Street and Rae Street Offices

Reserve Descriptions

Port of Apollo Bay

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

Waste management

This reserve was set up as a source of funding waste collection and management projects and is entirely funded by any surplus funds from the waste collection programme in any given year.

Waste management

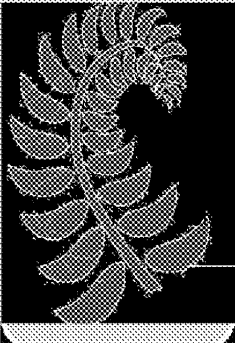
This reserve was set up as a source of funding the replacement of kerbside bins. All funds in this reserve are collected from the waste collection service charge are to be used only in connection with the waste collection service.

Reserve estate

These funds were placed into reserve when the Bruce Street site was sold and was intended for future capital acquisition.

Plant replacement

This reserve is to fund the replacement of council's plant at the end of their useful lives. Inflows to the reserve accrue out of any plant operating surplus with the funds then being used for the replacement of plant.





Recreational lands

Statutory reserve to be used for the development of recreational reserves and public open space.

Landfill rehabilitation (Alvie)

This reserve relates to the funds required to restore the Alvie Tip, when it requires rehabilitation and will continue to grow until the Tip closes, at which time the funds will be utilised to meet this obligation.

Resource development reserve

The purpose of this reserve is to fund future capital acquisitions or works and projects.

Car parking

Statutory reserve to be used for the development of car parking.

Colac livestock selling centre

This reserve is for the purpose of funding works at the Colac Livestock Selling Centre and all funds are derived from any 'profit' made from the operations of the Colac Livestock Selling Centre.

Unfunded superannuation reserve

The purpose of this reserve is to fund the expected call by Vision Super for Council to contribute funds for Defined Benefits Superannuation.

Rehabilitation reserve

This reserve is to fund the rehabilitation the various waste disposal sites across the Colac Otway Shire.

Tirrengower drainage scheme reserve

These funds are collected via a special rate and must be expended against the purpose of the drainage scheme at Tirrengower

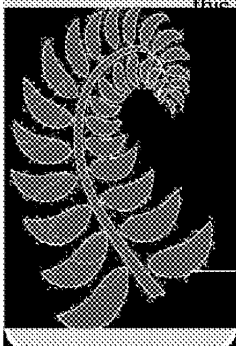
OTHER ISSUES

The other issues area of the report has been developed to provide management and Council with comments on other issues that will be further discussed by Council over the coming year, or in some cases years, that have arisen as part of finalising the 2010/11 financial year.

Cash Flow Projections

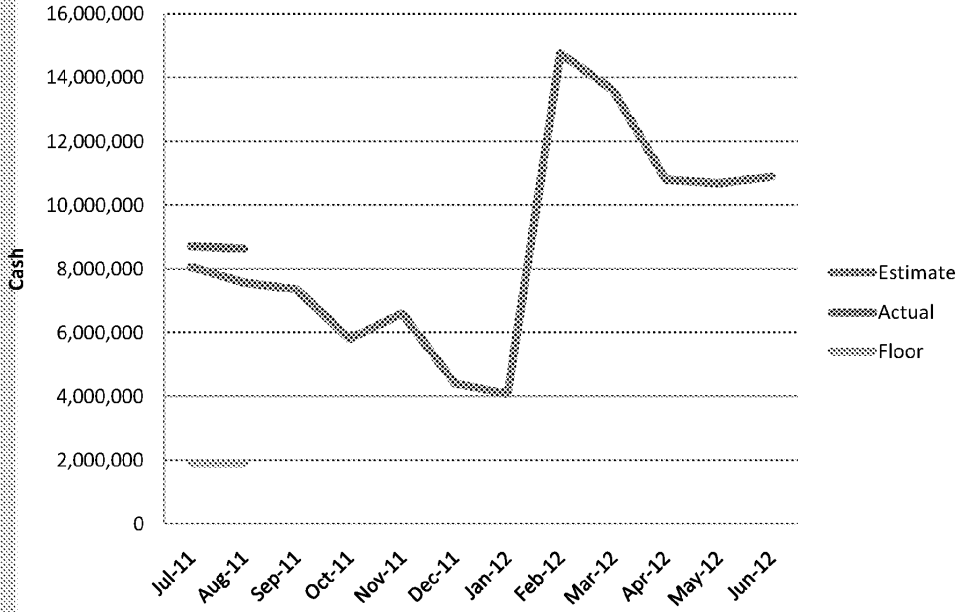
Cash flow projections for the 2011/12 financial year have been based upon historical trends as this has traditionally provided a reasonable guide of the cash balance.

cash flow projection can be most simply displayed using the below graphical presentation.



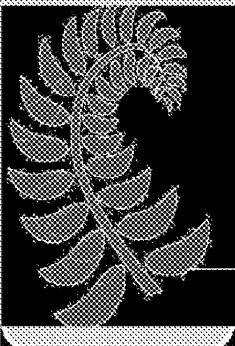


Cash at Bank Balance



Note that the information provided below is based upon historical trends. There are considerable variables that affect the cash funds at year end. For example, should Council successfully complete the scheduled works programme and the Commonwealth Grants Commission not be paid in advance then the result at year end will be considerably lower, at around \$6.4 million. Equally, additional grant opportunities may arise that inflate the cash balance at the year end.

This data is also displayed in the table below.





Month	Cash at Bank Balance		
	Estimate	Actual	Floor
Jul-11	8,072,355	8,718,154	1,893,571
Aug-11	7,580,207	8,639,320	1,893,571
Sep-11	7,353,933		
Oct-11	5,805,364		
Nov-11	6,602,983		
Dec-11	4,403,874		
Jan-12	4,077,190		
Feb-12	14,770,091		
Mar-12	13,607,604		
Apr-12	10,797,553		
May-12	10,684,415		
Jun-12	10,892,305		
Total	8,720,656	9,416,593	1,893,571

Landfill Rehabilitation Provision

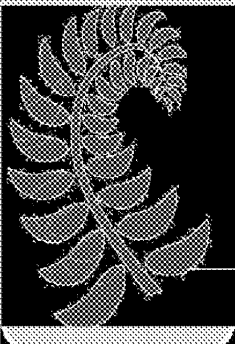
Council has a considerable obligation to rehabilitate existing closed landfill sites and the one remaining active landfill site. This obligation will be at considerable cost to Council and the community over the next decade.

In current value terms Council has approximately \$4.1 million in rehabilitation works to undertake over the next decade with \$1.066 million scheduled over the next three (3) years. Council currently has at its disposal \$0.627 million available in funding to cater for this need although \$0.467 is restricted for use only on the Alvie Landfill site, scheduled for works in 2021. This highlights the serious position Council finds itself in terms of being able to fund the rehabilitation works whilst maintaining existing services to our community.

Council will need to consider how it intends to fund the rehabilitation works prior to developing the next Council budget for 2012/13.

The anticipated schedule of rehabilitation works to be undertaken is displayed in the table below.

Financial Year	Landfill Name	Projected Expenditure (\$)
2011/12	Marengo	\$453,000
2012/13	Gellibrand	\$427,000
2013/14	Forrest	\$164,135
2013/14	Birregurra	\$21,759





Financial Year	Landfill Name	Projected Expenditure (\$)
2014/15	Forrest	\$164,135
2015/16	Birregurra	\$243,139
2015/16	Barwon Downs	\$25,000
2016/17	Birregurra	\$243,139
2017/18	Barwon Downs	\$244,634
2018/19	Barwon Downs	\$244,634
2019/20	Barwon Downs	\$244,634
2020/21	Barwon Downs	\$244,634
2021/22	Barwon Downs	\$244,634
2021/22	Alvie	\$30,000
2022/23	Alvie	\$575,626
2023/24	Alvie	\$575,626
Total		\$4,145,729

Note that the further into the future the works the greater the actual value of the works will be. In other words, we need to consider growth in costs over time when developing a funding regime for the works.

Use of Resource Development Reserve

The Resource Development Reserve was established to retain funds for specified projects that were to occur in future years. In essence the reserve allowed Council to save up to pay for a project, in much the same way as Council did with the Defined Benefits Superannuation Call.

At the end of any given year it is recommended that any available savings or surplus funds from the year be directed to the Resource Development Reserve.

This reserve can then be utilised for projects, to pay down Council borrowings or retained for emergency activities, unless allocated to the reserve for other identified purposes.

The use of the reserve will allow transactions or movements to and from the reserve to be clearly represented. This will allow Council to see funds being retained for purposes such as debt reduction and then the corresponding transaction to reduce that debt. This provides for more transparent reporting to the organisation, Council and the community.

is with a view to further development of the reserve accounting approach discussed with Council earlier in the 2010/11 financial year.

Reporting Changes

end of financial year process for 2010/11 has highlighted the need for the development of a new reporting regime to better inform the organisation, Council and the community on the activities of Council throughout the course of the year.





Development of a best practice approach to the reporting regime and methodology is being targeted, through communication with both large and small Councils across the state and further afield.

Over the 2011/12 financial year various reporting methodologies will be trialled to ensure that Council is better informed with a particular emphasis on the financial information provided. This will allow Council and the organisation to better monitor the progress.

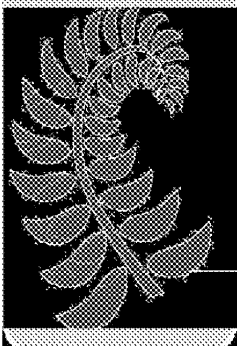
Further thought also needs to be put into the design of the standard financial statements and the performance statement to ensure they are both measurable, timely and relevant. Changes to both of these statements will need to be complete prior to adoption of the 2012/13 budget.

SUMMARY

Council's overall position, although appearing strong in the financial statements, remains susceptible to shocks and is unable to take advantage of opportunities as they arise. Council has continued to improve in the indicators of sustainability. Council can be sustainable in the longer term provided it:

- Is willing to undertake the necessary changes to make our business more efficient;
- Keeps an eye toward other and opportunistic revenue generation, such as grants funding, structured borrowing strategies, charge schemes and other entrepreneurial activities.

Given the level of expected future demands on Council and the level of current reserves, Council can ill afford to commit to any additional works or projects, regardless of the opportunity it may offer. Council needs to vigilantly adhere to the principles of planning before committing to funding any new or expanded activities.



OM112610-9

**APPOINTMENT OF NEW MEMBER - SWAN MARSH HALL
AND TENNIS RESERVE COMMITTEE OF MANAGEMENT**

AUTHOR:	Colin Hayman	ENDORSED:	Rob Small
DEPARTMENT:	Corporate & Community Services	FILE REF:	11/96656

Purpose

To endorse the appointment of a new member to the Swan Marsh Hall and Tennis Reserve Committee of Management.

Declaration of Interests

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

Background

Council appoints Committees of Management under section 86 of the *Local Government Act 1989* as Special Committees to Council to act in accordance with rules and conditions of appointment adopted by Council.

One of the main roles of many of the Committees that Council has appointed is to manage the operation of various Council halls and reserves.

**Council Plan / Other Strategies / Policy
Leadership and Governance**

Council will fulfil its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.

The decision by Council to appoint local persons to the various Committees is seen to be progressive and inviting the community to participate in the conduct of Council's administration of public facilities. A decision in this regard also sees Council working in partnership with the community to achieve agreed goals.

Issues / Options

As a result of an interest expressed by a community member, the Swan Marsh Hall and Tennis Reserve Committee of Management has requested an additional member be added to the committee, which requires Council endorsement.

Council's policy is that Committees of Management members are appointed for a 3 year term or less where applicable.

Option 1

That Council appoint Mr. Michael Sproules to the Swan Marsh Hall and Tennis Reserve Committee of Management until the conclusion of the current committee in May 2012.

Option 2

Not to appoint the community person put forward.

It is an important process that an opportunity is provided to add additional interested community members to the membership of the Section 86 committee.

Proposal

At the Council meeting held on 26 May 2009 Council appointed 9 community members to the Swan Marsh Hall and Tennis Reserve Committee of Management. The Committee's 3 year term ends in May 2012. Community member Mr. Michael Sproules has indicated his willingness to become a member subject to Council approval.

Financial and Other Resource Implications

Not applicable.

Risk Management & Compliance Issues

Each committee has been provided with a Risk Management and Insurance Manual developed for Council Committees of Management.

Environmental and Climate Change Considerations

Not applicable.

Community Engagement

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement Policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

The Swan Marsh Hall and Tennis Reserve Committee of Management have advised Council of a new member they wish to be appointed to the Committee.

Implementation

Following Council's decision a letter will be forwarded to the Committee.

Conclusion

The appointment of another member will assist the committee in its purpose of managing this Council facility.

Attachments

Nil

Recommendation(s)

That Council appoints Mr. Michael Sproules to the Swan Marsh Hall and Tennis Reserve Committee of Management until the conclusion of the current committee's term in May 2012.

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**OM112610-10 FIRST QUARTER PERFORMANCE REPORT 2011-2012**

|             |                                |           |              |
|-------------|--------------------------------|-----------|--------------|
| AUTHOR:     | Mark Gunning                   | ENDORSED: | Colin Hayman |
| DEPARTMENT: | Corporate & Community Services | FILE REF: | 11/95682     |

**Purpose**

This report provides information to Council and the community on the progress of achieving the Key Actions from the Council Plan 2009-2013, progress on the Capital Works Program and key operational areas for the first quarter of the financial year, ending September 2011.

**Declaration of Interests**

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

**Background**

Council approved the revised 2009-2013 Council Plan on 29 June 2011. Council adopted the budget for 2011/2012 including the Capital Works Program at the Council meeting held 29 June 2011.

**Council Plan / Other Strategies / Policy****Leadership and Governance**

Council will fulfil its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.

As discussed above this report is discussing performance against the following Council approved documents:

Council Plan 2009-2013  
 Council Capital Works Program  
 Council Budget 2011/2012

**Issues / Options****Council Plan Update**

The attached report provides Council with the first quarterly progress report as at 30 September 2011 against the Council Plan 2009-2013.

The Council Plan consists of six Key Result Areas for the four year Council Plan period:

- Leadership and Governance
- Physical Infrastructure and Assets
- Land Use and Development
- Environmental Management
- Economic Development
- Community Health and Wellbeing

Each Key Result Area incorporates a number of Council Plan Strategies (what we want to achieve) and Key Actions (how we will do it). The Strategies and Key Actions are reviewed every 12 months for currency and form the basis of Annual Business Plans and Budgets for each Business Unit of Council.



The Council Plan contains 131 Key Actions allocated for the 2011/12 financial year. Progress is measured cumulatively over the year, with a target set for each quarter. The status of the Key Actions at the close of the first quarter are as follows:

- 98 Actions at least 90% of target
- 3 Actions between 70% and 90% of target
- 30 Actions less than 70% of target

Actions achieving less than 90% of target for the quarter do so because these projects are in the early stages of progress and will be developed as the year proceeds. This includes 12 actions that have not commenced, designated 'No Progress'. Several of these are scheduled to commence later in the year

Progress against the Council Plan Key Actions and annual Business Plan actions are routinely updated in the interplan® business software performance system. Along with progress comments, responsible officers are required to indicate the current status and percentage of achievement. For Council Plan Key Actions, percentage progress is represented by 'traffic lights' throughout the attached report, with cumulative progress for each of the six Key Result Areas reflected in the progress gauges on the first page of the report. The first gauge in the report depicts total progress for the quarter against the 2011/12 Council Plan actions and indicates an overall result of over 80%.

As at 30 September 2011, the end of the first quarter, the organisation is on track to achieve a successful outcome for this financial year.

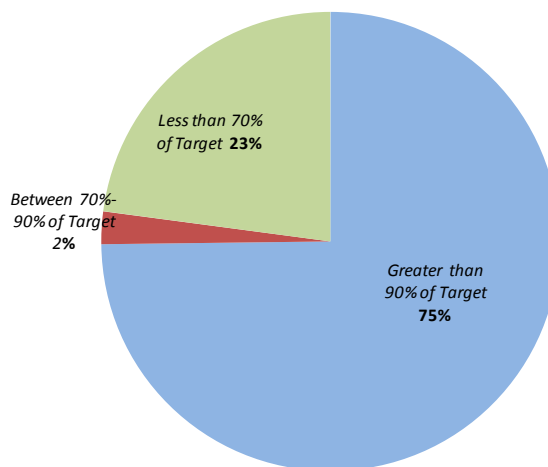
### Capital Works Program Update

The capital works and major projects budget for the 2011/12 financial year is \$13.293 million of which \$12.751 million relates to capital asset works. Additionally, the capital works and major projects forecast budget includes carried forward projects from 2010/11 to the value of \$4.024 million.

Project commencement across the organisation is well underway, with projects tracking on schedule within the first quarter of the year. There is a general improvement with the timeliness of project commencement, which can be attributed to improved project manager awareness of the new processes and systems that have been put in place. The creation of Work Orders very early in the financial year has also assisted project managers to commence projects.

Through this month's reporting, project managers have generally indicated that projects are on track to be completed by June 2012, and that there are no identified budget issues. Three projects have been identified for deferral, which include the Timber Roads program and the Gellibrand Landfill Rehabilitation. Further details can be seen in the attached Deferral Report.

**Progress on Council Plan Key Actions  
July – September 2011**



An additional unfunded project has also been included which is associated with necessary rehabilitation works on two (2) courts at the Eastern Reserve. This project has arisen due to surface imperfections following the reconstruction of the netball court precinct at Eastern Reserve. A number of attempts have been made to repair the court surfaces, however a satisfactory result has not yet been achieved. Council has undertaken to resurface two (2) courts with a synthetic playing surface, which enable sports to be played. The total costs associated with the resurfacing is estimated at \$25,000, which is expected to be funded from savings within the Capital Works and Major Projects Program across the financial year.

Overall, there are 123 Capital Works and Major Projects to be undertaken within the 2011/12 program, including 45 carry over projects. To date, of the 123 projects, work has commenced on 101 projects, with total expenditure of the program at approximately \$3.101 million. While the level of expenditure is not high compared with the progress through the financial year, significant expenditure is forecast to occur during the construction period of December 2011 through March 2012.

**2011/12 Capital Works & Major Projects  
Identified Deferral Projects & Unfunded Projects  
First Quarter Council Report – October 2011**

| <b>Project Name</b>                              | <b>Budget Allocation \$</b>               | <b>Project Status</b> | <b>Comments</b>                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Council Funds to be reallocated</b> | <b>Proposed funding reallocation Project details</b>                                                                                                                                                   |
|--------------------------------------------------|-------------------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Timber Roads Program Pipeline Road Major Resheet | \$166,152 (Council contribution \$23,736) | Deferral              | An application was made to the Better Roads funding program, of which the funding program would contribute 6/7 of the total project cost. The application was unsuccessful, and as such it is proposed to defer this project. Another application will be made for this project from the same funding source. It is proposed that if successful, this project be placed in next years Capital Works and Major Projects program. | \$23,736                               | No project has been identified. Surplus Council funds should be redistributed to similar renewal programs,<br><br>This should be reported to a future Capital Works Quarterly report for reallocation. |

|                                                          |                                              |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |                                                                                                                                                                                                        |
|----------------------------------------------------------|----------------------------------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Timber Roads Program Old Beech Forest Road Major Resheet | \$351,854<br>(Council contribution \$50,265) | Deferral             | An application was made to the Better Roads funding program, of which the funding program would contribute 6/7 of the total project cost. The application was unsuccessful, and as such it is proposed to defer this project. Another application will be made for this project from the same funding source. It is proposed that if successful, this project be placed in next years Capital Works and Major Projects program. | \$50,265  | No project has been identified. Surplus Council funds should be redistributed to similar renewal programs,<br><br>This should be reported to a future Capital Works Quarterly report for reallocation. |
| Gellibrand Landfill Rehabilitation                       | \$231,702                                    |                      | Commencement of works had not fully commenced for the Gellibrand Landfill Rehabilitation, and due to budget deficit's identified for Margeno Landfill Rehabilitation, it was considered the unexpended budget allocated to Gellibrand should be relocated.                                                                                                                                                                      | \$231,702 | Funding to be reallocated to Marengo Landfill Rehabilitation, as per Council Resolution (Report OM112408-20 – Marengo Landfill Tender Evaluation.                                                      |
| Eastern Reserve Court Resurfacing                        | \$0                                          | Unfunded New Project | Resurfacing work is required on two (2) courts at the Eastern Reserve. Previous attempts have not resulted in a satisfactory playing surface.                                                                                                                                                                                                                                                                                   | \$25,000  | Funding to be sourced from savings within the Capital Works and Major Projects Program during the 2011/12 financial year.                                                                              |

### Income Variation Report

| Project Name                                     | Income Budget Allocation \$ | Project Status | Comments                                                                                                   |
|--------------------------------------------------|-----------------------------|----------------|------------------------------------------------------------------------------------------------------------|
| Timber Roads Program Pipeline Road Major Resheet | \$142,416                   | Deferral       | Council's budgeted income will need to be reduced due to the grant funding application being unsuccessful. |

|                                                                |           |          |                                                                                                            |
|----------------------------------------------------------------|-----------|----------|------------------------------------------------------------------------------------------------------------|
| Timber Roads Program<br>Old Beech Forest Road<br>Major Resheet | \$301,589 | Deferral | Council's budgeted income will need to be reduced due to the grant funding application being unsuccessful. |
|----------------------------------------------------------------|-----------|----------|------------------------------------------------------------------------------------------------------------|

### Financial Summary

Attached to this report is the 2011/2012 First Quarter Financial Management Report.

As Council concludes the first quarter of the 2011/12 financial year, it is worth mentioning a number of significant highlights that have occurred during the year to-date. With a great deal of effort by those involved the annual financial statements for 2010/11 were completed, audited, adopted and presented to the Minister for Local Government within the legislative timeframes during the first quarter. In addition to this, Colac Otway Shire was able to have approved an alternative Income Statement which provides a more meaningful analysis of the financial information presented.

At the time the budget for 2011/12 was prepared, it was expected that Council would see an operating surplus of \$3.825 million. Council continues to revise the estimate of the 2011/12 year activities as more accurate information comes to hand with the current operating surplus forecast to be \$3.317 million.

The achievement of an operating surplus for the 2011/12 year continues to be a priority of Council. It is important for Council and the community to understand that we will continue to refine our forecasts and adjust our activities to ensure that Council is in the position to report an operating surplus for the 2011/12 financial year.

Council currently has a cash at bank balance of \$8.142 million, which is higher than for the same time in 2010/11 but is similar to the same period in 2009/10.

Rate notices have been issued to rate payers in September and reminders for instalments will be sent each quarter.

### CONTRACTS AWARDED AND TENDERS ADVERTISED FOR JULY TO SEPTEMBER 2011

#### JULY

##### Contracts Awarded

| Contract No.            | Description | Contractor | Value \$<br>(excluding GST) |
|-------------------------|-------------|------------|-----------------------------|
| No Tenders were awarded |             |            |                             |

##### Tenders Advertised

| Tender No. | Description                                                       | Closing Date |
|------------|-------------------------------------------------------------------|--------------|
| 1102       | Cleaning of Rural Toilets & Public Conveniences                   | 17/8/11      |
| EOI 1115   | Provision of a Canteen Service for Colac Livestock Selling Centre | 20/7/11      |

**AUGUST****Contracts Awarded**

| <b>Contract No.</b> | <b>Description</b>                                 | <b>Contractor</b>  | <b>Value \$<br/>(excluding GST)</b> |
|---------------------|----------------------------------------------------|--------------------|-------------------------------------|
| 1111                | Marengo Landfill Rehabilitation & Associated Works | Deja Eight Pty Ltd | \$452,826.25                        |

**Tenders Advertised**

| <b>Tender No.</b> | <b>Description</b>   | <b>Closing Date</b> |
|-------------------|----------------------|---------------------|
| 1117              | Office Redevelopment | 7/9/11              |

**SEPTEMBER****Contracts Awarded**

| <b>Contract No.</b> | <b>Description</b>                                | <b>Contractor</b>               | <b>Value \$<br/>(excluding GST)</b>        |
|---------------------|---------------------------------------------------|---------------------------------|--------------------------------------------|
| 1102                | Cleaning of Rural Toilets and Public Conveniences | Colac Cleaning Services Pty Ltd | \$71,905 p.a.<br>plus Schedule<br>of Rates |
| 1117                | Office Redevelopment                              | B.D.H. Constructions Pty Ltd    | \$498,000                                  |

**Tenders Advertised**

| <b>Tender No.</b> | <b>Description</b>                            | <b>Closing Date</b> |
|-------------------|-----------------------------------------------|---------------------|
| 1116              | Bituminous Sealing Works                      | 5/10/11             |
| 1118              | J Barrys Road Bridge Design and Construct     | 5/10/11             |
| 1119              | Architectural Services                        | 3/11/11             |
| 1122              | Hard Waste Collection (Rural & Coastal Areas) | 3/11/11             |
| 1123              | Linemarking Services                          | 5/10/11             |

**Proposal**

That Council consider the report as detailed herein, receive the report as provided and endorse recommendations with respect to Capital Work projects.

Until Council is in a better position to understand the Net budget position later in the year, any decision on where the funding should be allocated should not be made until the Net financial position is clearer towards the end of the financial year. A business principle should also be established whereby any surplus Council funds (if any) are to be redistributed to similar Capital Works or Renewal programs and not be reallocated to new unrelated programs.

**Financial and Other Resource Implications**

Financial matters affecting the budget performance of Council are detailed in this report and the quarterly finance report.

Until Council is in a better position to understand any over and under expenditure, and the Net budget position later in the year, no new allocations of expenditure should occur at this stage unless there are circumstances that require action to be taken as soon as possible. The Net Council financial position should be determined and reported to a future Capital Works Quarterly Report for reallocation of any savings to offset any over expenditures in specific projects and determine the reallocation of any Net savings to new or existing projects.

**Risk Management & Compliance Issues**

This report meets the reporting and risk obligations of officers to Council.

**Environmental and Climate Change Considerations**

Applied in preparation of Council Plan and adoption of budgets.

**Community Engagement**

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement Policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

The method selected would be inform as per statutory obligations when preparing Council Plan and Budget and this report is provided for information and consideration save the exceptions this quarter to the capital works budget. This is a quarterly report that is for the information of Council.

**Implementation**

Council Plan and Budget are already implemented and operating.

**Conclusion**

This report has been compiled by the Organisational Support and Development Unit of Council with key information supplied from the Finance Unit and Infrastructure and Services Department of Council operations and reflects the performance to date against the annual plan, budget and targets set by Council for the first quarter of the 2011-2012 year.

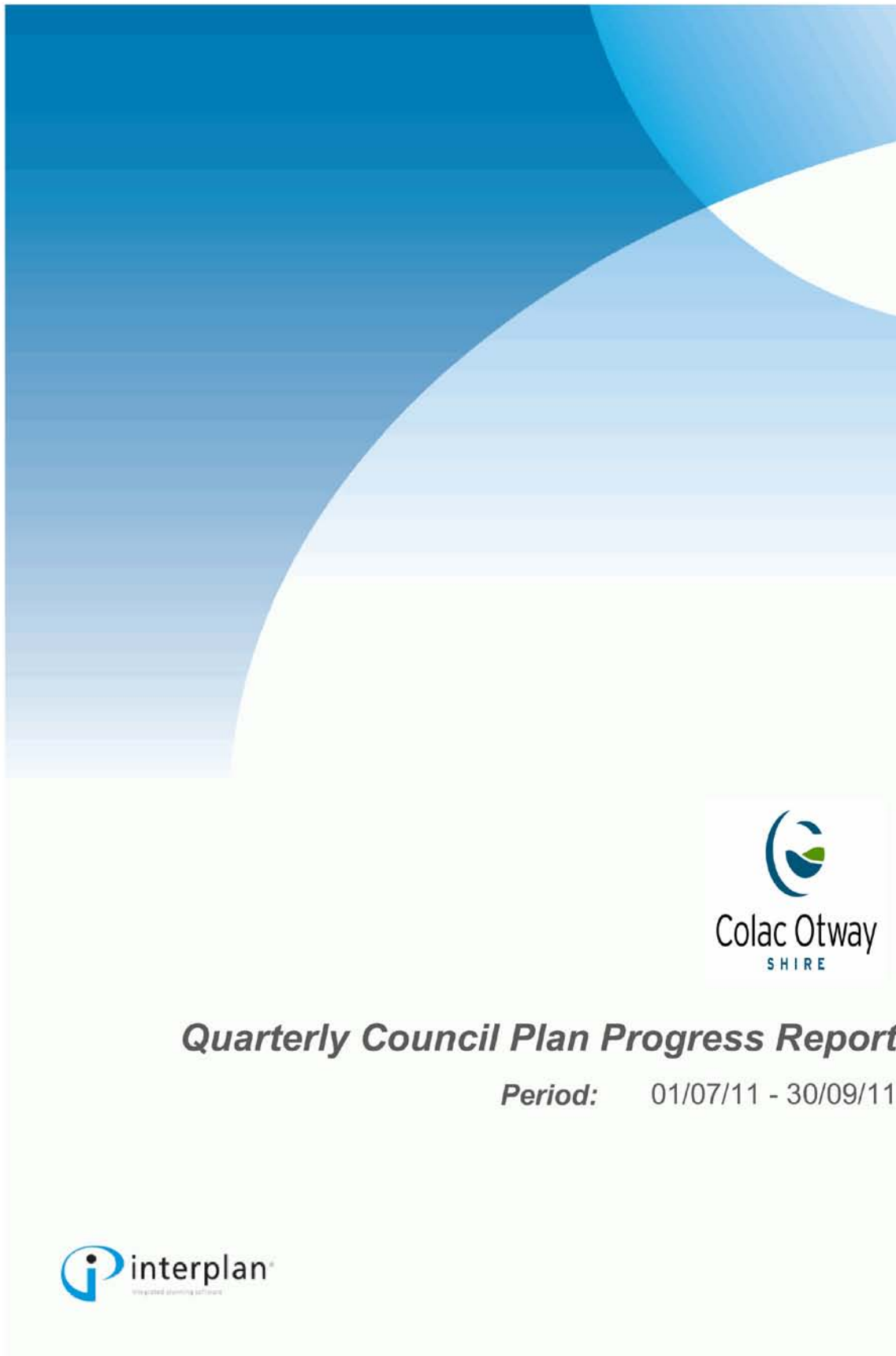
**Attachments**

1. Interplan First Quarter Performance Report 2011-12
2. Capital Works Project List Gantt Charts
3. 2011-2012 - Quarter 1 Financial Report to Council

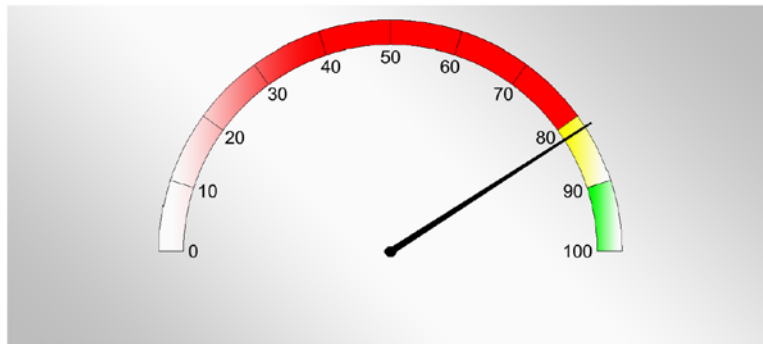
**Recommendation(s)*****That Council:***

1. ***Receives the first quarter performance report 2011-2012.***
2. ***Notes the reallocation of Council funds resulting from the deferral of the Gellibrand landfill rehabilitation.***
3. ***Notes the funding of \$25,000 required for the resurfacing of two (2) netball courts at Eastern Reserve is to be sourced from savings within the Capital Works and Major Projects Program during the 2011/12 financial year.***
4. ***Notes that surplus Council funds of \$23,736 resulting from the deferral of the project "Pipeline Road Major Re-sheet" will be reported to a future Capital Works Quarterly report for reallocation.***
5. ***Notes that surplus Council funds of \$50,265 resulting from the deferral of the "Old Beech Forest Road – major Re-sheet" will be reported to a future Capital Works Quarterly report for reallocation.***

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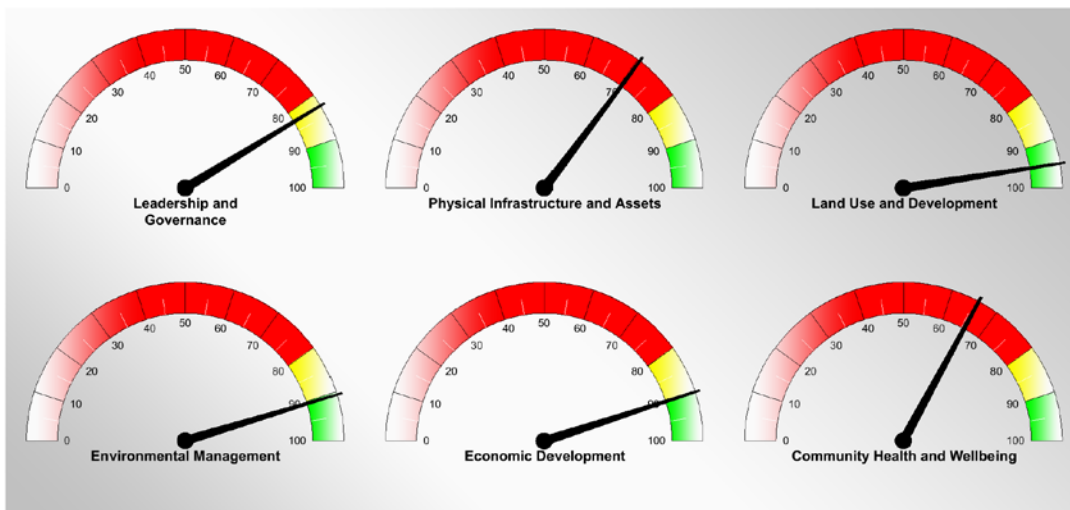



Quarterly Progress against Council Plan Actions



| Description | Indicator |
|--|---------------------------------------|
| 131 Council Plan Actions reported on | |
| 98 Council Plan Actions at least 90% of target | ■ |
| 3 Council Plan Actions between 70% and 90% of target | ■ |
| 30 Council Plan Actions less than 70% of target | ■ |
| 0 Council Plan Actions with no target set & ongoing | |

Overall Progress against Key Result Areas in Council Plan



| KEY RESULT AREA | NO. OF COUNCIL PLAN ACTIONS REPORTED | NO. OF ACTIONS AT LEAST 90% OF TARGET | NO. OF ACTIONS BETWEEN 70 & 90% OF TARGET | NO. OF ACTIONS LESS THAN 70% OF TARGET | NUMBER OF ONGOING ACTIONS | ACTIONS WITH NO TARGET |
|---------------------------------------|--------------------------------------|---------------------------------------|---|--|---------------------------|------------------------|
| 1. Leadership and Governance | 31 | 23 | 1 | 7 | 0 | 0 |
| 2. Physical Infrastructure and Assets | 19 | 12 | 0 | 7 | 0 | 0 |
| 3. Land Use and Development | 20 | 19 | 0 | 1 | 0 | 0 |
| 4. Environmental Management | 17 | 13 | 2 | 2 | 0 | 0 |
| 5. Economic Development | 20 | 18 | 0 | 2 | 0 | 0 |
| 6. Community Health and Wellbeing | 24 | 13 | 0 | 11 | 0 | 0 |

Top 12 Council Plan Actions



Less than 70% of Action target achieved






Between 70% and 90% of Action target achieved



At least 90% of Action target achieved

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|---|--|--|------------|-------------|
| Key Result Area: 1 Leadership and Governance | | | | |
| Council Plan Objective: 1.1 Fulfil leadership, statutory & legal obligations to community & staff in a fair, ethical, inclusive, sustainable and financially responsible way to meet current & future needs & practical aspirations. | | | | |
| Council Plan Strategy: 1.1.3 Provide responsible financial management. | | | | |
| 1.1.3.4 Develop a ten year financial plan that is integrated with Council's Asset Management Strategy. | The Long Term Financial Plan will be reviewed as part of the 2012/13 Budget process. | Corporate & Community Services GM's Office | 30/06/2012 | No Progress |
| Council Plan Strategy: 1.1.7 Provide a fair, safe and healthy work environment. | | | | |
| 1.1.7.1 Review Council Offices and Staff Accommodation to ensure appropriate space is provided to accommodate staff. | Accommodation for the Sustainable Planning and Development Department tendered and due for completion in February 2012. Rae Street refurbishment planning completed. | Chief Executive Office | 30/06/2012 | |
| Key Result Area: 2 Physical Infrastructure and Assets | | | | |
| Council Plan Objective: 2.1 Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future. | | | | |
| Council Plan Strategy: 2.1.1 Ensure infrastructure development, renewal and maintenance plans address current and forecast community needs. | | | | |
| 2.1.1.4 Develop a 10 year capital works and major projects program according to adopted priorities. | A 10 year program system has been developed. A review of current projects and new projects will be undertaken as part of the annual budget cycle. | Capital Works | 30/06/2012 | |
| Council Plan Strategy: 2.1.2 Implement and manage Colac Otway Shire's Road Management Plan. | | | | |
| 2.1.2.3 Continue active participation and involvement in the STEP Asset Management Program with the Municipal Association of Victoria. | Involvement continues on an ongoing basis. | Sustainable Assets | 30/06/2012 | |
| Key Result Area: 3 Land Use and Development | | | | |
| Council Plan Objective: 3.1 Engage, plan & make decisions about land use & development that takes into account Council's regulatory role, diverse geography, social, community, economic & environmental impacts now & in the future | | | | |
| Council Plan Strategy: 3.1.1 Ensure a partnership approach to land use planning that reflects the needs, values and aspirations of the community. | | | | |


Colac Otway Shire Council **QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)**

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|--|---|--------------------------------|------------|---|
| 3.1.1.4 Finalise a Rural Living Strategy and implement findings. | The project consultant is currently finalising the Strategy for consideration by Council prior to the end of 2011. | Planning & Building Services | 30/06/2012 |  |
| 3.1.1.5 Finalise and implement a car parking study for Colac & Apollo Bay. | Following completion of the public exhibition of the draft in June 2011, the project consultant is currently finalising the Car Parking Strategy for consideration by Council prior to the end of 2011. | Planning & Building Services | 30/06/2012 |  |
| Key Result Area: | 4 Environmental Management | | | |
| Council Plan Objective: | 4.1 Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts. | | | |
| Council Plan Strategy: | 4.1.1 Develop a coordinated approach to managing environmental issues across all Council activities. | | | |
| 4.1.1.2 Implementation of the Environment Strategy. | Council continues to undertake activities in accordance with the objectives and targets set in the Environment Strategy. A number of new initiatives that have recently started include development of land management plans for Council land that has high environmental value and the development of a carbon neutral plan. Council will review progress against all the targets in the strategy at the end of 2011/2012. | Environment & Community Safety | 30/06/2012 |  |
| Key Result Area: | 5 Economic Development | | | |
| Council Plan Objective: | 5.1 Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership. | | | |
| Council Plan Strategy: | 5.1.3 Support local business to develop and succeed. | | | |

Colac Otway Shire Council QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|--|---|---|------------|----------|
| 5.1.3.1 Develop a Master Plan to support the redevelopment of the Colac Central Business District streetscape and city entrances. | Colac Central Business District (CBD) and Entrances Master Plan Project is well advanced and a 'draft' is currently out for public consultation. A number of workshops have been conducted to keep Council abreast of the current status of the project and the Community Reference Group has been very actively and effectively involved in the development of the 'draft' Master Plan. The steering group, consisting of the Mayor, council officers and representatives of key government agencies, has also been working closely with the (excellent) assembly of consultants working on the project. | Sustainable Planning & Development
GM's Office | 30/06/2012 | |
| Council Plan Strategy: | 5.1.5 Participate in regional and Shire based marketing and promotion initiatives designed to promote 'brand awareness' of the Colac Otways and Great Ocean Road region. | | | |
| 5.1.5.4 Continue to provide strategic support to tourism including operation of the Colac and Apollo Bay Visitor Information Centres and provision of funding to Otways Tourism. | Met with Visitor Information Centre Coordinators on a fortnightly basis to provide management support and to discuss service delivery. Attended Otways Tourism Board Meetings. Provided funding for Otways Tourism. | Economic Development | 30/06/2012 | |
| Key Result Area: | 6 Community Health and Wellbeing | | | |
| Council Plan Objective: | 6.1 Promote community health & wellbeing in partnership with other health services to provide a broad range of customer focussed health, recreation, cultural & community amenities, services and facilities | | | |
| Council Plan Strategy: | 6.1.1 Provide, facilitate or advocate for a range of health, recreation, community services and facilities. | | | |
| 6.1.1.20 Continue in partnership with the Colac Community and project stakeholders to plan and develop the Beechy Precinct in accordance with Council approvals and review Council's continued involvement in the Beechy Precinct in respect of all elements that still require Council approvals. | Applications submitted for the Bluewater Fitness Centre Stadium redevelopment and Central Reserve oval renovation. Currently preparing applications for the Central Reserve Master Plan implementation and the Bluewater Fitness Centre warm water pool. Draft landscape design prepared and out for community comment. | Recreation, Arts and Culture | 30/06/2012 | |
| Council Plan Strategy: | 6.1.3 Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community. | | | |

Colac Otway Shire Council QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|--|---|-------------------------------|------------|---|
| 6.1.3.22 Implement the Municipal Public Health Plan. | Work is currently being conducted within the TLC3 Initiative and G21 Health & Wellbeing Pillar that will support the implementation of the Public Health & Wellbeing Plan 2010-2013. These will start to take effect in the next quarter. | Health and Community Services | 30/06/2012 |  |



Council Plan Actions



Less than 70% of Action target achieved



Between 70% and 90% of Action target achieved



At least 90% of Action target achieved

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|--|---|--|------------|----------|
| Key Result Area: 1 Leadership and Governance | | | | |
| Council Plan Objective: 1.1 Fulfil leadership, statutory & legal obligations to community & staff in a fair, ethical, inclusive, sustainable and financially responsible way to meet current & future needs & practical aspirations. | | | | |
| Council Plan Strategy: 1.1.1 Lead the community in responding to the current and long term sustainability challenges facing the municipality. | | | | |
| 1.1.1.2 Review and where possible, simplify Council's Local Laws. | Governance Local Law has been reviewed. Other local laws are in the process of being reviewed and will be simplified where possible. | Corporate & Community Services GM's Office | 30/06/2012 | |
| 1.1.1.3 Pursue the development of a collaboratively developed Sustainable Population Strategy that takes into account the demographic, social, environment, economic, land use and leadership factors that make a great municipality. Participate in the G21 Regional Land Use Plan. | Work continues on the G21 Regional Land Use Plan. Regular advice taken from a range of expert authorities on Population Trends. | Chief Executive Office | 30/06/2012 | |
| 1.1.1.3 Review of Council's Policies. | The review of Council Policies is an ongoing process. Further policies will be reviewed during the year. | Corporate & Community Services GM's Office | 30/06/2012 | |
| Council Plan Strategy: 1.1.2 Improve community engagement to ensure open, accessible, transparent planning and decision making. | | | | |
| 1.1.2.2 Review Council's Community Engagement Policy, Procedure and Toolkit to improve current processes of direct engagement with the community. | | Chief Executive Office | 30/06/2012 | |
| 1.1.2.3 Conduct community forums throughout the Shire. | Community forums held on a diverse range of planning issues including Apollo Bay Harbour development, Open Space Strategy, Rural Living Strategy and Colac Central Business District (CBD) and entrances project. | Chief Executive Office | 30/06/2012 | |
| Council Plan Strategy: 1.1.3 Provide responsible financial management. | | | | |

Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|--|--|---|------------|-------------|
| 1.1.3.1 Facilitate a strategic and integrated approach for grants applications to reduce Council's matching contribution from other than rate revenue. | Subscriptions have been renewed to grants newsletters and web based notifications. The organisation is alerted to grant opportunities through regular emails to staff containing grant information. The grants register continues to be managed and an advice and referral service is offered to grant applicants. | Economic Development | 30/06/2012 | |
| 1.1.3.3 Support the Audit Committee and maintain an internal audit program ensuring an Audit Plan is developed and implemented annually based on the outcomes of the Risk Profiling project. | The first Audit Committee meeting was held in September 2011 which included the acceptance by the committee of the revised Memorandum of Audit Planning for each internal audit for the year. | Finance & Customer Service | 30/06/2012 | |
| 1.1.3.4 Develop a ten year financial plan that is integrated with Council's Asset Management Strategy. | The Long Term Financial Plan will be reviewed as part of the 2012/13 Budget process. | Corporate & Community Services GM's Office | 30/06/2012 | No Progress |
| 1.1.3.9 Ensure Council's asset and financial systems meet the National Financial Reporting Framework standards required by the Federal Government by June 2012. | Project has commenced to prepare specifications for Council's Corporate Asset Management System (CAMS), and to review and prepare Council's existing asset data. | Finance & Customer Service | 30/06/2012 | |
| Council Plan Strategy: | | 1.1.4 Continuously improve the services directly provided by Council. | | |
| 1.1.4.1 Improve Council's Customer Service capability to increase customer satisfaction. | Customer Service activities of the organisation continue to be reviewed against the accepted Customer Service policies and frameworks. | Finance & Customer Service | 30/06/2012 | |

Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|---|---|--|------------|----------|
| 1.1.4.2 Actively promote the delivery of responsive customer service across the organisation. | Customer Service activities of the organisation continue to be reviewed against the accepted Customer Service standards. The significant upgrade of Council's Customer Request Management system, MERIT, and the implementation of Council's Information Management System, TRIM, have the potential to significantly improve the responsiveness of customer service across the organisation. | Finance & Customer Service | 30/06/2012 | |
| 1.1.4.3 Carry out continuous improvement reviews on Council operations and implement the prescribed actions. | Business Excellence Framework (BEF) implementation has commenced with the Organisational Self Assessment underway. BEF will be Council's continuous improvement tool moving forward. Once the Organisational Self Assessment is completed work will commence on improvement plans. | Organisational Support and Development | 30/06/2012 | |
| Council Plan Strategy: | | 1.1.5 Advocate for improved infrastructure, services and utilities provided to our community by other organisations or levels of Government. | | |
| 1.1.5.1 Advocate and influence the development of water authorities' water supply demand policies and strategies. | A meeting has been arranged with the Department of Sustainability and Environment, in November 2011, to discuss the Sewer and Water Authorities responsibility for Wye River. | Infrastructure & Services GM's Office | 30/06/2012 | |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|---|--|--|------------|----------|
| 1.1.5.1 Advocate for appropriate fire prevention activities in the Great Otway National park and other public land. | Working closely with the Fire Services Commissioner and Municipal Association of Victoria (MAV) on a range of initiatives related to fire prevention activities. This includes the General Manager Sustainable Planning and Development as the Deputy Chair of the Regional Integrated Fire Management Planning Committee and as a member of the MAV Policy and Roles working group in respect of determining what should be the role of Councils and their responsibility with regard to Emergency Management. Colac Otway Shire (COS) is also represented on the Shared Services Group and on the Legislative Change Group . These activities place Council in a very strong position to advocate on broader issues. | Sustainable Planning & Development GM's Office | 30/06/2012 | |
| 1.1.5.2 Advocate for increased State Government recognition and funding as compensation for the Shire's larger than average area of non-rateable land. Actively support Australian Rural Roads Group. | Continued advocacy through the Australian Rural Roads Group, and representation to local Ministers and Members of Parliament at the Federal and State level. | Chief Executive Office | 30/06/2012 | |
| 1.1.5.3 Advocate for appropriate State and Federal Government funding for community priorities. | Actively promoting Council project priorities through G21 and the Great South Coast (GSC) group of Councils, as well as to Federal and State Members of Parliament. | Chief Executive Office | 30/06/2012 | |
| 1.1.5.4 Participate in G21 and Great South Coast resource sharing forums and negotiations on regional strategic objectives. | Very active participation in both forums. | Chief Executive Office | 30/06/2012 | |
| Council Plan Strategy: | | | | |
| 1.1.6 Attract and retain quality staff. | | | | |
| 1.1.6.5 Work in partnership with local and industry groups on employment branding initiatives that enhance the profile and appeal of local government as an "employer of choice". | Council has again participated in the 2011 Colac Careers Expo in August 2011 and has been utilising advertising features in "The Age" to continue to promote Council as an employer of choice. | Organisational Support and Development | 30/06/2012 | |





Colac Otway Shire Council **QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)**

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|---|---|--|------------|----------|
| Council Plan Strategy: | | 1.1.7 Provide a fair, safe and healthy work environment. | | |
| 1.1.7.1 Review Council Offices and Staff Accommodation to ensure appropriate space is provided to accommodate staff. | Accommodation for the Sustainable Planning and Development Department tendered and due for completion in February 2012. Rae Street refurbishment planning completed. | Chief Executive Office | 30/06/2012 | |
| 1.1.7.4 Enhance and implement the corporate occupational health and safety systems (SafetyMap) and ensure ongoing compliance with all relevant regulations. | Council's Safety Map Audit is programmed for October 2011, with all preparatory actions undertaken ahead of the audit, which will proceed on schedule. | Organisational Support and Development | 30/06/2012 | |
| Council Plan Strategy: | | 1.1.8 Continuously improve operational systems, processes and minimise risk. | | |
| 1.1.8.2 Develop and implement Council's Information Services disaster recovery environment. | This is an ongoing program. The network switch renewal activity is the current action which fits into this program. The switch renewal is a prerequisite for the replacement of Council's obsolete fixed telephone system. | Information Services | 30/06/2012 | |
| 1.1.8.2 Seek opportunities for sharing of resources and expertise across the region. | Actively pursued collaborative approaches through G21 and the Great South Coast (GSC) group of Councils as well as through the Municipal Association of Victoria (MAV). | Chief Executive Office | 30/06/2012 | |
| 1.1.8.3 Implement Council's Information Communication Technology strategic plan. | The strategic plan is currently being reviewed to ensure the activities programmed for the 2012/13 financial year are correct in terms of both timing and the expected outcomes. All the 2011/12 scheduled activities are on track. | Information Services | 30/06/2012 | |
| 1.1.8.3 Review and update Council's Risk Management Policy and Procedures Manual including compliance audits. | Council's Risk Management Policy was reviewed in 2011 and all required actions to update procedures are underway. | Organisational Support and Development | 30/06/2012 | |

Colac Otway Shire Council **QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)**

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|---|---|---|------------|-------------|
| 1.1.8.5 Implement the Systems and Processes Review project to ensure that systems and processes are operating effectively and providing support to eliminate risk. | Prince2® Project Management Methodology Project is well underway with the Project Board meeting to approve the project brief to move forward with imbedding Prince2® into all Colac Otway Shire Project practices. The Systems and processes team has successfully overseen the implementation of TRIM, an Electronic Document and Record Management System, in September and continues to monitor the introduction of the Business Excellence Framework into the organisation. | Organisational Support and Development | 30/06/2012 | |
| Council Plan Strategy: | | 1.1.9 Communicate regularly, effectively and honestly with the community. | | |
| 1.1.9.5 Provide relevant, timely and accurate information to the community using print, radio and web media, as well as non-media channels such as newsletters and the Colac Otway Shire website. | Regular media catch-ups and media releases conducted. | Chief Executive Office | 30/06/2012 | |
| 1.1.9.6 Ensure Colac Otway Shire's website is accessible, easy to navigate, utilises appropriate web technologies and contains relevant and up-to-date information. | No funds allocated for this project. Website kept up-to-date but in need of major work. | Chief Executive Office | 30/06/2012 | No Progress |
| Council Plan Strategy: | | 1.1.10 Meet our statutory obligations for community safety, security and responses to emergency situations. | | |
| 1.1.10.1 Undertake an annual review of the Municipal Emergency Management Plan (MEMP) from a Shire perspective and implement awareness training and readiness programs for community and staff. | This is being undertaken as a key function of our Fire and Emergency Services commitment and is well advanced. | Sustainable Planning & Development GM's Office | 30/06/2012 | |

Colac Otway Shire Council **QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)**

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|---|---|--------------------------------|------------|---|
| 1.1.10.6 Implement the Domestic Animal Management Plan. | The plan is subject to a review in late 2012. Relevant training and seminars relating to Domestic Animal Management have been attended by Council Officers. Response times relating to business and after hours matters are within time guidelines. The Pound is operated at a very high standard and in accordance with the relevant Code of Practice. Enforcement and prosecution is conducted in a fair and professional manner. | Environment & Community Safety | 30/06/2012 |  |
| 1.1.10.7 Implement the Municipal Fire Prevention Plan. | Planning for the 2010/2011 Fire Season is underway to ensure activities identified in the Municipal Fire Prevention Plan are undertaken in a timely manner. Courtesy letters to all landholders notifying them of their responsibilities during the fire season have been printed and will be sent out during the first week in October. Property inspections will start in early November. The Municipal Fire Prevention Plan is to be superceded by the Municipal Fire Management Plan. The first draft of the Municipal Fire Management Plan (MFMP) is on target to be completed by 30 October 2011. | Environment & Community Safety | 30/06/2012 |  |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|--|---|--------------------------------|------------|----------|
| 1.1.10.8 Establish integrated fire management practices and endorse Township Protection Plans and Neighbourhood Safer Places where appropriate. | Council continues to work closely with relevant agencies to enable integrated fire management practices to be realised. Council plays an active role in the Regional Fire Management Planning Committee and the Municipal Fire Management Planning Committee to ensure this continues to be improved over time. Council provides the Country Fire Authority (CFA) with comments on the processes they are leading in relation to Township Protection Plans and continues to work hard to identify, assess and where possible, designate Neighbourhood Safer Places. Although no Neighbourhood Safer Places have been designated in the region to date, a number of sites are expected to be designated by the end of December 2011. | Environment & Community Safety | 30/06/2012 | |
| Key Result Area: | 2 Physical Infrastructure and Assets | | | |
| Council Plan Objective: | 2.1 Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future. | | | |
| Council Plan Strategy: | 2.1.1 Ensure infrastructure development, renewal and maintenance plans address current and forecast community needs. | | | |
| 2.1.1.1 Plan and implement infrastructure projects that transform townships and promote economic development and community strengthening. | The 2011 round of Small Town Improvement Projects has commenced with funds allocated and project plans completed. | Economic Development | 30/06/2012 | |
| 2.1.1.3 Review and implement Asset Management Plans to ensure that the level of funding for asset development, maintenance and upgrade meets the community's expectations. | Work continues on the development of the Building Asset Management Plan. Other plans to follow based on priority. | Sustainable Assets | 30/06/2012 | |
| 2.1.1.4 Develop a 10 year capital works and major projects program according to adopted priorities. | A 10 year program system has been developed. A review of current projects and new projects will be undertaken as part of the annual budget cycle. | Capital Works | 30/06/2012 | |



Colac Otway Shire Council **QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)**

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|--|--|--|------------|-------------|
| 2.1.1.5 Review the 10 year capital works and major projects program annually. | The 10 year program will be reviewed in December 2011, once new budget requests have been received. | Capital Works | 30/06/2012 | No Progress |
| Council Plan Strategy: | | 2.1.2 Implement and manage Colac Otway Shire's Road Management Plan. | | |
| 2.1.2.1 Develop a Strategic Footpath Plan for Colac. | A draft report has been presented to Council for endorsement to proceed to the public comment phase. Public comments are due by mid November. It is anticipated that the final strategy will be presented to Council in December 2011. | Capital Works | 30/06/2012 | |
| 2.1.2.2 In line with the Road Management Act 2004 requirements, review and update Colac Otway Shire's Road Management Plan. | A formal review of Council's Road Management Plan is due by June 2013. An analysis of current levels of service has commenced in preparation for this. | Sustainable Assets | 30/06/2013 | |
| 2.1.2.2 Review and implement the Strategic Footpath Plan for Apollo Bay. | The review of the Apollo Bay Footpath Plan will commence in January 2012. | Capital Works | 30/06/2012 | No Progress |
| 2.1.2.3 Continue active participation and involvement in the STEP Asset Management Program with the Municipal Association of Victoria. | Involvement continues on an ongoing basis. | Sustainable Assets | 30/06/2012 | |
| Council Plan Strategy: | | 2.1.3 Manage Council's buildings and facilities in a responsible, safe and sustainable manner. | | |
| 2.1.3.1 Develop a Land Rationalisation Program for land surplus to Council needs. | This program is not proposed to commence in the current financial year. | Infrastructure & Services GM's Office | 30/06/2013 | No Progress |
| 2.1.3.2 Develop a Building Rationalisation Program for buildings surplus to Council needs. | The project is scheduled to commence in February 2012. It is proposed to engage contractors/staff to undertake the audit component of this project. | Infrastructure & Services GM's Office | 30/06/2012 | |
| 2.1.3.2 Develop Building Assets Management Plan and implement according to adopted priorities. | Development of a draft Building Asset Management Plan continues. | Sustainable Assets | 30/06/2012 | |

Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|--|---|---------------------------------------|------------|----------|
| Council Plan Strategy: | 2.1.4 Improve local and regional transport networks to ensure safety and accessibility. | | | |
| 2.1.4.1 Advocate for duplication of the Princes Highway from Winchelsea to Colac. | Completed. | Chief Executive Office | 30/06/2012 | |
| 2.1.4.1 Advocate for strategic transport initiatives. | <p>Presentations were made to:</p> <ul style="list-style-type: none"> - G21 Transport Pillar on 9 August 2011 - Senator Warren Truss in Geelong on 30 September 2011, highlighting infrastructure issues in Colac Otway Shire - VicRoads Cluster Meeting, held on 7 October 2011 <p>Major issues raised were:</p> <ul style="list-style-type: none"> - Great Ocean Road needs upgrading - The need to upgrade the road between Skenes Creek and Apollo Bay - Increased need for rail services - Continue pressure for Highway Duplication to Colac | Infrastructure & Services GM's Office | 30/06/2012 | |
| 2.1.4.2 Advocate for further improvements to the Princes Highway from Colac to the South Australian border. | Completed. | Chief Executive Office | 30/06/2012 | |
| 2.1.4.2 In partnership with regional councils and VicRoads develop and implement a Road Safety Plan and Council approved road safety initiatives. | Road Safety Plan previously developed. Will be reviewed later in the financial year. Not scheduled or started at present. | Infrastructure & Services GM's Office | 30/06/2013 | |
| 2.1.4.3 In partnership with VicRoads identify options and plan for alternative road access through or around Colac, particularly relating to freight movement. | A study is in progress. A second meeting of the Community Reference Group was undertaken on 27 September 2011. In excess of 30 options were developed, with 10 for further review. | Infrastructure & Services GM's Office | 30/06/2012 | |





Colac Otway Shire Council **QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)**

| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|--|--|---------------------------------------|------------|----------|
| 2.1.4.4 Advocate for improved commuter Rail Services and safe Railway Crossings. | At the Council meeting on 24 August 2011, Council approved the signing and sealing of the Safety Interface Agreement with V/Line and delegated signing to the Council's Chief Executive Officer and the General Manager Infrastructure and Services. | Infrastructure & Services GM's Office | 30/06/2012 | |
| 2.1.4.5 Implement the parts of the G21 Transport Plan relevant to Colac Otway Shire. | This is ongoing through regular meetings of the G21 Transport Pillar. | Infrastructure & Services GM's Office | 30/06/2012 | |
| Council Plan Strategy: | 2.1.5 Ensure environmental risks are adequately addressed for Council infrastructure works, including impacts of climate change. | | | |
| 2.1.5.2 Develop a proposed long term management response to sea level rise for Council assets. | This is a Planning requirement that cannot be completed until the Coastal Review Board has completed its study. Based on that information further work will be carried out. This is a long-term proposal which is outside the control of Council. | Infrastructure & Services GM's Office | 30/06/2012 | |
| Key Result Area: | 3 Land Use and Development | | | |
| Council Plan Objective: | 3.1 Engage, plan & make decisions about land use & development that takes into account Council's regulatory role, diverse geography, social, community, economic & environmental impacts now & in the future | | | |
| Council Plan Strategy: | 3.1.1 Ensure a partnership approach to land use planning that reflects the needs, values and aspirations of the community. | | | |
| 3.1.1.2 Advocate to have Colac Otway Shire included in the State Government urban land monitoring program. | The State Government has agreed to include Colac Otway Shire in the urban land monitoring program and is in the process of arranging this. | Planning & Building Services | 30/06/2012 | |
| 3.1.1.3 Advocate for more detailed mapping of the Erosion Management Overlay by State Government. | The need for better mapping of the Erosion Management Overlay has been expressed in a number of forums in recent years and most recently in the submission to the State Government concerning the Planning System reform enquiry. | Planning & Building Services | 30/06/2012 | |
| 3.1.1.4 Finalise a Rural Living Strategy and implement findings. | The project consultant is currently finalising the Strategy for consideration by Council prior to the end of 2011. | Planning & Building Services | 30/06/2012 | |

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| 3.1.1.5 Finalise and implement a car parking study for Colac & Apollo Bay. | Following completion of the public exhibition of the draft in June 2011, the project consultant is currently finalising the Car Parking Strategy for consideration by Council prior to the end of 2011. | Planning & Building Services | 30/06/2012 | |
| 3.1.1.6 Finalise and implement Birregurra and Forrest Structure Plans. | The Forrest Structure Plan was adopted by Council at the August 2011 meeting. The Birregurra Structure Plan was deferred by Council in December 2010 to enable a Neighbourhood Character Study to be undertaken prior to its finalisation. A draft Issues Analysis Paper has been completed by the project consultant for the Character Study. | Planning & Building Services | 30/06/2012 | |
| 3.1.1.9 In conjunction with the State Government, and subject to external funding, exhibit a Planning Scheme amendment for the Apollo Bay Harbour Master Plan. | Officers have conducted an extended community engagement process over the course of 2011 to improve the community's understanding of the Master Plan prior to commencing the amendment process. An independent telephone questionnaire has been conducted to accurately gauge community support for the project. | Planning & Building Services | 30/06/2014 | |
| Council Plan Strategy: | | 3.1.2 Ensure that responsible planning mechanisms are used to control development in areas potentially affected by climate change. | | |
| 3.1.2.1 Work with State Government to develop appropriate planning controls that respond to predicted sea level rise. | Council officers continue to work with relevant agencies to ensure that sea level rise is adequately considered in Council's planning controls and have been working with the Department of Sustainability and Environment (DSE) in a public consultation process on this matter. Council officers are awaiting mapping that has been undertaken by the Future Coasts Group, which is yet to be released by the State Government. | Sustainable Planning & Development GM's Office | 30/06/2012 | |

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| 3.1.2.2 Advocate for State Government funding to undertake more detailed local area mapping of low lying areas along the coast to assist with climate change initiatives. | Council has made a submission to the Victorian Coastal Council supporting the detailed mapping of low lying coastal areas. | Sustainable Planning & Development GM's Office | 30/06/2012 |  |
| Council Plan Strategy: | | 3.1.3 Ensure all Council land use plans and strategies are current and responsive. | | |
| 3.1.3.3 Regularly update and improve the Colac Otway Planning Scheme through Planning Scheme amendments. | Officers are preparing amendments to address planning scheme anomalies, updates to the Erosion Management Overlay mapping, updates to the Vegetation Protection and Environmental Significance Overlays and a miscellaneous amendment that deals with a number of planning scheme changes, some of which follow-on from Amendment C55. A Council briefing is proposed for October 2011 on some of these amendments. | Planning & Building Services | 30/06/2012 |  |
| 3.1.3.4 Prepare a Commercial Strategy for Colac. | This project has not yet been funded by Council. A budget request will be considered in the 2012/13 budget process. | Planning & Building Services | 30/06/2012 | No Progress |
| 3.1.3.5 Undertake a review of the settlement boundary and urban design for Apollo Bay. | The draft report of the Apollo Bay Settlement Boundary and Urban Design Review was placed on public exhibition late in August for 6 weeks, prior to it being finalised early in 2012. | Planning & Building Services | 30/06/2012 |  |
| 3.1.3.6 Undertake a Neighbourhood Character Study for Birregurra. | The project commenced in February 2011 with a public tender process. The appointed consultant has undertaken early consultation and finalised the preparation of an Issues Analysis Paper. | Planning & Building Services | 30/06/2012 |  |
| Council Plan Strategy: | | 3.1.4 Enforce planning and building regulations to meet legislative requirements. | | |

Colac Otway Shire Council




QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

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| 3.1.4.1 Implement comprehensive monitoring of the Essential Safety legislative requirements. | Officers are reviewing compliance of Council owned buildings with Essential Safety requirements after an audit in 2009, which has resulted in a program of measures to address non-compliance. A policy is being developed for auditing of private buildings and a trail audit of high priority privately owned buildings has commenced. | Planning & Building Services | 30/06/2012 | |
| 3.1.4.3 Implement mechanisms to improve knowledge of building and planning requirements/ responsibilities. | The first edition of a quarterly stakeholder newsletter was developed and sent in July 2011, advising regular planning and building permit applicants of current initiatives and policy changes. A range of planning information sheets and brochures are being finalised for introduction in November. | Planning & Building Services | 30/06/2012 | |
| Council Plan Strategy: | | 3.1.5 Ensure consistent and timely decision making for building and planning applications that meet Council's policy framework. | | |
| 3.1.5.1 Document and continuously improve processes and procedures for assessment and determination of building and planning permit applications. | The development of a procedures manual for planning processes has been progressing steadily, with particular emphasis on procedures for subdivision, enforcement and strategic planning over recent months. | Planning & Building Services | 30/06/2012 | |
| 3.1.5.2 Prepare and develop a more comprehensive Information Kit on building and planning application requirements. | A series of information checklists and brochures are being developed to increase awareness of Council information requirements regarding planning permit applications and related processes, and will be released publicly in November 2011. | Planning & Building Services | 30/06/2012 | |
| 3.1.5.3 Provide improved access to building and planning information on Council's website. | Revised material for the website has been developed. Officers are in the process of reviewing the content to suit the revised platform of the website. This information will be placed on Council's website over the next few months. | Planning & Building Services | 30/06/2012 | |
| Council Plan Strategy: | | 3.1.6 Ensure that environmental risks are adequately addressed for new development and land use. | | |

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| 3.1.6.1 Work with State Government to develop improved mapping and introduce planning controls that accurately reflect areas known to potentially have acid sulfate soils. | Council has advocated for improved mapping of acid sulfate soils. This issue was raised in the recent submission to the State Government in relation to the review of the Planning system. | Planning & Building Services | 30/06/2012 | |
| 3.1.6.3 Introduce a Salinity Management Overlay to affected areas. | Council resolved in 2009 to proceed with an amendment subject to receipt of revised mapping from the Corangamite Catchment Management Authority. The mapping is yet to be received, therefore the amendment has not yet progressed to public exhibition. | Planning & Building Services | 30/06/2013 | |
| 3.1.6.4 Work with State Government to review policies and provisions in fire risk areas as appropriate following the conclusion of the Bushfire Royal Commission. | Officers have actively participated in workshops with the Municipal Association of Victoria (MAV) and the Department of Planning and Community Development (DPCD) regarding the proposed new bushfire provisions being developed by the State Government for release late in 2011. | Planning & Building Services | 30/06/2012 | |
| Key Result Area: | | 4 Environmental Management | | |
| Council Plan Objective: | | 4.1 Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts. | | |
| Council Plan Strategy: | | 4.1.1 Develop a coordinated approach to managing environmental issues across all Council activities. | | |
| 4.1.1.2 Implementation of the Environment Strategy. | Council continues to undertake activities in accordance with the objectives and targets set in the Environment Strategy. A number of new initiatives that have recently started include development of land management plans for Council land that has high environmental value and the development of a carbon neutral plan. Council will review progress against all the targets in the strategy at the end of 2011/2012. | Environment & Community Safety | 30/06/2012 | |

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| 4.1.1.3 Development of annual Action Plans for the Environment Program. | An Annual Action Plan has been developed for the Environment Unit to ensure it is undertaking the key actions required to achieve the targets set in the Environment Strategy. The Action Plan incorporates various activities including, but not limited to, the development and implementation of management plans for high value areas, improved mapping of environmental characteristics, development of a sustainability policy and a carbon neutral plan. | Environment & Community Safety | 30/06/2012 |  |
| Council Plan Strategy: | | 4.1.2 Ensure the protection and enhancement of environmental values on Council owned and managed land. | | |
| 4.1.2.1 Develop and implement action plans to manage the threats to environmental assets on Council managed land in accordance with the Environment Strategy 2010-2018. | An Environmental Consultant has been appointed to undertake assessments of high value Council managed land to determine the environmental significance (e.g. presence of rare species) and the threats (e.g. extent of weed infestations). These assessments will form the basis for the development of management that aims to enhance the values and reduce the threats. The assessments are expected to be completed by December 2011. | Environment & Community Safety | 30/06/2012 |  |
| 4.1.2.2 Continue to implement the Lake Colac Management Plan and the Re-vegetation and Weed Control Master Plan. | Works continue to be undertaken in accordance with the Lake Colac and Barongarook Revegetation and Weed Control Plan. Recent activities include further planting along Barongarook Creek near the Chapel Street bridge and woody weed control along the Lake near the Bird Reserve. A revegetation site has also been prepared for planting on Barongarook Creek near the Wilson Street bridge. | Environment & Community Safety | 30/06/2012 |  |
| Council Plan Strategy: | | 4.1.3 Facilitate the protection and enhancement of environmental values on private land. | | |




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| 4.1.3.1 Update the environmental overlays in the Planning Scheme to introduce the latest biodiversity mapping prepared by State Government. | Amendment documents have been prepared to enable exhibition of the amendment to implement controls that reflect the latest biodiversity mapping. | Planning & Building Services | 30/06/2013 | |
| 4.1.3.2 Continue to carry out audits of forestry operations on private land. | Council has contracted an experienced forestry auditor to conduct audits primarily during planting and harvesting periods but audits have also been undertaken where concerns have been raised by members of the public about logging operations in their area. Council has been working closely with the auditor to review local prescriptions. The local prescriptions compliment the code of practice guidelines and provide extra detail on specific management issues such as erosion control. The revised local prescriptions are expected to be completed by December 2011. | Environment & Community Safety | 30/06/2012 | |
| 4.1.3.3 Continue to raise the awareness of private landholders on their responsibilities in relation to the environment. | The Environment Unit continues to raise awareness of private landholders on their responsibilities for the environment through a range of activities, including environmental events, regular media articles, face-to-face conversations and by updating information on Council's website. Efforts are also being made to update information in the new residents kit to ensure landholders are aware of their responsibilities when moving to the area. | Environment & Community Safety | 30/06/2012 | |
| Council Plan Strategy: | | 4.1.4 Minimise environmental impacts and the use of natural resources associated with Council operations in accordance with Council's Environment Strategy 2010-2018. | | |
| 4.1.4.1 Implementation of the planning scheme and Council processes to manage environmental issues associated with Council works. | Officers work closely with the Infrastructure and Environment Units to ensure that processes are improved to ensure that Council works respect environmental values. | Planning & Building Services | 30/06/2012 | |



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| 4.1.4.2 Continue program of works and practices in the Greenhouse Action Plan to reduce Council's carbon footprint. | Sites have been chosen for the installation of new solar hot water systems that will be installed by the end of 2011. Energy Audits have been carried out on the Colac Otway Performing Arts Community Centre (COPACC) and the new Sustainable Planning and Development office space to direct energy saving initiatives that will be undertaken over the next 12 months. A grant has also been obtained to enable Council to develop a Carbon Neutral Plan and to begin implementation of actions. | Environment & Community Safety | 30/06/2012 |  |
| 4.1.4.3 Continue to implement agreed, viable water saving measures via Council's Sustainable Water Use Plan. | Council is investigating the installation of new water tanks at a number of Council facilities including the municipal pound. Council is also working with Barwon Water to raise awareness of water saving measures people can take in the Colac area. Services and programs that are currently on offer include household audits and rebates for water tanks. | Environment & Community Safety | 30/06/2012 |  |
| 4.1.4.5 Develop and implement an Environmental Sustainability Policy. | Council has developed a draft Environmental Sustainability Policy. Consideration has been given to expanding the policy to cover social and economic sustainability but at a recent meeting of Council's Sustainability Working Group it was resolved that the environmental sustainability policy should be submitted to Executive for endorsement, with the triple bottom line approach to be sought in the future. | Environment & Community Safety | 30/06/2012 |  |
| Council Plan Strategy: | | 4.1.5 Promote environmental values in the broader community and work with other stakeholders on managing large scale issues in accordance with the process identified in the Environment Strategy 2010-2018. | | |



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| 4.1.5.1 Advocate where appropriate community views on environmental issues outside the direct responsibility of Council. | Sustainable Planning and Development (SP&D) officers are frequently involved in advocating for the community on matters not directly the role/responsibility of Council. One example of this is the Inland Acid Sulfate Soils Working Group established as a result of Council pressure/advocacy to have a look at issues at Boundary Creek and the possible impacts of groundwater pumping in that area, including acid sulfate soils. | Sustainable Planning & Development GM's Office | 30/06/2012 | |
| 4.1.5.1 Coordinate a range of environmental events across the region. | Council has developed a community environmental event plan for the 2011-2012 period. The plan includes a series of events that will involve schools and local communities in a number of activities across the region including World Environment Day, Earth Hour and Clean Up Australia Day. National Tree Day was held at the end of July and Council worked with a local community group on revegetating the land around Lake Colac. | Environment & Community Safety | 30/06/2012 | |
| 4.1.5.3 Promote awareness of environmental issues through various media and forums. | An Environmental Column has been put in the paper each month covering various issues including the hotly debated Carbon Tax. Information on the Council website has also been reviewed and updated to ensure it is accurate and relevant. Media releases have also been issued on concerns that have arisen such as the midge problem in Lake Colac. | Environment & Community Safety | 30/06/2012 | |

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| 4.1.5.4 Encourage energy efficiency including the use of renewable and alternative energy sources. | The Colac Reduce Energy and Waste Project has been focused on helping disadvantaged members of the community increase the efficiency of their energy use by incorporating energy saving measures into their homes. Local people have been trained to carry out audits in other people's households and then provide advice on what they can do to save energy and what opportunities exist for grants and rebates. | Environment & Community Safety | 30/06/2012 | |
| Council Plan Strategy: | | 4.1.6 Minimise, recycle and manage residential waste. | | |
| 4.1.6.2 Implementation of the Waste Water Management Strategy. | Negotiations are still being undertaken with the Department of Sustainability and Environment (DSE), the Environmental Protection Agency (EPA), Department of Health and Barwon Water to ensure that a reticulated wastewater solution is found. Council will be kept informed when decisions are required or further information is available. | Health and Community Services | 30/06/2012 | |
| 4.1.6.3 Implementation of the Landfill Rehabilitation Plan. | Being implemented on an ongoing basis. The current priority is to rehabilitate the Marengo Landfill site in 2011/12. | Major Contracts | 30/06/2012 | |
| Key Result Area: | | 5 Economic Development | | |
| Council Plan Objective: | | 5.1 Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership. | | |
| Council Plan Strategy: | | 5.1.1 Support the development of a diverse, skilled and capable workforce. | | |
| 5.1.1.1 Participate in local and regional task groups to improve access to vocational education and training and post compulsory education and training. | There has been no meeting of the G21 Education and Training Pillar this quarter. There has been a new Colac Otway Shire Industry Advisory Group formed and it met on 12 August 2011 and to consider matters related to the support of the Colac Trade Training Centre. Next meeting is scheduled for 4 October 2011. | Economic Development | 30/06/2012 | |

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| 5.1.1.2 Work with industry sectors on strategic workforce planning initiatives. | Attended the final evaluation meeting of the Great South Coast Workforce Development Strategy on 24 July 2011. | Economic Development | 30/06/2012 | |
| Council Plan Strategy: | | 5.1.2 Work with business to recognise growth potential from climate change and renewable energy initiatives. | | |
| 5.1.2.1 Encourage and promote climate change sustainability initiatives for business and renewable and alternative energy opportunities for the Colac Otway Shire. | Facilitated meetings between Blue Energy, Deakin University and AusTrade to investigate research and development opportunities and grants. | Economic Development | 30/06/2012 | |
| Council Plan Strategy: | | 5.1.3 Support local business to develop and succeed. | | |
| 5.1.3.1 Develop a Master Plan to support the redevelopment of the Colac Central Business District streetscape and city entrances. | Colac Central Business District (CBD) and Entrances Master Plan Project is well advanced and a 'draft' is currently out for public consultation. A number of workshops have been conducted to keep Council abreast of the current status of the project and the Community Reference Group has been very actively and effectively involved in the development of the 'draft' Master Plan. The steering group, consisting of the Mayor, council officers and representatives of key government agencies, has also been working closely with the (excellent) assembly of consultants working on the project. | Sustainable Planning & Development GM's Office | 30/06/2012 | |
| 5.1.3.2 Continue to provide world standard tourism support services including Visitor Information Services, and support for local and regional tourism organisations. | Met fortnightly with Visitor Information Centre Coordinators to provide management support and to discuss service delivery. Attended Otways Tourism Board Meetings. Liaised with Geelong Otway Tourism and Tourism Victoria in regard to the proposed regional restructure. | Economic Development | 30/06/2012 | |
| 5.1.3.3 Implement Business Development training programs, networking events and Business Awards. | Plan in place. First event for this financial year is the ANZ Business Breakfast to be held on 22 October. Two Working Women's Networking functions have been facilitated. | Economic Development | 30/06/2012 | |

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| 5.1.3.4 Provide on line information for customers and potential investors to access businesses in the Shire. | Web pages reviewed. Business database completed. | Economic Development | 30/06/2012 | |
| 5.1.3.5 Enhance Colac's regional service centre status through the development of a Marketing strategy. | Draft Marketing Strategy completed. Plan in place for market testing with target group. | Economic Development | 30/06/2012 | |
| Council Plan Strategy: | | 5.1.4 Lead, support and/or participate in regional and local development networks and partnerships. | | |
| 5.1.4.2 Promote and encourage the development of infrastructure to support Nature Based Tourism (NBT) development of Great Otway National Park/Otway Forest Park and Great Ocean Walk. | Forrest Mountain Bike Trails Strategy Steering Group terms of reference completed. Draft consultant brief completed. | Economic Development | 30/06/2012 | |
| 5.1.4.3 Promote and encourage the development of infrastructure to support Lake Colac tourism and community use. | Planning meeting completed with Lake Colac Coordinating Committee to decide priorities for projects to be completed over the next 12 months. Cultural Heritage Management Plan approved so works can proceed. | Economic Development | 30/06/2012 | |
| 5.1.4.4 Support local business associations such as Otway Business Inc, Apollo Bay Chamber of Commerce and Tourism. | Attended monthly meetings of Otway Business Inc and as requested by the Apollo Bay Chamber of Commerce and Tourism. | Economic Development | 30/06/2012 | |
| Council Plan Strategy: | | 5.1.5 Participate in regional and Shire based marketing and promotion initiatives designed to promote 'brand awareness' of the Colac Otways and Great Ocean Road region. | | |
| 5.1.5.1 Promote the Shire's strengths and competitive advantages to attract new investment. | Draft Marketing Strategy completed. Once adopted this will be the platform for promotion of the Shire's strengths and competitive advantage. Draft social media policy completed. | Economic Development | 30/06/2012 | |
| 5.1.5.2 Identify the capacity, demand and rating of accommodation in Colac including the attraction of a high end quality star hotel. | No action this quarter. | Economic Development | 30/06/2012 | No Progress |

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| 5.1.5.3 Facilitate the development of services and a calendar of business events / industry conferences designed to attract and engage external business and job opportunity for families and young people. | Calendar of Events completed. Calendar of business liaison visits completed. | Economic Development | 30/06/2012 | |
| 5.1.5.4 Continue to provide strategic support to tourism including operation of the Colac and Apollo Bay Visitor Information Centres and provision of funding to Otways Tourism. | Met with Visitor Information Centre Coordinators on a fortnightly basis to provide management support and to discuss service delivery. Attended Otways Tourism Board Meetings. Provided funding for Otways Tourism. | Economic Development | 30/06/2012 | |
| Council Plan Strategy: | | 5.1.6 Facilitate the development of infrastructure for business investment, growth and liveability. | | |
| 5.1.6.1 Lobby for improved telecommunications in the Colac Otway Shire in consideration of Federal Government and telecommunication owners' initiatives. | No action this quarter. | Economic Development | 30/06/2012 | |
| 5.1.6.3 Support the Apollo Bay Harbor Precinct development. | Community Survey completed and presented to Council and Community Reference Group. | Economic Development | 30/06/2012 | |
| 5.1.6.4 Undertake streetscape planning for Apollo Bay to integrate with the proposed harbor development. | No action this quarter. Unlikely to proceed in the short or medium term given the slow progress of the Harbour Master Plan process. | Economic Development | 30/06/2012 | No Progress |
| 5.1.6.5 Develop small town / community capability by providing infrastructure and resources, including continued support for the Small Town Improvement Program. | Small Town Improvement Projects are shortly to commence with community infrastructure projects in Cressy, Beeac, Birregurra, Wye River, Gellibrand, Forrest, Beech Forest, Barwon Downs and Carlisle River. There will also be the development of a Community Infrastructure Plan for the newly formed Red Rock Progress Association formed from the communities of Cororooke, Coragulac, Alvie and Warrion. | Economic Development | 30/06/2012 | |
| Council Plan Strategy: | | 5.1.7 Work in partnership with business, industry groups, government and agencies on sustainable economic growth. | | |

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| 5.1.7.2 Review business attraction and local business development policies. | Completed. No change recommended. | Economic Development | 30/06/2012 | |
| Key Result Area: 6 Community Health and Wellbeing
Council Plan Objective: 6.1 Promote community health & wellbeing in partnership with other health services to provide a broad range of customer focussed health, recreation, cultural & community amenities, services and facilities
Council Plan Strategy: 6.1.1 Provide, facilitate or advocate for a range of health, recreation, community services and facilities. | | | | |
| 6.1.1.1 Develop a Civic and Cultural Precinct Plan for Colac. | Under development. | Chief Executive Office | 30/06/2012 | |
| 6.1.1.1 Review and reconsider the recommendations from the 'Apollo Bay Library and Facility Development Project'. | Meetings have been held to discuss the Precinct Plans. Officers and Library staff have also met with the State Government to discuss Living Libraries Funding. | Corporate & Community Services GM's Office | 30/06/2012 | |
| 6.1.1.4 Implement the Positive Ageing Strategy. | This Strategy will be supported by the Improving Liveability for Older People (ILOP) funding that Council will receive later this year. | Health and Community Services | 30/06/2012 | |
| 6.1.1.4 Investigate initiatives that reduce exposure to passive smoking in public places. | No action to date | Corporate & Community Services GM's Office | 30/06/2012 | No Progress |
| 6.1.1.17 Develop a 10 year upgrade works program for Colac Otway Performing Arts and Cultural Centre. | 10 Year Capital Works and Asset Renewal Plan underway. Initial work needs to be workshopped with the Sustainable Assets Unit. | Recreation, Arts and Culture | 30/06/2012 | |
| 6.1.1.18 Develop a 10 year capital upgrade works program for Blue Water Fitness Centre. | Plant room investigations complete. Results will feed into the working draft of the Centre's Capital Works and Asset Renewal Program. | Recreation, Arts and Culture | 30/06/2012 | |

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| 6.1.1.19 Develop a 10 year capital upgrade works facility improvement program for all recreation facilities and investigate external funding options to assist with these works, with priority to Council owned facilities. | The Public Open Space Strategy will provide development guidelines for open space reserves. This action will be further investigated following completion of the Strategy. | Recreation, Arts and Culture | 30/06/2012 | No Progress |
| 6.1.1.20 Continue in partnership with the Colac Community and project stakeholders to plan and develop the Beechy Precinct in accordance with Council approvals and review Council's continued involvement in the Beechy Precinct in respect of all elements that still require Council approvals. | Applications submitted for the Bluewater Fitness Centre Stadium redevelopment and Central Reserve oval renovation. Currently preparing applications for the Central Reserve Master Plan implementation and the Bluewater Fitness Centre warm water pool. Draft landscape design prepared and out for community comment. | Recreation, Arts and Culture | 30/06/2012 | |
| 6.1.1.21 Develop an Open Space Strategy. | Draft Public Open Space Strategy currently on public exhibition. The finalised Strategy will be presented to the October 2011 Council meeting for adoption. | Recreation, Arts and Culture | 30/06/2012 | |
| 6.1.1.22 Develop a Bicycle Strategy. | A project brief for the Active Transport Strategy (inclusive of cycling and walking) is currently being drafted. A funding application will be lodged with Sport and Recreation Victoria in November 2011. | Recreation, Arts and Culture | 30/06/2012 | |
| 6.1.1.23 Implement Council's Recreation Strategy. | A recent review identified that much of the Recreation Strategy has been implemented or is ongoing. However there are some outstanding actions that will be implemented in 2011/2012. | Recreation, Arts and Culture | 30/06/2012 | |
| 6.1.1.26 Review and implement the Council Community Funding Program Guidelines. | The 2011-2012 Community Funding Program has been allocated. Some minor changes to the guidelines and application form for the 2012-2013 program will be made following feedback from the assessment panel and community applicants. | Recreation, Arts and Culture | 30/06/2012 | |
| Council Plan Strategy: | 6.1.2 Promote and facilitate cultural and community events throughout the municipality. | | | |

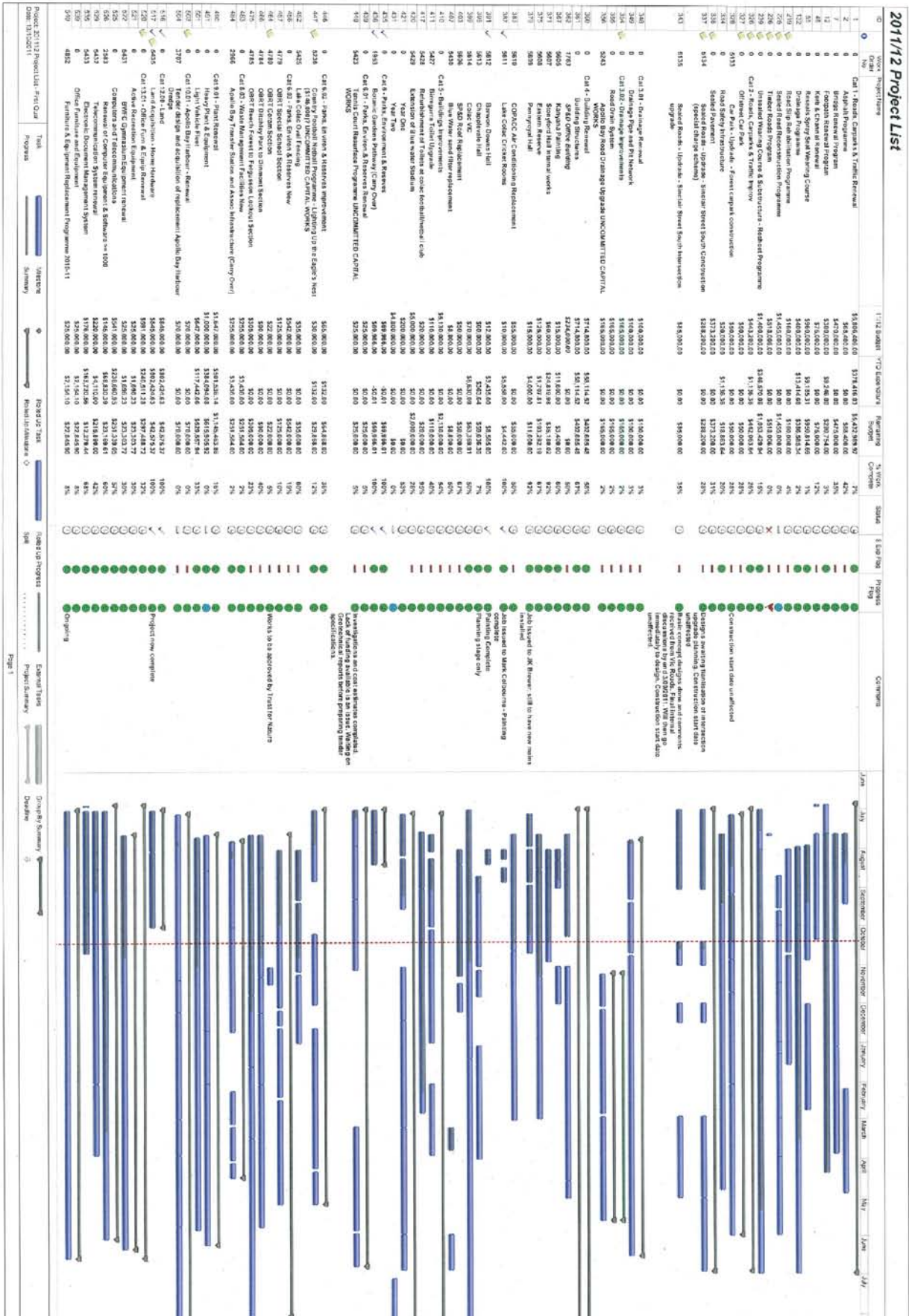
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| 6.1.2.1 Implement the Arts and Cultural Strategy. | The Arts and Cultural Strategy continues to be implemented. An internal review will be undertaken to determine the level of implementation. | Recreation, Arts and Culture | 30/06/2012 | |
| 6.1.2.3 Implement the Festival and Events Strategy. | The Festival and Events Strategy continues to be implemented. An internal review will be undertaken to determine the level of implementation. | Recreation, Arts and Culture | 30/06/2012 | |
| 6.1.2.10 Work with event organisers and community groups to develop a broad range of community festivals and events. | Worked with a number of new events including the Amy's Gran Fondo, which was an outstanding success. A number of other annual events have received assistance to implement their events. | Recreation, Arts and Culture | 30/06/2012 | |
| Council Plan Strategy: | | 6.1.3 Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community. | | |
| 6.1.3.1 Review the provision of Youth Services in the Shire. | .A review was undertaken in 2010/11. Further work to be undertaken in preparation for an updated Business Case in 2012/13. | Corporate & Community Services GM's Office | 30/06/2012 | No Progress |
| 6.1.3.8 Implement strategies in the Drug Action Plan. | Attended all meetings this year. The Plan has been reviewed and updated to reflect our capacity and direction for 2011/12. | Health and Community Services | 30/06/2012 | |
| 6.1.3.22 Implement the Municipal Public Health Plan. | Work is currently being conducted within the TLC3 Initiative and G21 Health & Wellbeing Pillar that will support the implementation of the Public Health & Wellbeing Plan 2010-2013. These will start to take effect in the next quarter. | Health and Community Services | 30/06/2012 | |
| 6.1.3.23 Develop and implement an Early Years Plan. | A number of initiatives within the Plan include production of an Early Years Directory, developing a strong Network, implementing Universal Access planning and having conversations around Cluster Management. | Health and Community Services | 30/06/2012 | |

Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

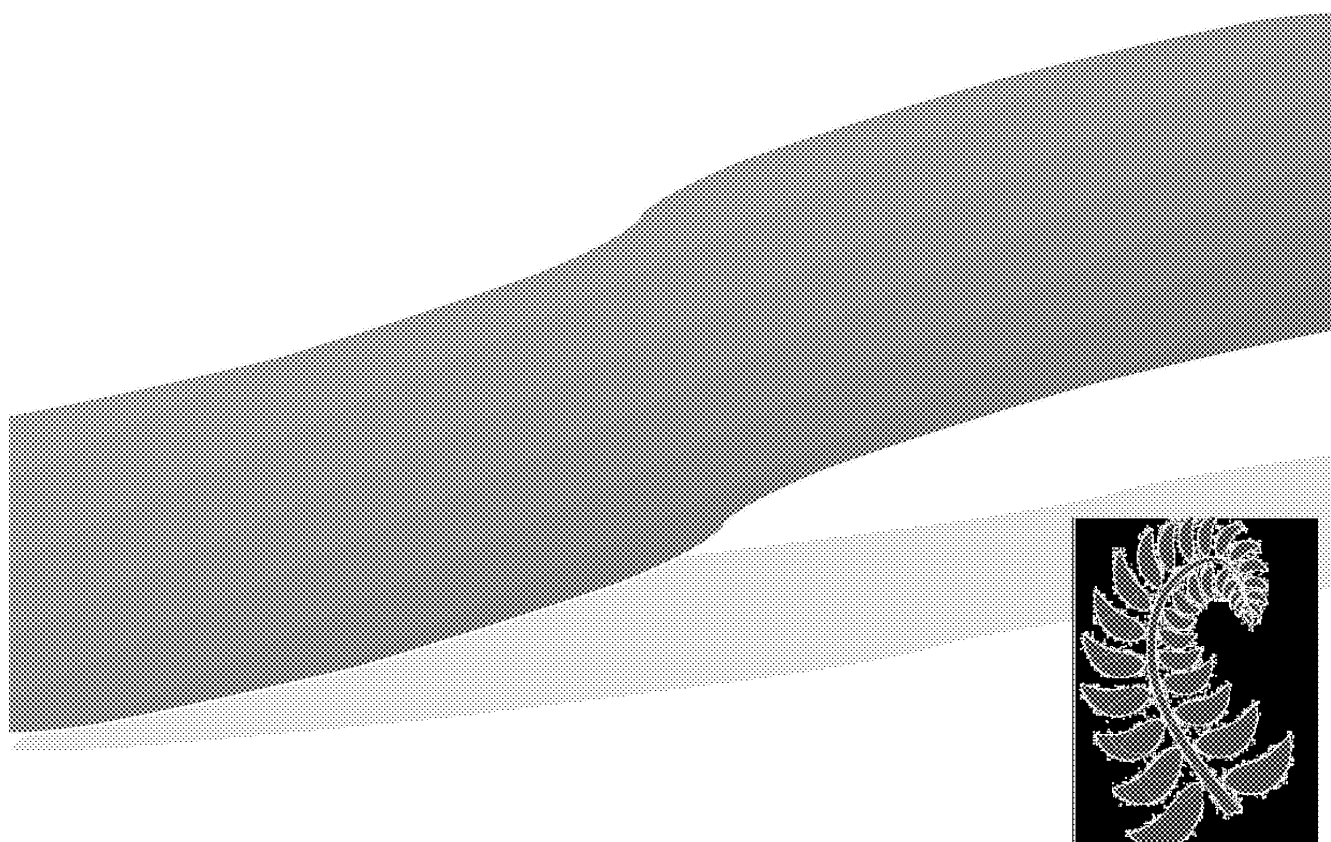
| ACTION | EXECUTIVE COMMENTS | BUSINESS UNIT | COMP. DATE | PROGRESS |
|---|---|---|------------|-------------|
| 6.1.3.24 Develop and implement an Access, Equity & Inclusion Plan. | A number of new initiatives have commenced for the The Meeting Place to provide a Community Based Respite activities and support model, leading the effort to improve physical access for people with disabilities in projects such as the Footpath Strategy and the Central Business District (CBD) development project. | Health and Community Services | 30/06/2012 | |
| Council Plan Strategy: | | 6.1.4 Support local communities to develop, grow and be great places to live. | | |
| 6.1.4.1 Liaise with local Real Estate Industry to monitor the local market and encourage diversity in housing choice. | Quarterly round of meetings completed. | Economic Development | 30/06/2012 | |
| 6.1.4.1 Work with Developers and Housing Associations to create liveable, affordable and sustainable housing. | Officers work closely with developers and permit applicants to seek more livable and sustainable housing on an on-going basis. | Planning & Building Services | 30/06/2012 | |
| 6.1.4.2 Participate in local and regional Affordable Housing task groups. | No meetings this quarter. | Economic Development | 30/06/2012 | No Progress |
| 6.1.4.5 Implement the Transport Connections Strategy. | Great difficulty in getting a permanent project worker. Currently undertaking final activities to get a person working within the next fortnight. | Health and Community Services | 30/06/2012 | |





Quarterly Financial Summary

September 2011



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SUMMARY

As we conclude the first quarter of the 2011/12 financial year, it is worth mentioning a number of significant highlights that have occurred during the year to-date. The most important highlight is the adoption of the annual financial statements and the annual report by Council. With a great deal of effort by those involved the annual financial statements were completed, audited, adopted and presented to the Minister for Local Government within the legislative timeframes. In addition to this, Colac Otway Shire was able to have approved an alternative Income Statement which provides a more meaningful analysis of the financial information presented.

At the time the budget for 2011/12 was prepared, it was expected that Council would see an operating surplus of \$3.825 million. Council continues to revise the estimate of the 2011/12 year activities as more accurate information comes to hand with the current operating surplus forecast to be \$3.317 million.

The achievement of an operating surplus for the 2011/12 year continues to be a priority of Council. It is important for Council and the community to understand that we will continue to refine our forecasts and adjust our activities to ensure that Council is in the position to report an operating surplus for the 2011/12 financial year.

Council currently has a cash at bank balance of \$8.142 million, which is higher than for the same time in 2010/11 but is similar to the same period in 2009/10.

Rate notices have been issued to rate payers in September and reminders for instalments will be sent each quarter.

We are continuing to monitor the status of Council's financial position with the following aims in mind:

- An operating surplus achieved for the fifth consecutive year;
- Council continuing to meet the Infrastructure Renewal Gap;
- Delivery of responsible projects designed to enhance the community;
- Delivery of a responsible capital works programme; and
- An improved positive financial position.

In light of this, we are undertaking several important projects over the coming months in the areas of:

- Continued development of improved monthly reporting to management and Council;
- Review of Council's assets and the development of Council's Corporate Asset Management System;
- Implementation of Investment strategy and policy (see Investment Report);
- Review of Council's financial management policies, procedures and practices;
- Review of the Strategic Resource Plan with closer linkages to various Council action plans;

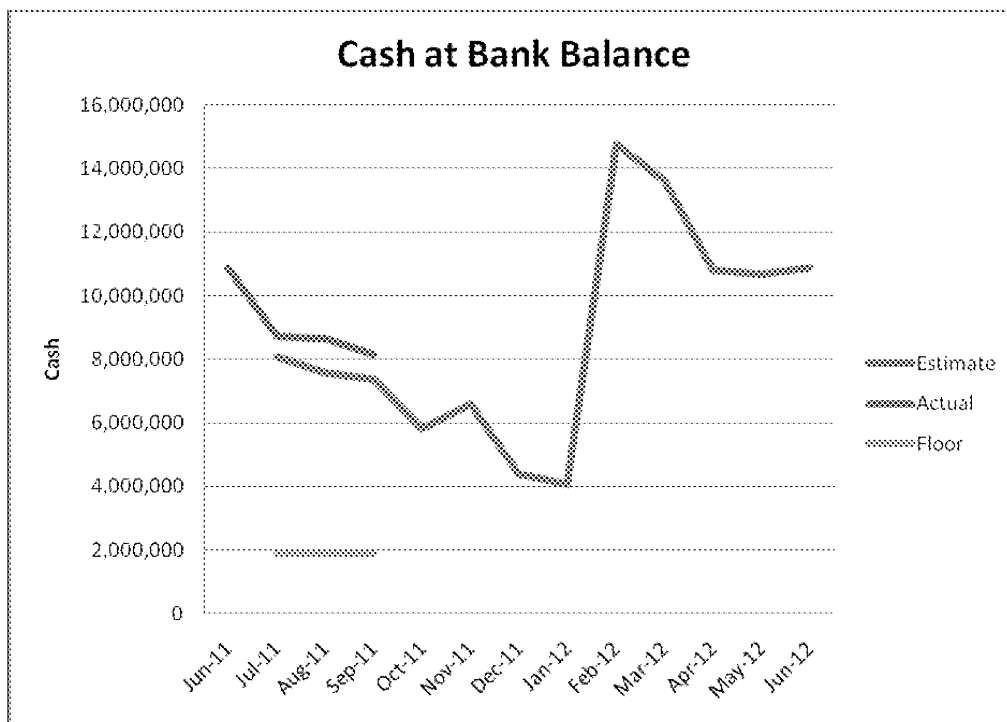
- Review of the Long Term Financial Plan with closer linkages to various Council strategies;
- Initiation of a review of Council's Fees and Charges Strategy; and
- Review of new community focussed budget document.

The forecast indicates that the financial viability of Council will continue to improve, provided balanced decisions are made with financial sustainability considerations built into all decision making processes. Key information concerning the position of Council at the end of September is included as attachments to this report.

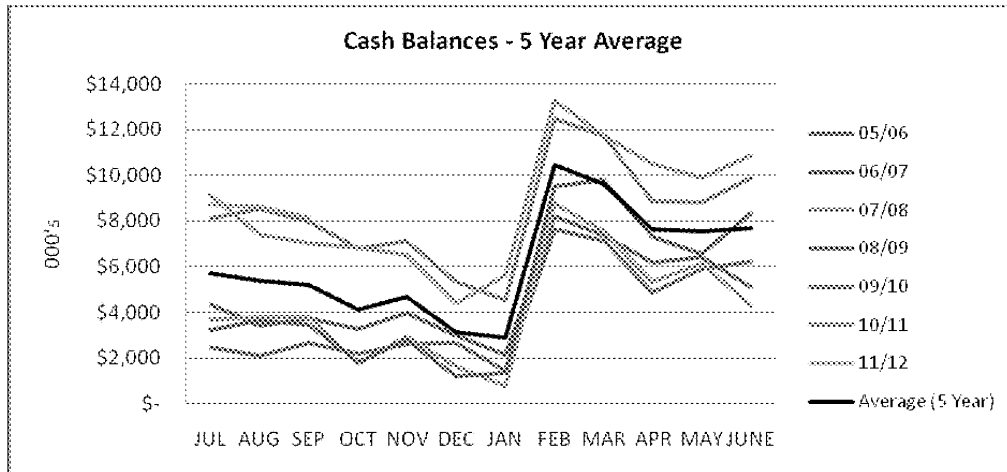
CASH BALANCE

The charts below gives an indication of how the cash balances of Council may perform over the course of the 2011/12 financial year. The first chart, Cash at Bank Balance, portrays:

- The Estimate – which is an estimation of what the cash balance may be at the end of each month based entirely upon historical averages.
- The Actual – which is the actual balance at the end of each month of the year up to and including September 2011.
- The Floor – which is the value of Council cash balance at which point Council's operating funds are zero (0). With cash balances below the "Floor", Council would be using its overdraft facility.



The following chart provides details on the cash balances at month end for the five (5) years prior to the 2011/12 financial year. The chart also includes the five (5) year average of those cash balances.



Council's overall position, although appearing strong in the financial statements, remains susceptible to shocks and is limited in its ability to take advantage of opportunities as they arise. Council can be more sustainable in the longer term provided it:

- Ensures it is in a position to undertake the necessary changes to make business more efficient;
- Seeks other and opportunistic revenue generation, such as grants funding, structured borrowing strategies, charge schemes and other entrepreneurial activities.

Given the level of expected future demands on Council and the level of current reserves, Council must critically evaluate its resource capability before any commitment is made to additional works or projects, regardless of the opportunity it may offer. Council needs to vigilantly adhere to the principles of planning before committing to funding any new or expanded activities.

INVESTMENT REPORT

| Deposit | Minimum Rate | Maximum Rate | Average |
|--------------------------------------|--------------|--------------|---------|
| TOTAL PORTFOLIO | | | |
| Total | 4.65% | 5.80% | 5.53% |
| GENERAL INVESTMENTS | | | |
| Fixed Term Deposits | 5.70% | 5.80% | 5.73% |
| At-Call Deposits | 4.65% | 4.75% | 4.72% |
| Total | 4.65% | 5.80% | 5.49% |
| LONG SERVICE LEAVE INVESTMENT | | | |
| Total | 5.80% | 5.80% | 5.80% |
| PERFORMANCE BENCHMARK | | | |

| | | | |
|-------------------------------------|-------|-------|-------|
| Reserve Bank of Australia Cash Rate | 4.75% | 4.75% | 4.75% |
| 90 Day Bank Bill Index | 4.81% | 4.96% | 4.87% |

Overall, Council's Investment Portfolio has performed well in the first quarter of the 2011/2012 year. The average return on the portfolio (at 5.53%) was 0.78% higher than the Reserve Bank's cash rate and 0.66% higher than the average 90-day bank bill index. A small portion of the portfolio was held in an At-Call account for liquidity purposes; this reduced the overall average rate of return.

Total interest of \$44,500 was paid to Council during the period, with major deposits maturing in October (interest payable at maturity). Balance of Council's Investment Portfolio at the end of the quarter was approximately \$7.1m.

CARRY FORWARD PROJECTS

Those projects and activities that were incomplete at the end of the 2010/11 financial year and where a commitment exists for the expenditure and/or income to be incurred/raised have been listed below. This list highlights the need to ensure that Council brings forward (carries) adequate cash balances at the end of the year to fund these activities and projects.

Note, that none of the projects and activities listed as being carried forward has been included in the 2011/12 budget. As a result, without there being a cash surplus adequate to fund the carried forward items, after reserves and other obligations are considered, Council will have to consider other funding options. This may have included deferral of items from the 2011/12 budget or the options of raising additional funds through grants or borrowings.

In summary, the value of carried forward items from 2010/11 is:

| | Expenditure | Income | Net Result |
|--------------|------------------|------------------|------------------|
| Total | 4,024,083 | (956,420) | 3,067,663 |

| Project/Activity | Carry-over Expense | Carry-over Income | Net Result |
|--|--------------------|-------------------|------------|
| Colac & Apollo Bay Car parking Study | 9,989 | 0 | 9,989 |
| Colac CBD & Entrances Project | 68,496 | 0 | 68,496 |
| Rural Living Strategy | 15,686 | 0 | 15,686 |
| Cressy-Shelford Road Restitution Package | 115,703 | 0 | 115,703 |
| Auspice Neighbourhood Renewal | 14,900 | 0 | 14,900 |
| Lake Colac Stage 2 | 70,000 | 0 | 70,000 |
| Stoddart St Pathway | 55,000 | (65,000) | -10,000 |
| Botanic Gardens Pathway | 57,700 | 0 | 57,700 |
| Gellibrand Landfill Rehabilitation | 233,949 | 0 | 233,949 |
| Birregurra Structure Plan & Forrest Structure Plan | 34,121 | 0 | 34,121 |

| Project/Activity | Carry-over
Expense | Carry-over
Income | Net Result |
|---|-----------------------|----------------------|------------|
| Heathfield estate river restoration | 3,550 | 0 | 3,550 |
| Apollo Bay Harbour Master Plan Implementation | 255,000 | (38,000) | 217,000 |
| Refurbishment of the Enhanced Library Service and Accommodation | 161,541 | 0 | 161,541 |
| Refurbishment of the Enhanced Accommodation Rae Street Existing Offices | 68,268 | 0 | 68,268 |
| Beech Forest Hall | 180,855 | 0 | 180,855 |
| Youth Club Hall | 200,000 | 0 | 200,000 |
| Apollo Bay Customer Service Centre | 19,443 | 0 | 19,443 |
| Apollo Bay Transfer Station - sealing of car park and associated works | 255,000 | 0 | 255,000 |
| Pascoe Street Car park | 330,000 | (247,380) | 82,620 |
| Road safety program | 16,000 | (1,000) | 15,000 |
| Public Open Space Strategy | 19,919 | (3,000) | 16,919 |
| Lake Colac CHMP | 10,302 | 0 | 10,302 |
| Upgrades to Colac Youth & Recreation Centre | 280,701 | 0 | 280,701 |
| Birregurra and Forrest Master Plans (STIP) | 68,570 | (20,000) | 48,570 |
| Cressy Upgrade (STIP) | 62,328 | (40,000) | 22,328 |
| Beeac Street Lighting | 13,334 | 0 | 13,334 |
| Bridge Rehab Program - Upper Gellibrand Road | 177,738 | 0 | 177,738 |
| Apollo Bay Settlement Boundary & Urban Design Review | 34,256 | (8,000) | 26,256 |
| Colac Commercial Strategy | 80,000 | (40,000) | 40,000 |
| Colac Heavy Truck Study | 112,310 | 0 | 112,310 |
| Apollo Bay Trails Feasibility Study | 83,722 | 0 | 83,722 |
| Main Drainage Review - Apollo Bay | 49,317 | 0 | 49,317 |
| Colac City Band Hall Disabled Access Improvement | 3,865 | 0 | 3,865 |
| Cororooke Hall | 36,770 | 0 | 36,770 |
| Stonyford Hall Kitchen | 0 | (42,000) | -42,000 |
| RLCIP Round 3 - Upgrade to Energy Efficient Hot Water Services | 50,000 | 0 | 50,000 |
| Lions Park | 86,170 | (27,040) | 59,130 |
| Old Beechy Rail Trail (OBRT) Project | 419,426 | (400,000) | 19,426 |
| Colac Litter Bins and Surrounds | 10,589 | 0 | 10,589 |
| Volunteering Portal | 16,123 | (2,500) | 13,623 |
| Colac Marketing Strategy | 22,728 | 0 | 22,728 |
| Active Service Model | 38,533 | 0 | 38,533 |
| Beech Forest War Memorial | 10,000 | 0 | 10,000 |
| Internet Training 4 People With a Disability (Phase 2) | 14,856 | 0 | 14,856 |
| Marengo Landfill Rehabilitation | 94,825 | 0 | 94,825 |
| Universal Access - Capacity Assessment Planning | 20,000 | (10,000) | 10,000 |

| Project/Activity | Carry-over
Expense | Carry-over
Income | Net Result |
|--|-----------------------|----------------------|------------------|
| Universal Access - Action Plan for 2013 | 27,500 | (12,500) | 15,000 |
| Solar PV system installation - Old Library | 15,000 | 0 | 15,000 |
| Total | 4,024,083 | (956,420) | 3,067,663 |

OPERATING STATEMENT

The information portrayed below provides an operating statement as per the data at 30 September 2011. The four (4) columns of data provide actual year to date results as compared to the budget year to date, the original budget as it was adopted by Council and finally the revised budget or forecast position as at 30 September 2011. The forecast budget includes the value of all carried forward projects.

Colac Otway Shire Council

Operating Statement

September 2011



| Category | September
Actual YTD | September
Budget YTD | Forecast Budget | Original Budget |
|---------------------------------------|-------------------------|-------------------------|---------------------|---------------------|
| Income | | | | |
| Contributions - cash | (15,323) | (73,923) | (511,660) | (264,300) |
| Finance revenue | (55,764) | (100,086) | (474,000) | (474,000) |
| Grants - capital | (150,000) | (1,307,204) | (5,229,045) | (4,854,005) |
| Grants - operating | (1,865,445) | (2,060,094) | (3,078,548) | (7,834,548) |
| Net gain / loss on disposal of assets | (47,183) | (76,250) | (605,000) | (605,000) |
| Other revenue | (41,531) | (12,450) | (49,800) | (49,400) |
| Rates and charges | (21,360,957) | (21,586,896) | (21,370,549) | (21,370,549) |
| Reimbursements | (49,493) | (53,239) | (215,660) | (215,660) |
| Statutory fees and charges | (121,976) | (114,286) | (515,167) | (515,167) |
| User fees and charges | (709,202) | (1,060,783) | (4,497,411) | (4,497,411) |
| Total Income | (24,416,876) | (26,445,511) | (41,546,860) | (40,480,040) |
| Expense | | | | |
| Contracts | 1,414,752 | 1,663,090 | 7,984,647 | 6,746,477 |
| Depreciation | 2,202,249 | 2,202,249 | 8,809,000 | 8,809,000 |
| Employee benefits | 3,239,039 | 3,142,649 | 14,219,921 | 13,955,172 |
| Finance expenses | 63,188 | 84,623 | 345,976 | 345,976 |

| | | | | |
|------------------------|--------------|--------------|-------------|-------------|
| Materials and services | 1,531,885 | 1,622,514 | 5,442,924 | 5,370,849 |
| Other expenses | 305,456 | 623,978 | 1,427,489 | 1,427,489 |
| Total Expenses | 8,756,569 | 9,339,103 | 38,229,957 | 36,654,963 |
| Operating Result | (15,660,306) | (17,106,406) | (3,316,963) | (3,625,077) |

CAPITAL WORKS STATEMENT

The information below provides details on the capital works expenditure as at 30 September 2011.

Colac Otway Shire Council

Capital Works

September 2011



| Category | September Actual
YTD | September Budget
YTD | Forecast Budget | Original Budget |
|-------------------------------|-------------------------|-------------------------|-----------------|-----------------|
| Bridge & Culvert | 18,419 | 169,413 | 677,738 | 500,000 |
| Building Habitable Structures | 214,324 | 425,794 | 3,833,578 | 2,836,000 |
| Drainage | 12,598 | 21,993 | 753,000 | 665,000 |
| Footpath and Cycleways | 79,125 | 195,195 | 780,991 | 300,000 |
| Kerb & Channelling | - | 26,997 | 108,000 | 75,000 |
| Land | 802,425 | (10,497) | 803,000 | 845,000 |
| Land Improvements - Parks | 2,837 | 66,488 | 298,000 | 160,000 |
| Off Street Car Parking | - | 49,983 | 200,000 | 50,000 |
| Other Structures | 62,449 | 52,335 | 274,421 | 90,000 |
| Plant & Equipment | 566,908 | 734,782 | 2,347,800 | 2,256,800 |
| Roads | 411,693 | 697,022 | 5,032,206 | 4,793,206 |
| Capital Works Total | 2,170,779 | 2,429,505 | 15,108,734 | 12,571,006 |

SERVICE SUMMARY

The information in the following pages provides an indication of the income and expense attributed to each department, business unit and section of Council as at 30 September 2011.

Capital works values are as loaded into the financial systems of Council. Any variance from the adopted budget is as a result of the determination of activities between capital and operating.

Colac Otway Shire Council

Service Summary



| Department | Business Unit | Service | September Actual YTD | September Budget YTD | Forecast Budget | Original Budget |
|--|--|---------|----------------------|----------------------|--------------------|--------------------|
| Chief Executive Office | | | 287,395 | 246,925 | 967,033 | 940,915 |
| CEO | | | 224,071 | 160,413 | 620,973 | 594,855 |
| | <i>Executive Office Section</i> | | 199,244 | 126,959 | 477,045 | 450,927 |
| | | Expense | 199,244 | 126,959 | 477,045 | 450,927 |
| | <i>Public Relations & Marketing Section</i> | | 24,827 | 33,454 | 143,928 | 143,928 |
| | | Expense | 24,827 | 33,454 | 143,928 | 143,928 |
| Council | | | 63,325 | 86,512 | 346,060 | 346,060 |
| | <i>Elected Members Section</i> | | 63,325 | 86,512 | 346,060 | 346,060 |
| | | Expense | 63,325 | 86,512 | 346,060 | 346,060 |
| Corporate & Community Services | | | {17,671,261} | {16,287,293} | {8,491,977} | {8,503,681} |
| Corporate & Community Services Management | | | 212,243 | 321,020 | 1,065,139 | 1,065,139 |
| | <i>Corporate & Community Services Management Section</i> | | 72,696 | 176,308 | 421,791 | 421,791 |
| | | Expense | 72,696 | 282,826 | 547,858 | 547,858 |
| | | Income | {179} | {106,518} | {126,067} | {126,067} |
| | <i>Library Section</i> | | 139,547 | 144,712 | 643,348 | 643,348 |
| | | Expense | 141,319 | 146,212 | 650,348 | 650,348 |
| | | Income | {1,772} | {1,500} | {7,000} | {7,000} |
| Finance & Customer Service | | | {3,265,493} | {3,114,392} | {3,315,851} | {3,315,373} |
| | <i>Customer Service Section</i> | | 80,982 | 84,518 | 361,807 | 361,807 |
| | | Expense | 81,264 | 84,818 | 363,007 | 363,007 |
| | | Income | {282} | {300} | {1,200} | {1,200} |
| | <i>Financial Services Section</i> | | {883,378} | 858,042 | 3,969,580 | 4,065,756 |
| | | Expense | 359,802 | 2,459,375 | 10,472,558 | 10,568,734 |
| | | Income | {1,248,176} | {1,601,333} | {6,502,978} | {6,502,976} |
| | <i>Property & Rates Section</i> | | {18,768,921} | {13,056,779} | {18,846,738} | {18,846,336} |
| | | Expense | 109,709 | 148,930 | 613,435 | 613,435 |
| | | Income | {18,659,212} | {13,205,709} | {18,460,173} | {18,459,773} |
| | <i>Vic Roads Section</i> | | {149} | {150} | {600} | {600} |
| | | Expense | 121 | 0 | 0 | 0 |
| | | Income | {270} | {150} | {600} | {600} |
| Health & Community Services | | | 168,673 | 134,761 | 613,176 | 515,706 |
| | <i>Aged & Disability Services Section</i> | | 12,493 | {20,213} | {48,685} | {48,685} |
| | | Expense | 445,483 | 413,229 | 1,826,946 | 1,826,946 |
| | | Income | {432,990} | {433,442} | {1,875,631} | {1,875,631} |
| | <i>Children & Family Services Section</i> | | 39,749 | 31,627 | 181,076 | 175,416 |
| | | Expense | 163,159 | 201,619 | 861,076 | 855,416 |
| | | Income | {123,410} | {169,992} | {680,000} | {680,000} |
| | <i>Community & Social Development Section</i> | | 0 | 501 | 2,000 | 0 |
| | | Expense | 0 | 501 | 2,000 | 0 |
| | <i>Health & Community Service Management Section</i> | | 65,406 | 73,894 | 321,345 | 231,333 |
| | | Expense | 67,679 | 88,894 | 381,345 | 266,333 |
| | | Income | {2,473} | {15,000} | {60,000} | {35,000} |
| | <i>Public Health Section</i> | | 51,690 | 49,705 | 158,642 | 158,642 |
| | | Expense | 63,815 | 68,101 | 288,742 | 288,742 |
| | | Income | {12,125} | {18,396} | {130,100} | {130,100} |
| | <i>Rural Access Section</i> | | {3,156} | {750} | 0 | 0 |
| | | Expense | 13,497 | 15,564 | 65,259 | 65,259 |
| | | Income | {10,647} | {16,314} | {60,259} | {60,259} |
| | <i>Transport Connections</i> | | 3,485 | 3 | 0 | 0 |
| | | Expense | 3,485 | 14,892 | 59,554 | 59,554 |
| | | Income | 0 | {14,889} | {59,554} | {59,554} |
| Information Services | | | 480,784 | 356,763 | 1,334,901 | 1,334,901 |
| | <i>Information Communications & Technology Section</i> | | 12,800 | 0 | 12,000 | 12,000 |
| | | Expense | 12,800 | 0 | 12,000 | 12,000 |
| | <i>Information Management Section</i> | | 65,243 | 66,421 | 282,794 | 282,794 |
| | | Expense | 65,243 | 66,421 | 284,294 | 284,294 |
| | | Income | 0 | 0 | {1,500} | {1,500} |
| | <i>Information Services Unit Section</i> | | 402,741 | 290,342 | 1,040,107 | 1,040,107 |
| | | Expense | 402,741 | 290,342 | 1,046,107 | 1,046,107 |
| | | Income | 0 | 0 | {6,000} | {6,000} |

| Department | Business Unit | Service | September Actual YTD | September Budget YTD | Forecast Budget | Original Budget |
|---|--|---------|----------------------|----------------------|------------------|------------------|
| Organisation Support & Development | | | 502,212 | 513,015 | 1,254,774 | 1,254,774 |
| | <i>Human Resources Section</i> | | 80,192 | 103,981 | 429,180 | 429,180 |
| | | Expense | 80,192 | 103,981 | 429,180 | 429,180 |
| | | Income | 0 | 0 | 0 | 0 |
| | <i>Organisation Development Section</i> | | 0 | 0 | 25,000 | 25,000 |
| | | Expense | 0 | 0 | 25,000 | 25,000 |
| | <i>Organisational Development Section</i> | | 48,391 | 73,303 | 307,289 | 307,289 |
| | | Expense | 48,391 | 73,303 | 307,289 | 307,289 |
| | <i>Risk Management Section</i> | | 373,631 | 335,731 | 493,305 | 493,305 |
| | | Expense | 375,031 | 343,231 | 523,305 | 523,305 |
| | | Income | (1,400) | (7,500) | (30,000) | (30,000) |
| Recreation Arts & Culture | | | 530,291 | 501,517 | 1,845,782 | 1,744,924 |
| | <i>Bluewater Fitness Centre Section</i> | | 79,755 | 94,700 | 502,932 | 502,932 |
| | | Expense | 243,228 | 276,446 | 1,229,932 | 1,229,932 |
| | | Income | (163,473) | (181,746) | (727,000) | (727,000) |
| | <i>COPACC Section</i> | | 170,326 | 83,412 | 350,603 | 350,603 |
| | | Expense | 248,789 | 216,581 | 883,306 | 883,306 |
| | | Income | (78,463) | (133,169) | (532,703) | (532,703) |
| | <i>Other Leisure & Fitness Centres Section</i> | | 560 | 16,000 | 42,500 | 42,500 |
| | | Expense | 560 | 18,000 | 55,500 | 55,500 |
| | | Income | 0 | (2,000) | (3,000) | (3,000) |
| | <i>Recreation & Events Section</i> | | 222,443 | 219,569 | 588,048 | 587,831 |
| | | Expense | 238,334 | 231,242 | 614,898 | 614,681 |
| | | Income | (15,891) | (11,673) | (26,850) | (26,850) |
| | <i>Recreation, Arts & Culture Management Section</i> | | 57,208 | 87,836 | 361,699 | 261,058 |
| | | Expense | 57,208 | 88,586 | 364,699 | 261,058 |
| | | Income | 0 | (750) | (3,000) | 0 |
| Infrastructure & Services | | | (979,511) | (568,006) | 6,379,227 | 5,626,123 |
| Capital Works Management | | | 183,695 | 253,954 | 1,148,949 | 746,619 |
| | <i>Capital Works Management Section</i> | | 180,758 | 222,715 | 1,023,949 | 746,619 |
| | | Expense | 181,697 | 225,340 | 1,034,449 | 757,119 |
| | | Income | (939) | (2,625) | (10,500) | (10,500) |
| | <i>Footpath K&C Program Section</i> | | 100 | 0 | 0 | 0 |
| | | Expense | 100 | 0 | 0 | 0 |
| | <i>Parks & Reserves Program Section</i> | | 2,837 | 31,239 | 125,000 | 0 |
| | | Expense | 2,837 | 31,239 | 125,000 | 0 |
| COSWORKS | | | 892,536 | 884,802 | 3,961,552 | 3,961,552 |
| | <i>COSWORKS Management Section</i> | | 195,550 | 179,032 | 732,642 | 732,642 |
| | | Expense | 195,550 | 179,032 | 732,642 | 732,642 |
| | <i>Drainage Maintenance Section</i> | | 89,584 | 154,084 | 463,072 | 463,072 |
| | | Expense | 89,584 | 154,084 | 463,072 | 463,072 |
| | <i>Livestock Selling Centre Operations Section</i> | | (26,944) | (52,811) | (182,379) | (182,379) |
| | | Expense | 86,388 | 120,585 | 511,630 | 511,630 |
| | | Income | (113,332) | (173,396) | (694,000) | (694,000) |
| | <i>Parks & Reserves Maintenance Section</i> | | 195,581 | 221,887 | 934,511 | 934,511 |
| | | Expense | 207,468 | 221,887 | 946,011 | 946,011 |
| | | Income | (11,887) | 0 | (11,500) | (11,500) |
| | <i>Private Works Section</i> | | 580 | (1,755) | (5,000) | (5,000) |
| | | Expense | 2,386 | 3,246 | 15,000 | 15,000 |
| | | Income | (1,806) | (5,001) | (20,000) | (20,000) |
| | <i>Road Maintenance Section</i> | | 438,185 | 384,465 | 2,018,697 | 2,018,697 |
| | | Expense | 438,185 | 384,465 | 2,018,697 | 2,018,697 |
| Infrastructure Services Management | | | 72,850 | 63,011 | 274,871 | 274,871 |
| | <i>Infrastructure Services Management Section</i> | | 72,850 | 63,011 | 274,871 | 274,871 |
| | | Expense | 72,850 | 63,011 | 274,871 | 274,871 |
| Major Contracts | | | (1,381,015) | (1,773,377) | 1,155,162 | 826,388 |
| | <i>Aerodrome Section</i> | | 3,563 | 4,734 | 18,950 | 18,950 |
| | | Expense | 3,563 | 5,385 | 21,550 | 21,550 |
| | | Income | 0 | (651) | (2,600) | (2,600) |
| | <i>Contract Management Section</i> | | 59,329 | 50,694 | 217,009 | 217,009 |
| | | Expense | 59,329 | 61,194 | 259,009 | 259,009 |
| | | Income | 0 | (10,500) | (42,000) | (42,000) |
| | <i>Waste Management Section</i> | | (2,043,907) | (1,828,805) | 919,203 | 590,429 |
| | | Expense | 545,037 | 788,951 | 3,791,939 | 3,463,165 |
| | | Income | (2,588,944) | (2,617,756) | (2,872,736) | (2,872,736) |
| Plant Operations | | | (190,411) | (134,524) | (835,155) | (781,155) |
| | <i>Heavy Plant</i> | | (190,411) | (121,024) | (781,155) | (781,155) |
| | | Expense | (190,411) | (121,024) | (781,155) | (781,155) |
| | | Income | 0 | (13,500) | (54,000) | (54,000) |
| | <i>Light Plant</i> | | (11,365) | (10,996) | (462,020) | (484,020) |
| | | Expense | (11,365) | (10,996) | (462,020) | (484,020) |

| Department | Business Unit | Service | September Actual
YTD | September
Budget YTD | Forecast Budget | Original Budget |
|--|--|---------|-------------------------|-------------------------|------------------|------------------|
| Sustainable Assets | | | 154,200 | 241,124 | 1,135,868 | 1,135,868 |
| | <i>Council Facilities Section</i> | | 57,580 | 86,962 | 470,081 | 470,081 |
| | | Expense | 57,580 | 86,962 | 470,081 | 470,081 |
| | <i>Sustainable Assets Management Section</i> | | 96,620 | 154,162 | 665,787 | 665,787 |
| | | Expense | 96,620 | 154,162 | 665,787 | 665,787 |
| Sustainable Planning & Development Services | | | 568,908 | 966,358 | 4,084,739 | 3,550,821 |
| Economic Development | | | 299,225 | 268,307 | 1,142,929 | 962,933 |
| | <i>Business Section</i> | | 118,424 | 117,825 | 511,643 | 346,647 |
| | | Expense | 131,915 | 122,823 | 588,143 | 403,147 |
| | | Income | (13,491) | (4,998) | (76,500) | (56,500) |
| | <i>Tourism Section</i> | | 180,800 | 150,482 | 631,286 | 616,286 |
| | | Expense | 237,931 | 226,853 | 936,786 | 921,786 |
| | | Income | (57,130) | (76,371) | (305,500) | (305,500) |
| Environment & Community Safety | | | 175,767 | 299,488 | 1,127,255 | 1,116,385 |
| | <i>Emergency Management Section</i> | | 20,828 | 69,372 | 285,341 | 285,341 |
| | | Expense | 89,935 | 102,886 | 457,025 | 347,025 |
| | | Income | (69,107) | (33,514) | (171,684) | (161,684) |
| | <i>Environment Section</i> | | 63,008 | 110,540 | 519,047 | 515,497 |
| | | Expense | 102,652 | 110,540 | 519,047 | 515,497 |
| | | Income | (39,644) | 0 | 0 | 0 |
| | <i>Local Laws Section</i> | | 95,931 | 119,576 | 322,867 | 315,547 |
| | | Expense | 152,183 | 154,999 | 608,567 | 601,247 |
| | | Income | (56,251) | (35,423) | (285,700) | (285,700) |
| Planning & Building | | | 231,765 | 335,897 | 1,545,936 | 1,202,884 |
| | <i>Building Control Section</i> | | 13,695 | 33,449 | 146,758 | 146,758 |
| | | Expense | 45,980 | 69,896 | 292,558 | 292,558 |
| | | Income | (32,285) | (36,447) | (145,800) | (145,800) |
| | <i>Statutory Planning Section</i> | | 142,773 | 160,342 | 688,955 | 688,955 |
| | | Expense | 199,462 | 208,168 | 885,255 | 885,255 |
| | | Income | (56,689) | (47,826) | (196,300) | (196,300) |
| | <i>Strategic Planning Section</i> | | 75,297 | 142,106 | 710,223 | 367,171 |
| | | Expense | 75,297 | 163,847 | 797,223 | 368,171 |
| | | Income | 0 | (21,741) | (87,000) | (1,000) |
| Sustainable Planning & Development Management | | | (141,845) | 62,666 | 268,619 | 268,619 |
| | <i>Sustainable Planning & Develop Management Section</i> | | (141,845) | 62,666 | 268,619 | 268,619 |
| | | Expense | 50,151 | 62,666 | 268,619 | 268,619 |
| | | Income | (192,000) | 0 | 0 | 0 |
| Grand Total | | | (37,794,468) | (19,640,026) | 3,029,022 | 1,613,928 |

CONSENT CALENDAR

OFFICERS' REPORT

D = Discussion
W = Withdrawal

| ITEM | D | W | | | | | | | | | | | | |
|--|--------------------------|-------------------|-------------------|-------|-------------|-----------|-------|--------------------------|-----------|-------|----------------|----------|--|--|
| <u>INFRASTRUCTURE AND SERVICES</u> | | | | | | | | | | | | | | |
| <p><u>OM112610-11 ROAD MANAGEMENT PLAN COMPLIANCE REPORT</u></p> <p>Department: Infrastructure</p> <p><u>Recommendation(s)</u></p> <p><i>That Council receives the Road Management Plan Compliance Report for April to June 2011 for information.</i></p> | | | | | | | | | | | | | | |
| <p><u>OM112610-12 STRUCTURAL ASSESSMENT OF COUNCIL BRIDGES</u></p> <p>Department: Infrastructure</p> <p><u>Recommendation(s)</u></p> <p><i>That Council:</i></p> <p>1. <i>Resolves to implement the following load limits</i></p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Bridge No.</u></th> <th style="text-align: left;"><u>Road Name</u></th> <th style="text-align: left;"><u>Load Limit</u></th> </tr> </thead> <tbody> <tr> <td>CS053</td> <td>Daffys Lane</td> <td>13 tonnes</td> </tr> <tr> <td>CS074</td> <td>Skenes Creek Valley Road</td> <td>16 tonnes</td> </tr> <tr> <td>CS059</td> <td>Watsons Access</td> <td>5 tonnes</td> </tr> </tbody> </table> <p>2. <i>Provides a written response to all those parties who provided formal feedback through the public consultation process.</i></p> <p>3. <i>Refers the work to rehabilitate each of the structures to Council's Long Term Capital Works and Major Projects Program for detailed costing and prioritisation within the relevant programs.</i></p> | <u>Bridge No.</u> | <u>Road Name</u> | <u>Load Limit</u> | CS053 | Daffys Lane | 13 tonnes | CS074 | Skenes Creek Valley Road | 16 tonnes | CS059 | Watsons Access | 5 tonnes | | |
| <u>Bridge No.</u> | <u>Road Name</u> | <u>Load Limit</u> | | | | | | | | | | | | |
| CS053 | Daffys Lane | 13 tonnes | | | | | | | | | | | | |
| CS074 | Skenes Creek Valley Road | 16 tonnes | | | | | | | | | | | | |
| CS059 | Watsons Access | 5 tonnes | | | | | | | | | | | | |

Recommendation

That recommendations to items listed in the Consent Calendar, with the exception of items, be adopted.

MOVED

SECONDED

OM112610-11 ROAD MANAGEMENT PLAN COMPLIANCE REPORT

| | | | |
|-------------|---------------------------|-----------|------------|
| AUTHOR: | Adam Lehmann | ENDORSED: | Neil Allen |
| DEPARTMENT: | Infrastructure & Services | FILE REF: | 11/96960 |

Purpose

The purpose of this report is to present to Council the Road Management Compliance Report which measures the performance of the road and footpath inspection and maintenance functions against the standards prescribed by the Road Management Plan.

Declaration of Interests

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

Background

The attached reports detail the performance of Council's road and footpath management systems and processes for the following period(s):

- April to June 2011.

Council Plan / Other Strategies / Policy**Physical Infrastructure and Assets**

Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.

Council is committed to achieving this strategy through the implementation and management of Colac Otway Shire Council's Road Management Plan.

Issues / Options

The attached compliance reports measure compliance levels and also detail some key issues relating to the ongoing management of Council's road and footpath assets.

Roads

Approximately 640-km of Council's local roads were inspected during the period April - June 2011. This included Rural Link Roads, Rural and Urban Collector Roads and Access Roads contained in smaller townships incorporating, Forrest, Beac, Birregurra , etc.

A total of 141 defects relating to road assets were recorded during the inspection period. Given the areas included under this quarters routine inspection programme, the majority of defects identified related to damaged or missing guideposts or signs. These defects related to approx. 90% of the overall number of items identified as requiring attention.

Of the 141 action items recorded, 139 have been completed. 95% of the defects repaired were actioned within the required response times. Council's target for this as nominated within the Road Management Plan is 85%. Of the two (2) items outstanding, one relates to signage, which is on order, the other related to roadside trees which has since been rectified as at the time of preparing this report.

This quarter's compliance results are consistent with previous reporting periods and exceed the key performance indicators specified in Council's Road Management Plan.

| Performance Measure (Roads) | Target | Result for Period April - June 2011 |
|---|---------------|--|
| Routine inspections completed as per Schedule | 100% | 100% |
| Response times for remedial works as assessed in Council's Maintenance Performance Criteria | 85% | 95% |

Footpaths

A total of 30 defects outside of defined maintenance performance criteria were identified. These all related to the structural condition of small sections of footpath and overhanging street trees.

Of the 30 items recorded as requiring action, 2 remain outstanding. Both of these relate to street trees. Officers are following up as to the status of these two action items. Of the 28 defects addressed, 96% were completed to meet the nominated response times.

A satisfactory level of compliance has been achieved in the management of Council's footpath assets this quarter.

| Performance Measure (Footpaths) | Target | Result for Period April - June 2011 |
|---|---------------|--|
| Routine inspections completed as per Schedule | 100% | 100% |
| Response times for remedial works as assessed in Council's Maintenance Performance Criteria | 85% | 96% |

Proposal

It is intended that Council receives the Road Management Plan Compliance Report for April to June 2011 for information.

Financial and Other Resource Implications

No financial implications are applicable at present. The service levels within the Road Management Plan have been aligned to match existing maintenance funding allocations. Emerging deterioration trends will need to be continually monitored to determine likely impacts on both future maintenance and capital budgets.

As part of the ongoing monitoring of the performance against the Road Management Plan, Council must be mindful of any funding gaps between what is necessary to retain its road network at the required level of service and what is actually being funded. The standards prescribed by the Road Management Plan provide for a basic level of service in order to meet Council's statutory obligations. In some instances this level of service does not match the community's expectations. Council in the future needs to examine the affordability of these expectations matched against the wide number of other budgetary pressures that it faces.

Risk Management & Compliance Issues

Council's objective of road management is to ensure that a safe and efficient road network is provided primarily for use by members of the public and is available for other appropriate uses.

Environmental and Climate Change Considerations

No environmental considerations are applicable at this time.

Community Engagement

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement Policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

The method selected is to inform the community through presentation of this report.

The Road Management Plan compliance reports are also presented to Council's Audit Committee as required.

Implementation

The attached reports are presented to Council for information.

Conclusion

Council has achieved a satisfactory level of compliance for this quarter (April to June 2011), in the delivery of both road and footpath inspection and maintenance services. The continued efforts of Cosworks outdoor staff and Council's Asset Inspection Officer in maintaining this level of performance are acknowledged.

Attachments

1. RMP Compliance (Footpaths) - Apr to June 2011
2. RMP Compliance (Roads) - Apr to June 2011

Recommendation(s)

That Council receives this report for information.

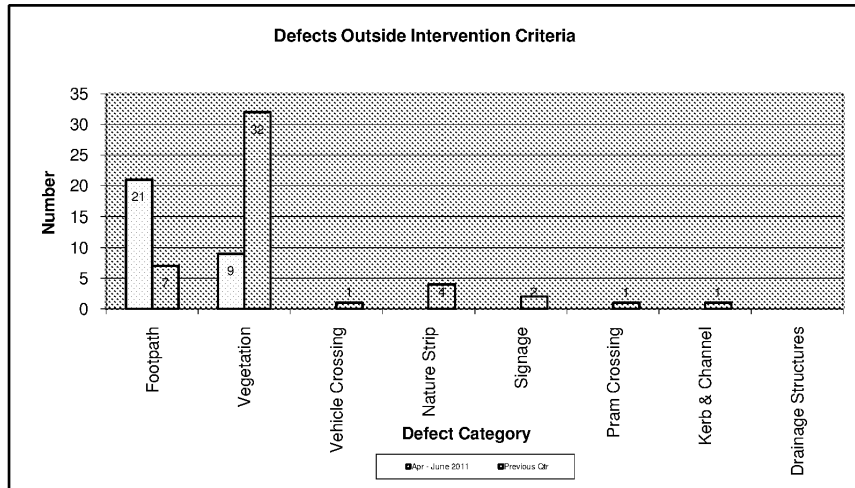
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**INFRASTRUCTURE DEPARTMENT**  
 Mission: To effectively manage infrastructure and provide Best Value community services.

| <b>Road Management Plan Compliance Report</b> |                               |
|-----------------------------------------------|-------------------------------|
| <b>Asset Category:</b>                        | Footpaths                     |
| <b>Reporting for the Period:</b>              | 4th Quarter (Apr - June 2011) |
| <b>Inspections Completed By:</b>              | Kevin O'Gorman                |
| <b>Report Prepared By:</b>                    | Adam Lehmann                  |

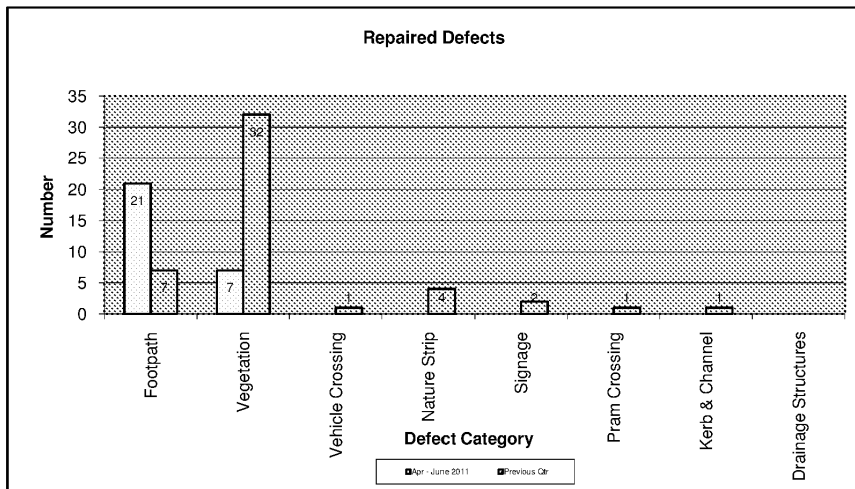
**No. of Defects Identified - Outside Intervention**



**Comments**

Close to 20-km of Council's footpath network was inspected during the period April to June 2011. This included footpaths located in all of the small townships (i.e. Birregurra, Forrest, etc) and the zone nominated as Area 4 in Colac.

**No. of Defects Repaired - Outside Intervention**



**Comments**

A total of 30 defects outside of defined maintenance performance criteria were identified. These all related to the structural condition of small sections of footpath and overhanging street trees.

**INFRASTRUCTURE DEPARTMENT**

Mission: To effectively manage infrastructure and provide Best Value community services.

**Inspection Performance Summary**

Proportion of routine inspections completed for Period to meet prescribed frequencies

| Hierarchy Identifier | Name               | Score |
|----------------------|--------------------|-------|
| HR                   | High Risk Area     | 100%  |
| SR                   | Standard Risk Area | 100%  |
| LR                   | Low Risk Area      | N/A   |

**Comments**

All inspections programmed for this quarter have been completed on schedule.

**Maintenance Performance Summary**

Proportion of reported defects that have been actioned/repaired

| Defect Category     | Score |
|---------------------|-------|
| Footpath            | 100%  |
| Vegetation          | 78%   |
| Vehicle Crossing    |       |
| Nature Strip        |       |
| Signage             |       |
| Pram Crossing       |       |
| Kerb & Channel      |       |
| Drainage Structures |       |

Proportion of defects actioned within prescribed response times

| Defect Category     | Score |
|---------------------|-------|
| Footpath            | 95%   |
| Vegetation          | 100%  |
| Vehicle Crossing    |       |
| Nature Strip        |       |
| Signage             |       |
| Pram Crossing       |       |
| Kerb & Channel      |       |
| Drainage Structures |       |

**Comments**

Of the 30 items recorded as requiring action, 2 remain outstanding. Both of these relate to street trees. Officers are following up as to the status of these two action items. Of the 28 defects addressed, 96% were completed to meet the nominated response times.

**Overall Comments**

A satisfactory level of compliance has been achieved in the management of Council's footpath assets this quarter.

**INFRASTRUCTURE DEPARTMENT**  
Mission: To effectively manage infrastructure and provide Best Value community services.

**Asset Inspection Regime - Footpaths**

| Asset Class | Hierarchy          | Inspection Type, Frequency & Responsibility |                     |               |                           |
|-------------|--------------------|---------------------------------------------|---------------------|---------------|---------------------------|
|             |                    | Routine                                     | Relevant Department | Condition     | Relevant Department       |
| Footpath    | High Risk Area     | 6 months                                    | Cosworks            | 2 years       | Infrastructure & Services |
|             | Standard Risk Area | 12 months                                   | Cosworks            | 2 years       | Infrastructure & Services |
|             | Low Risk Area      | Request Inspection                          | Cosworks            | No Inspection | Not Applicable            |

**Inspection Definitions**

**Routine Inspections**

Inspections undertaken in accordance with the formal inspection schedule to determine if road asset complies with the levels of service as specified by the Maintenance Performance Criteria.

Identified defects are rated against the standards adopted for routine maintenance works on the asset. These performance standards indicate the magnitude of the undesirable condition for each defect requiring remedial action.

A record of each street/road is completed detailing the name of the inspector, the inspection date, time, road name/asset description and report of any defects found that are at the 'tolerable' defects level as defined by Council's Maintenance Performance Criteria.

In addition, a notation is recorded of any road/asset inspected where no defect was apparent under the specific rigour of the inspection.

**Condition Inspections**

Condition inspections are undertaken specifically to identify deficiencies in the structural integrity of the various components of the road infrastructure that if untreated, are likely to adversely affect network values. The deficiencies may well impact on short-term serviceability as well as the ability of the component to continue to perform at the level of service for the duration of its intended useful life.

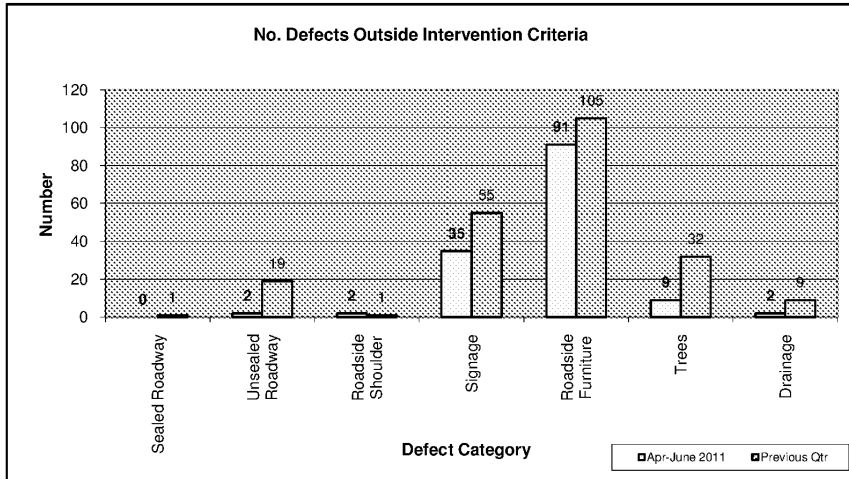
The condition inspection process must also meet the requirements for accounting regulations and asset management.

Regular or periodic assessment, measurement and interpretation of the resulting condition data is required so as to determine the need for any preventive or remedial action and is used in the development of relevant programs of rehabilitation or renewal works.

**INFRASTRUCTURE DEPARTMENT**  
 Mission: To effectively manage infrastructure and provide Best Value community services.

| <b>Road Management Plan Compliance Report</b> |                               |
|-----------------------------------------------|-------------------------------|
| <b>Asset Category:</b>                        | Roads                         |
| <b>Reporting for the Period:</b>              | 4th Quarter (Apr - June 2011) |
| <b>Inspections Completed By:</b>              | Kevin O'Gorman                |
| <b>Report Prepared By:</b>                    | Adam Lehmann                  |

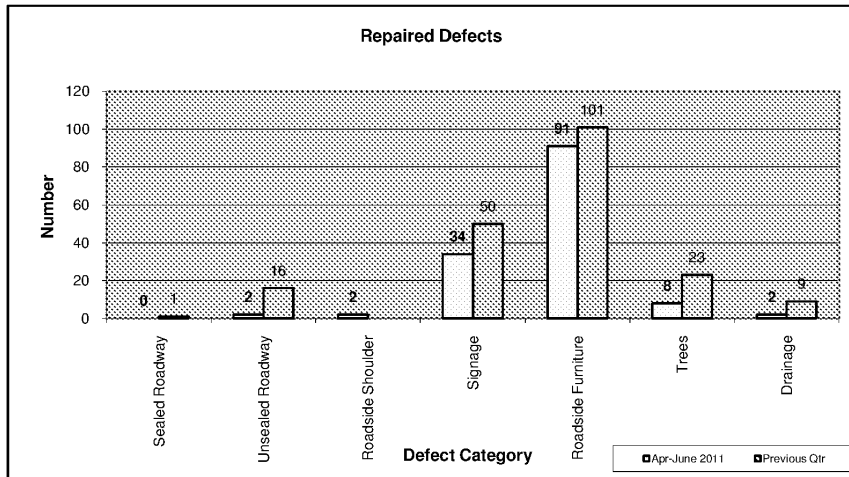
**No. of Defects Identified - Outside Intervention**



**Comments**

Approximately 640-km of Council's local roads were inspected during the period April - June 2011. This included Rural Link Roads, Rural and Urban Collector Roads and access road contained in smaller townships incorporating, Forrest, Beeac, Birregurra, etc.

**No. of Defects Repaired - Outside Intervention**



**Comments**

A total of 141 defects relating to road assets were recorded during the inspection period. Given the areas included under this quarters routine inspection programme, the majority of defects identified related to damaged or missing guideposts or signs. These defects related to approx. 90% of the overall number of items identified as requiring attention.

**INFRASTRUCTURE DEPARTMENT**

Mission: To effectively manage infrastructure and provide Best Value community services.

**Inspection Performance Summary**

Proportion of routine inspections completed for Period to meet prescribed frequencies

| Hierarchy |            | Name            | Score |
|-----------|------------|-----------------|-------|
| Network   | Identifier |                 |       |
| Rural     | RL         | Rural Link      | 100%  |
|           | RC         | Rural Collector | 100%  |
|           | RA         | Rural Access    | 100%  |
| Urban     | UL         | Urban Link      | N/A   |
|           | UC         | Urban Collector | 100%  |
|           | UA         | Urban Access    | 100%  |

**Comments**

All routine inspections were completed as scheduled.

**Maintenance Performance Summary**

Proportion of reported defects that have been actioned

| Defect Category    | Score |
|--------------------|-------|
| Sealed Roadway     |       |
| Unsealed Roadway   | 100%  |
| Roadside Shoulder  | 100%  |
| Signage            | 97%   |
| Roadside Furniture | 100%  |
| Trees              | 89%   |
| Drainage           | 100%  |

Proportion of defects actioned within prescribed response times

| Defect Category    | Score |
|--------------------|-------|
| Drainage           | 100%  |
| Roadside Furniture | 100%  |
| Sealed Roadway     |       |
| Signage            | 88%   |
| Trees              | 75%   |
| Unsealed Roadway   | 50%   |
| Roadside Shoulder  | 100%  |

**Comments**

Of the 141 action items recorded, 139 have been completed. 95% of the defects repaired were actioned within the required response times. Council target for this as nominated within the Road Management Plan is 85%. Of the two (2) items outstanding, one relates to signage, which is on order, the other related to roadside trees which has been rectified as at the time of preparing this report.

**Overall Comments**

This quarters compliance results are consistent with previous reporting periods and exceed the key performance indicators specified in Council's Road Management Plan.



**INFRASTRUCTURE DEPARTMENT**  
Mission: To effectively manage infrastructure and provide Best Value community services.

**Asset Inspection Regime - Roads (Current)**

| Asset Class                                                       | Hierarchy       | Inspection Type, Frequency & Responsibility |                     |           |                              |
|-------------------------------------------------------------------|-----------------|---------------------------------------------|---------------------|-----------|------------------------------|
|                                                                   |                 | Frequency                                   | Relevant Department | Frequency | 3rd Quarter (Jan - Mar 2011) |
| <b>Urban Road Network</b><br>* Includes sealed and unsealed roads | Urban Link      | Not Applicable                              | Cosworks            | 3 years   | Infrastructure & Services    |
|                                                                   | Urban Collector | 4 months                                    | Cosworks            | 3 years   | Infrastructure & Services    |
|                                                                   | Urban Access    | 6 months                                    | Cosworks            | 3 years   | Infrastructure & Services    |
|                                                                   | Urban Minor     | 2 years                                     | Cosworks            | 3 years   | Infrastructure & Services    |
| <b>Rural Road Network</b><br>* Includes sealed and unsealed roads | Rural Link      | 3 months                                    | Cosworks            | 3 years   | Infrastructure & Services    |
|                                                                   | Rural Collector | 4 months                                    | Cosworks            | 3 years   | Infrastructure & Services    |
|                                                                   | Rural Access    | 12 months                                   | Cosworks            | 3 years   | Infrastructure & Services    |
|                                                                   | Rural Minor     | 3 years                                     | Cosworks            | 3 years   | Infrastructure & Services    |

**Inspection Definitions**

**Routine Inspections**

Inspections undertaken in accordance with the formal inspection schedule to determine if road asset complies with the levels of service as specified by the Maintenance Performance Criteria.

Identified defects are rated against the standards adopted for routine maintenance works on the asset. These performance standards indicate the magnitude of the undesirable condition for each defect requiring remedial action.

A record of each street/road is completed detailing the name of the inspector, the inspection date, time, road name/asset description and report of any defects found that are at the 'tolerable' defects level as defined by Council's Maintenance Performance Criteria.

In addition, a notation is recorded of any road/asset inspected where no defect was apparent under the specific rigour of the inspection.

**Condition Inspections**

Condition inspections are undertaken specifically to identify deficiencies in the structural integrity of the various components of the road infrastructure that if untreated, are likely to adversely affect network values. The deficiencies may well impact on short-term serviceability as well as the ability of the component to continue to perform at the level of service for the duration of its intended useful life.

The condition inspection process must also meet the requirements for accounting regulations and asset management.

Regular or periodic assessment, measurement and interpretation of the resulting condition data is required so as to determine the need for any preventive or remedial action and is used in the development of relevant programs of rehabilitation or renewal works.

**OM112610-12      STRUCTURAL ASSESSMENT OF COUNCIL BRIDGES**

|             |                           |           |            |
|-------------|---------------------------|-----------|------------|
| AUTHOR:     | Adam Lehmann              | ENDORSED: | Neil Allen |
| DEPARTMENT: | Infrastructure & Services | FILE REF: | 11/96960   |

**Purpose**

The purpose of this report is to seek Council endorsement to apply load limits to a number of bridges located on the municipal public road network.

**Declaration of Interests**

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

**Background**

Council at its meeting of 24 August 2011 considered a proposal to apply load limits to a number of bridges across the local public road network in response to the recommendations arising from recent structural assessments.

Council has previously appointed a structural engineering consultant to undertake testing of bridges. The proposed load limits are as a direct result of that consultants report. The proposed load limits are as follows:

| Bridge No. | Road Name                | Load Limit |
|------------|--------------------------|------------|
| CS053      | Daffys Lane              | 13 tonnes  |
| CS074      | Skenes Creek Valley Road | 16 tonnes  |
| CS059      | Watsons Access           | 5 tonnes   |

**Council Plan / Other Strategies / Policy****Physical Infrastructure and Assets**

Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.

**Issues / Options**

There are a number of options available in responding to the recommendations extending from the testing of the nominated structures. These are:

- Close each of the bridges to all public traffic.
- Maintain existing use and not apply load limits.
- Impose load limits consistent with the consulting engineer's recommendations until such time that structural repairs can be undertaken.

**1. Close Bridges to Public Traffic**

Based on the outcomes of the structural assessments and noting their condition, the option to close each of the identified bridges to all general traffic is available to Council. However, the condition of the bridges is not so severe that they need immediate closure. The implementation of this option is not in Council's best interest due to the likely detrimental impacts to both accessibility and ongoing service provision to the local community.

## 2. Maintain Existing Use

Council has the option not to apply load limits to these bridges. Imposing load limits has the potential to severely restrict the type of vehicles that can access a bridge. The majority of the bridges assessed provide direct access to rural properties and any limits imposed over an extended period of time may impede farming operations or other land use needs. However, Council has an obligation to provide a safe road network to its community and to provide a responsible approach to managing the bridge.

Now that Council is aware of the issues with each of the aforementioned bridges, it may be liable if it does not act in a reasonable manner should there be an accident which results in property damage, personal injury, or in extreme circumstances, death.

In addition, Council may have difficulty in obtaining insurance coverage for any accident where it has knowledge of a problem and has failed to act. Indeed Council's insurance policy requires that it takes action in a reasonable manner.

## 3. Application of Load Limits

In order to mitigate any risk potential it is prudent that load limits be applied to each of the nominated structures until such time that major rehabilitation works can be completed to ensure that they are in a safe condition. It is acknowledged that this may cause some impediments to abutting landowners and the community but it is the preferred option in order to reduce risk to road users.

Rehabilitation works on the structures will be prioritised within Council's annual bridge renewal program and Council officers will work with community representatives to minimise the impact where possible.

### **Proposal**

It is intended to seek a Council resolution in order to apply the previously nominated load limits after the Council has taken into consideration the submission received and heard.

Upon any resolution, appropriate signage will be installed at each bridge detailing the restrictions in effect. This will be inclusive of any advance warning signs where required. Alternative routes will be nominated where available.

### **Financial and Other Resource Implications**

Major restoration or replacement works to the Daffys Lane, Skenes Creek Valley Road, and Watsons Access bridges will need to be included on Council's Bridge Renewal Programme.

Project priority within this programme is assessed based on a number of key factors which include:

- Road Hierarchy
- Bridge Condition
- Structural Capacity
- Existing Traffic volumes
- Roads importance to industry, tourism, and commuters
- Urgency of remedial works
- Risk or Criticality

Scoring of these criteria provides an overall priority which guides the development of Council's bridge works programme. The Daffys Lane, Skenes Creek Valley Road, and Watsons Access bridges will be assessed using the above methodology to determine the

timing of required works. Concept estimates for these works will also be prepared to determine future funding needs.

It has been assessed that, over the next five (5) years, Council will be required to invest approximately \$5.0M in capital expenditure to address the condition of those structures which now have load limits imposed. This level of expenditure is required to bring these bridges up to current vehicle loading demands. Over the same period it has been estimated that Council can afford to commit in the order of \$1.4M for the renewal and improvement of its bridges leaving a funding gap of \$3.6M.

Advice has been received from VicRoads in regards to the Victorian Government's Country Roads and Bridges Initiative. This funding program has been developed to achieve an improvement in the maintenance, preservation, and restoration of roads and bridges in rural Victoria.

\$160M has been committed to this program, under which each of the forty (40) eligible Councils, of which Colac Otway is one, may seek up to \$1M per annum for the next four (4) years.

\$475,000 of Council's allocation from the Country Roads and Bridges Initiative has been dedicated to the replacement of J Barrys Road Bridge in 2011/12. It is intended to use allocations of this fund in future years specifically for major bridge works which Council would not normally be required to finance from its own sources.

In addition to this, other funding opportunities may exist which may be supplemented by Council's resources and other committed external funding sources such as Roads to Recovery, Better Roads and the Country Roads and Bridges Initiative to bring forward the timing of required bridge upgrade works. This may include the Fire Access Road Subsidy which has been used previously to upgrade some bridges to cater for firefighting apparatus to support strategic emergency management capabilities.

### **Risk Management & Compliance Issues**

Council must take reasonable actions as it becomes aware of potential liabilities. In this case, Council must undertake one of the following:

- Impose load limits on each of the bridges in accordance with the recommendations of the structural engineer's report and as previously presented to Council at its meeting of 24 August 2011.
- Repair the bridges identified to increase the structural capacity.
- Close the bridges to all public traffic.
- Undertake a combination of the above mitigation strategies.

Given that Council is now aware of the condition of the three (3) bridges indicated, it has an obligation to take appropriate action to ensure that it minimises risk to both itself and the community.

### **Environmental and Climate Change Considerations**

No environmental considerations are applicable at this time.

### **Community Engagement**

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

Prior to Council imposing a load limit on a road or bridge it is required to consult with all interested parties including abutting landowners, utility companies, emergency services, etc. Any submissions received are required to be considered in accordance with section 223 of the *Local Government Act 1989*.

To facilitate this consultation process notices advising of Council's intentions were sent to all identified key stakeholders. Council's intention to apply the recommended load limits bridges was also published in the Colac Herald.

At the close of the submission period, Council had received one (1) submission in relation to the proposal to load limit the nominated bridges and the submitter subsequently requested that they be heard in support of their submission. A Special Council meeting was held on 12 October 2011 to consider the submission received and heard from the party providing feedback. A summary of this submission and Council's response to the issues raised is provided as an attachment to this report.

The Special Council meeting of 12 October 2011 resolved that a further report be provided to Council in relation to the proposed load limits.

The issues highlighted in the submission received from the owner of 320 Old Ocean Road, Glenaire related to the negative impacts that imposing a load limit on the Watsons Access Bridge will have on routine farming operations. This particularly relates to access by heavy vehicles of differing configurations involved in the delivery of fuel, fertilisers, feedstock, etc. The gross mass of these vehicles are generally well in excess of the proposed load limit of 5 tonnes. The party presenting before Council indicated an objection to the implementation of the proposed load limit on Watsons Access Bridge citing the hardship that it would cause.

Background information was also provided in relation to the construction history of the bridge including details of previous maintenance works undertaken to preserve the serviceability of the bridge. In the period since Council advertised its intention to post a load limit on Watsons Access Bridge, Cosworks, in conjunction with the owner of 320 Old Ocean Road, has undertaken some structural repairs. This has included; replacement of a deck beam to the western abutment; replacement of the timber cross head to the eastern abutment with a steel c-section incorporating a timber insert; replacement of a small number of deck planks; and tightening of deck bolts.

While this work is acknowledged, issues with major structural elements remain. These problems relate to the condition of the corbels over the existing cross heads to two central piers. The report commissioned for this bridge indicates that the corbels are in poor condition and require immediate attention. A remedial plan has been developed to install cross beams over the existing cross heads at each pier. This will have the effect of transferring load directly to the piles. Although implementation of this plan is scheduled for the near future it is unknown as to the improvement that this will make in terms of the bridges overall load carrying capacity. On that basis it is recommended that Council proceed with the load limiting of Watsons Access Bridge in keeping with the findings of the structural report for this bridge. Council has a responsibility under the *Road Management Act 2004* to impose this load limit for community safety and to fail to do so would leave Council liable in the event of an accident, injury, or under extreme circumstances, death.

Council faces a wide range of challenges and demands in managing the community's vast portfolio of infrastructure. It is often required to implement appropriate management responses to ensure that the community is not exposed to an unnecessary level of risk. It is acknowledged that interventions of this nature may in some instances disadvantage the local community if implemented for an extended period of time.

In order to mitigate the physical impediments that load limiting Watsons Access Bridge to 5 tonnes will create, Council may issue permits for vehicles to use this bridge in excess of the legal load limit. This is based on the advice from Council's consultant but would be subject to further engineering assessment for vehicles of differing axle configurations and would only be issued if alternatives could not be made to comply with the posted load limit. Such permits have been issued for other load limited structures previously, particularly to emergency vehicles, and require that the permit holder observe a number of conditions relating to vehicle speeds and number of trips.

Council has actively promoted the issues relating to the failing condition of its timber bridges and the direct impacts that this will potentially have on the local community and local industry's ability to remain regionally and internationally competitive. The Council has been instrumental in raising the profile of this looming funding dilemma through such forums as the Australian Regional Roads Group (ARRG), and via opportunities to meet with State and Federal Ministers.

### **Implementation**

Following Council's hearing of submissions it is the recommendation to apply load limits to the following bridges:

| <b>Bridge No.</b> | <b>Road Name</b>         | <b>Load Limit</b> |
|-------------------|--------------------------|-------------------|
| CS053             | Daffys Lane              | 13 tonnes         |
| CS074             | Skenes Creek Valley Road | 16 tonnes         |
| CS059             | Watsons Access           | 5 tonnes          |

### **Conclusion**

Council has a number of ageing bridge assets which require significant funding to maintain in a serviceable manner. Good asset and risk management practices include having a detailed knowledge of the condition of Council's varying types of infrastructure. Such information supports strategic decision making to ensure against failure to critical assets and to mitigate the impacts of such failure on service delivery.

Council's ongoing bridge inspection program provides for the assessment of overall structural condition and to prioritise future bridge rehabilitation programs. Where in some instances it is not possible to address structural issues, imposing load limits on certain bridges is an appropriate management response for the purposes of ensuring public safety.

As a result of recently completed testing it has been recommended that load limits be applied to all of the bridges listed previously in order to preserve their useful life and to manage the risks associated with their condition.

### **Attachments**

1. Summary of Submission and Council Response

**Recommendation(s)**

***That Council:***

1. ***Resolves to implement the following load limits***

| <b><u>Bridge No.</u></b> | <b><u>Road Name</u></b>         | <b><u>Load Limit</u></b> |
|--------------------------|---------------------------------|--------------------------|
| <b>CS053</b>             | <b>Daffys Lane</b>              | <b>13 tonnes</b>         |
| <b>CS074</b>             | <b>Skenes Creek Valley Road</b> | <b>16 tonnes</b>         |
| <b>CS059</b>             | <b>Watsons Access</b>           | <b>5 tonnes</b>          |

2. ***Provides a written response to all those parties who provided formal feedback through the public consultation process.***
  
3. ***Refers the work to rehabilitate each of the structures to Council's Long Term Capital Works and Major Projects Program for detailed costing and prioritisation within the relevant programs.***

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STRUCTURAL ASSESSMENT OF COUNCIL BRIDGES – Responses received October 2011

| Item | Name | Address | Comments | Council Response |
|------|-------------|----------------------------------|--|--|
| 1. | Doug Watson | 320 Old Ocean Road GLENAIRE 3238 | <p>I am the owner of Crown Allotment 30A being on the north side of the river and object to the 5 tonne load limit on the bridge as this would make it hard to farm.</p> <p><u>Outcomes of Hearing – 12 October 2011</u></p> <p>The issues highlighted in the submission received from the owner of 320 Old Ocean Road, Glenaire related to the negative impacts that imposing a load limit on the Watsons Access Bridge will have on routine farming operations. This particularly relates to access by heavy vehicles of differing configurations involved in the delivery of fuel, fertilisers, feedstock, etc. The gross mass of these vehicles are generally well in excess of the proposed load limit of 5 tonnes. The party presenting before Council indicated an objection to the implementation of the proposed load limit on Watsons Access Bridge citing the hardship that it would cause.</p> <p>Background was information was also provided in relation to the construction history of the bridge including details of previous maintenance works undertaken to preserve the serviceability of the bridge. In the period since Council advertised its intention to post a load limit on Watsons Access Bridge, Cosworks, in conjunction with the owner of 320 Old Ocean Road, has undertaken some structural repairs. This has included; replacement of a deck beam to the western abutment; replacement of the timber cross head to the eastern abutment with a steel c-section incorporating a timber insert; replacement of a small number of deck planks; and tightening of deck bolts.</p> | <p>The condition of the bridge has been assessed as needing a load limit to ensure the ongoing structural integrity of the bridge and available use for the community. Council has a responsibility under the <i>Road Management Act 2004</i> to impose this load limit for community safety and to fail to do so would leave Council liable in the event of an accident, injury or death.</p> <p>Council faces a wide range of challenges and demands in managing the community's vast portfolio of infrastructure. It is often required to implement appropriate management responses to ensure that the community is not exposed to an unnecessary level of risk. It is acknowledged that interventions of this nature may in some instances disadvantage the local community.</p> <p>Some major repair works have recently been undertaken by Cosworks' Bridge Maintenance crew in order to strengthen this bridge. While this work is acknowledged, issues with major structural elements remain. These problems relate to the condition of the corbels over the existing cross heads to two central piers. The report commissioned for this bridge indicates that the corbels are in poor condition and require immediate attention. On that basis it is recommended that Council proceed with the load limiting of Watsons Access Bridge in keeping with the findings of the structural report for this bridge.</p> <p>Permits are able to be issued under certain conditions to address landowner concerns, until such time as the bridge is upgraded.</p> |

CONSENT CALENDAR**OFFICERS' REPORT**

D = Discussion

W = Withdrawal

| ITEM | D | W |
|---|---|---|
| <p><u>SUSTAINABLE PLANNING AND DEVELOPMENT</u></p> <p><u>OM112610-13 COMMUNITY REFERENCE GROUP - BIRREGURRA STRUCTURE PLAN AND NEIGHBOURHOOD CHARACTER STUDY</u></p> <p>Department: Sustainable Planning and Development</p> <p><u>Recommendation(s)</u></p> <p><i>That Council endorses the addition of Fiona Brandschild and Vicki Jeffrey to membership of the Birregurra Structure Plan and Neighbourhood Character Study Community Reference Group.</i></p> | | |
| <p><u>OM112610-14 PROPOSED PLANNING SCHEME AMENDMENT C65</u></p> <p>Department: Sustainable Planning and Development</p> <p><u>Recommendation(s)</u></p> <p><i>That Council resolves to request authorisation from the Minister for Planning to prepare and exhibit an amendment to:</i></p> <ol style="list-style-type: none"> <i>1. Rezone land at 490 Princes Highway, Colac West from the Farming Zone to the Rural Activity Zone.</i> <i>2. Rezone land at 494-498 Princes Highway, Colac West from the Farming Zone to the Rural Activity Zone.</i> <i>3. Rezone land at 10 Flaxmill Road, Colac East from the Farming Zone to the Rural Activity Zone.</i> <i>4. Remove Schedule 7 to the Design and Development Overlay from land bound by Cawood Street, Great Ocean Road, Murray Street and McLachlan Street and apply Schedule 6 to the Design and Development Overlay to this land.</i> <i>5. Amend wording of Schedule 7 of the Design and Development Overlay (DDO7) to reinforce design objectives.</i> <i>6. Amend wording of Clause 43.01 Schedule to the Heritage Overlay to make minor administrative corrections.</i> | | |

| | | |
|--|--|--|
| <p>7. Amend wording of Clause 43.05 Schedule to the Neighbourhood Character Overlay to make minor administrative corrections.</p> | | |
| <p><u>OM112610-15 G21 REGIONAL GROWTH PLAN UPDATE - PHASE 2: GROWTH SCENARIOS AND PRINCIPLES</u></p> <p>Department: Sustainable Planning and Development</p> <p><u>Recommendation(s)</u></p> <p><i>That Council:</i></p> <ol style="list-style-type: none"> <i>1. Notes the Draft Principles and Scenarios for Growth that have been developed after targeted consultation during the first stage of engagement.</i> <i>2. Notes that Stage 2 of the engagement process will occur over November and December 2011.</i> | | |

Recommendation

That recommendations to items listed in the Consent Calendar, with the exception of items, be adopted.

MOVED

SECONDED

OM112610-13

**COMMUNITY REFERENCE GROUP - BIRREGURRA
STRUCTURE PLAN AND NEIGHBOURHOOD CHARACTER
STUDY**

| | | | |
|-------------|---------------------------------------|-----------|------------|
| AUTHOR: | Don Lewis | ENDORSED: | Jack Green |
| DEPARTMENT: | Sustainable Planning
& Development | FILE REF: | F11/1800 |

Purpose

To seek Council's support to fill a vacancy that has arisen in the Birregurra Structure Plan and Neighbourhood Character Study Community Reference Group.

Declaration of Interests

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

Background

As a result of Council's decision to extend the Birregurra Structure Plan project in December 2010, a Community Reference Group (CRG) was appointed comprising eleven persons. The membership of the CRG was confirmed by Council at its February meeting. One member of the CRG, Rosemary Crossley, declined to take up her position and the group has subsequently operated one member short since its inception. In declining this position, Ms Crossley advised officers that she had not intended to apply for membership of the CRG, but had simply been expressing her interest in the project.

At a recent meeting of the CRG, it was suggested that the vacant position should be filled and preferably by a female candidate to address a gender balance in the group (currently nine men and one woman).

**Council Plan / Other Strategies / Policy
Land Use and Development**

Council will engage, plan and make decisions about land use and development that takes into account the regulatory role of Council, its diverse geography, social, community, economic and environmental impacts for current and future generations.

Issues / Options

The Birregurra Structure Plan and Neighbourhood Character Study projects have generated great interest in the community and the appointment of the CRG is an important way of ensuring all community views are heard through the process of both projects. The CRG has met three times since it was established in February 2011 and further meetings will take place through to late 2012 when both projects are expected to be completed for Council consideration.

Of the original nominees considered by Council, three women who were not selected are eligible for the CRG. Two of these live locally, and the third is a non-permanent resident. Following consultation with Councillors it has been agreed to recommend these two persons given there is already representation on the group from land owners outside of Birregurra. It is therefore recommended that Fiona Brandschild and Vicki Jeffrey be appointed to fill the vacant CRG position.

There are three (3) options available to Council:

1. Endorse the recommended candidates.
2. Not to endorse any candidates and continue the CRG with the existing ten members.
3. Endorse all three female candidates.
4. Readvertise seeking additional nominations to the CRG.

The first option is preferred and is a simple process of selecting a candidate from an already established list which was developed following an extensive advertising process. Whilst two members are recommended to fill one position, there is no disadvantage to appointing both local female candidates who were unsuccessful in the original appointment process.

The second option does not respond to the opportunity to fill the vacancy and respond to concerns about gender balance in the group.

The fourth option is unwarranted given the ability to select members from the original shortlist. Further advertising for positions would delay the projects.

Proposal

It is proposed that Council endorse the addition of two persons to membership of the CRG for the Birregurra Structure Plan and Neighbourhood Character Study projects.

Financial and Other Resource Implications

No budget implications will occur by appointing additional CRG members already shortlisted from the February 2011 resolution. Additional funding for the extension of the Birregurra Structure Plan and commencement of the Neighbourhood Character Study was approved in the 2011/12 budget.

Risk Management & Compliance Issues

There is a risk that persons unsuccessful will be disappointed in not being appointed to the reference group.

Environmental and Climate Change Considerations

There are no environmental implications arising from this proposal.

Community Engagement

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement Policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

The method selected for this project has been inform, consult and involve. The CRG has an important role to provide on-going feedback into the projects.

Implementation

If Council resolves to endorse the preferred recommendation, the successful candidates will be sent a letter confirming their appointment.

Conclusion

The CRG has been functioning with one member less than was initially endorsed by Council. At its recent meeting the group supported this vacancy being filled by a woman from the original nominated list. Two unsuccessful female candidates have been recommended to fill the vacant position.

Attachments

Nil

Recommendation(s)

That Council endorses the addition of Fiona Brandschild and Vicki Jeffrey to membership of the Birregurra Structure Plan and Neighbourhood Character Study Community Reference Group.

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**OM112610-14****PROPOSED PLANNING SCHEME AMENDMENT C65**

|             |                                    |           |            |
|-------------|------------------------------------|-----------|------------|
| AUTHOR:     | Daniel Pech                        | ENDORSED: | Jack Green |
| DEPARTMENT: | Sustainable Planning & Development | FILE REF: | F11/3115   |

**Purpose**

To seek a resolution from Council to request the Minister for Planning to authorise the preparation and exhibition of an amendment to the Colac Otway Planning Scheme. The proposed amendment includes changes recommended by the Amendment C55 Panel Report, changes to Schedule 7 of the Design and Development Overlay (DDO7), and minor administrative corrections to Clauses 43.01 Schedule to the Heritage Overlay and 43.05 Schedule to the Neighbourhood Character Overlay of the Scheme.

**Declaration of Interests**

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

**Background**

Planning Scheme Amendment C55 was gazetted in 2009 and introduced a new Local Planning Policy Framework together with a range of zoning and overlay changes. A large number of issues were raised through the submissions to the Planning Panel during the hearing process. The Panel recommended adoption of the Amendment subject to a number of specific changes which were included as part of the C55 Amendment. The Panel also suggested some minor additional changes be made that would require no further strategic justification, but as notification would be required for these changes it was considered appropriate to implement these through a separate amendment process.

A report was presented to Council on 28 October 2008 outlining recommendations made by the Panel to be included in a separate 'follow-on' amendment. Officers have conducted a review of the Panel's recommendations and have identified three of these recommendations suitable for immediate implementation through Planning Scheme Amendment C65, relating to the following sites:

- 490 and 494-498 Princes Highway, Colac West (see **Attachment 1**)
- 10 Flaxmill Road, Colac (see **Attachment 2**)
- Land bounded by Cawood Street, Great Ocean Road, Murray Street and McLachlan Street in Apollo Bay (see **Attachment 3**)

Amendment C65 also includes additional changes to the Planning Scheme concerning the operation of Schedule 7 to the Design and Development Overlay (DDO7) in parts of Apollo Bay (see **Attachment 4**). The DDO7 was introduced together with a suite of other Design and Development Overlays for commercial and residential areas in 2009 through Amendment C55. The original intention of DDO7 was to include permit triggers and decision guidelines in the Planning Scheme for:

- Mandatory and preferred maximum building heights
- Detailed guidelines for built form
- Appropriate minimum lot sizes

These controls are required to provide planning policy support for the preferred character statements for the low density precincts arising from the Apollo Bay Structure Plan (ABSP) and Neighbourhood Character Study (NCS). Whilst the objectives of the DDO7 are being met for the most part, planning permit application refusals for subdivision and new dwellings based on the decision guidelines are being successfully challenged through VCAT. This situation has arisen due to inconsistencies between the permit requirements and the intent of the DDO7, which is to encourage a form of development that is site responsive to the low scale and low density character of the outlying areas of Apollo Bay and Marengo. As a result, the DDO7 is allowing a higher density of subdivisions than is desirable in Apollo Bay. Changes to the planning scheme are required to provide more robust and defensible planning controls to achieve the preferred character objectives identified in the Apollo Bay Structure Plan and Neighbourhood Character Study.

Anomalies have also been identified within Clause 43.01 Schedule to the Heritage Overlay (HO) and Clause 43.05 Schedule to the Neighbourhood Character Overlay (NCO) which require correction. These are policy neutral corrections which will have little bearing on planning or land use matters. More specifically, Clause 43.05 Schedule to the NCO wrongly references Clauses 21.94s13, 21.04s14, 21.04s15 as the location of the neighbourhood character statements for Kennett River, Skenes Creek, Wye River and Separation Creek. An alteration to this clause is required to correctly identify Clause 21.03 as the location of these neighbourhood character statements. A change is also required to the table found in Clause 43.01 Schedule to the HO in order to change a reference to Clause 43.01-4 to identify the correct clause, Clause 43.01-1.

For these reasons, a planning scheme amendment is required to:

- Implement select recommendations from the C55 Amendment Panel which require no further review.
- Make changes to the DDO7 to address issues that have arisen from an internal operational review.
- Make administrative corrections to Clause 43.01 Schedule to the Heritage Overlay and Clause 43.05 Schedule to the Neighbourhood Character Overlay.

### **Council Plan / Other Strategies / Policy**

#### **Land Use and Development**

Council will engage, plan and make decisions about land use and development that takes into account the regulatory role of Council, its diverse geography, social, community, economic and environmental impacts for current and future generations.

In making the proposed changes the amendment supports the action in this section to: *“Regularly update and improve the Colac Otway Planning Scheme through Planning Scheme amendments”*.

The proposed amendment also implements items for review identified in the *Colac Otway Planning Scheme Review Report (October 2010)*.

#### **Issues**

The following is a summary of the issues relevant to each of the proposed changes:

##### 490 Princes Highway, Colac West

- Land at 490 Princes Highway, Colac West has been used as a cabin and caravan park since prior to 1990 where Council records show that the premises was registered under the *Food Act 1984*.

- The property currently operates as a “Camping and Caravan Park” under ‘existing use rights’.
- Rezoning of 490 Princes Highway, Colac West from the Farming Zone to the Rural Activity Zone is required as the current use of the site as a caravan park is a non conforming use in the Farming Zone and, while it has existing use rights, it should have the benefit of being in a zone that reflects its current use.

#### 494-498 Princes Highway, Colac West

- Land at 494-498 Princes Highway had been previously used as a “Service Station” up until November 2007 and for “Motor Repairs” until August 2008. These uses had been granted ‘existing use rights’ up until August 2010. As these uses did not recommence within the allocated time, owners of land at 494 Princes Highway have been unable to use their land for reasonable commercial purposes because of restrictions placed on the land by the application of the Farming Zone.
- Allowing orderly development of the site will also improve the visual amenity of the entry to Colac.
- The Rural Activity Zone (RAZ) provision would be compatible with nearby farming activities and the open broad landscape in Colac West.
- Rezoning of 494-498 Princes Hwy, Colac West from the Farming Zone to the Rural Activity Zone will enable the landholders to commence commercial operations permitted within the Rural Activity Zone.

#### 10 Flaxmill Road, Colac East

- The Uniting Church of Australia (UCA) purchased 10 Flaxmill Road, Colac East in 2006 and began to use it as a ‘Place of Assembly’. At the time of purchase the land was zoned Industrial 1, but was subsequently changed to the Farming Zone through Amendment C55 which restricts the site for use as a ‘Place of Assembly’ to ‘10 days in a calendar year’. The use of the property as a ‘Place of Assembly’ ceased at the time Amendment C55 was implemented on 13 September 2009.
- Rezoning 10 Flaxmill Road, Colac East from the Farming Zone to the Rural Activity Zone will enable the UCA to submit a planning permit application for the use of the property as a ‘Place of Assembly’ without the restrictions currently present in the Farming Zone.

#### Schedule 6 to the Design & Development Overlay (Apollo Bay)

- Land bound by Cawood Street, Great Ocean Road, Murray Street and McLachlan Street in Apollo Bay is currently displaying patterns of medium density development
- Of the 84 lots which contain private dwellings in the study area, approximately 39 lots have an area that is under the current minimum of 450m<sup>2</sup> required by DDO7.
- There are approximately 27 lots over 600m<sup>2</sup> in the study area which could potentially be subdivided given the minimum subdivision area of 300m<sup>2</sup> permissible by the DDO6.
- The application of DDO6 is required in order to recognise the existing pattern of medium-density development and to facilitate further medium-density development in the area.

#### Schedule 7 to the Design and Development Overlay (Apollo Bay & Marengo)

- Amendment C55 introduced the DDO7 into the Colac Otway Planning Scheme as part of a scheduled Planning Scheme and MSS Review.

- Whilst the objectives of the DDO7 are being met for the most part, planning permit application refusals for subdivision and new dwellings are being successfully challenged through VCAT.
- As a result, the DDO7 is allowing a higher density of subdivisions than is desirable in the outer areas of the Apollo Bay township.
- Changes to the DDO7 are required to more clearly demonstrate the preferred outcomes of the overlay and to create a more defensible and workable planning control to achieve the recommendations of the Apollo Bay and Marengo Neighbourhood Character Study Review (2003).

#### Administrative Corrections

- Clause 43.01 Schedule to the Heritage Overlay and Clause 43.05 Schedule to the Neighbourhood Character Overlay currently make erroneous references to Clauses to other parts of the planning scheme which have been removed or altered.

Council has the options of:

1. Preparing and exhibiting the amendment; or
2. Not proceeding with the amendment or parts of it.

#### **Proposal**

It is proposed that Council request authorisation from the Minister for Planning to prepare and exhibit Amendment C65 to the Colac Otway Planning Scheme.

#### **Financial and Other Resource Implications**

Amendment C65 will be undertaken in accordance with the operational budget for Strategic Planning.

#### **Risk Management & Compliance Issues**

There are few risk management issues arising from this report. As 494-498 Princes Highway, Colac West is known to have been used for industry, storage of chemicals and liquid fuels it may have a high or medium potential for contamination. Council has followed the statutory framework put in place to ensure effective consideration of contamination issues when rezoning potentially contaminated land.

Ministerial Direction No. 1 provides that in preparing an amendment which would have the effect of allowing (whether or not subject to the grant of a permit) potentially contaminated land to be used for a sensitive use, a planning authority must satisfy itself that the environmental conditions of that land are or will be suitable for that use.

The proposal to rezone land at 494-498 Princes Highway, Colac West will have some minor additional considerations for Council given that the rezoning will allow for a broader range of commercial uses to be assessed under a planning permit application.

The strengthening of the DDO7 provisions should increase the likelihood of Council decisions being supported at VCAT.

#### **Environmental and Climate Change Considerations**

As indicated previously, 494-498 Princes Highway, Colac West may have a high or medium potential for contamination. The *Environment Protection Act 1970* states that in the case a site has been known to have been potentially contaminated a 'Statement' or 'Certificate' of Environmental Audit will be required to accompany a planning permit application for any sensitive use of that site. In the event that the audit indicates that a site is not suitable for a proposed use, the EPA will issue a Notice to require clean up or management of that site.

Clause 15.06 states that in considering applications for use of land used or known to have been used for industry, mining or the storage of chemicals, gas, wastes or liquid fuel, responsible authorities should require applicants to provide adequate information on the potential for contamination to have adverse effects on the future land use. Additionally, Section 60 of the *Planning and Environment Act 1987* requires Council in its role as responsible authority in the determining of any planning permit application to consider, 'any significant effects which the responsible authority considers the use or development may have on the environment or which the responsible authority considers the environment may have on the use or development', before deciding on a planning permit application.

These requirements are part of the regular statutory framework for the assessment of planning permit applications and will not change as a result of the rezoning of land at 494 Princes Highway, Colac West.

### **Community Engagement**

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement Policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

The method selected would be consult. Submissions were received by Council for Amendment C55 and referred to a Planning Panel which deliberated on individual issues during the C55 Panel hearing. These submissions have led to a number of Panel recommendations, some of which have been included in the proposed amendment. Council Officers have regularly engaged with these submitters since the time the amendment was implemented into the Planning Scheme in 2009. In addition to this consultation, Council is also obliged to conform to the statutory requirements of the *Planning and Environment Act 1987*.

It is expected that formal exhibition of the amendment will occur sometime early in 2012. Council is required to make the amendment documentation available for public viewing at the Colac and Apollo Bay Customer Service Centres and the documents will also be available on DPCD's website. Exhibition of the amendment documents will continue for a period of no less than 6 weeks. Letters of notification will also be issued to affected landowners and more publicly through the Colac Herald and Apollo Bay News Sheet.

The exhibition period of the amendment provides the public with an opportunity to make submissions to Council in response to the changes proposed by the amendment. If the issues raised by submitters cannot be resolved, Council will request a Planning Panel be appointed by the Minister for Planning whereby submitters will have the opportunity to have their case heard by an independent panel.

### **Implementation**

The proposal will be implemented by submitting a request to the Minister for Planning to authorise the preparation and exhibition of Amendment C65 to the Colac Otway Planning Scheme.

### **Conclusion**

The amendment implements selected recommendations from the C55 Panel Report and recommendations arising from an internal operational review of the Colac Otway Planning Scheme. Landholders of properties related to the C55 Panel recommendations have eagerly anticipated these changes since the implementation of Amendment C55. This work also represents significant stakeholder investment into the strategic planning process. The proposed amendment recommendations have been supported by a Planning Panel and these decisions and recommendations made by the members of the Panel carry significant strategic weight.

**Attachments**

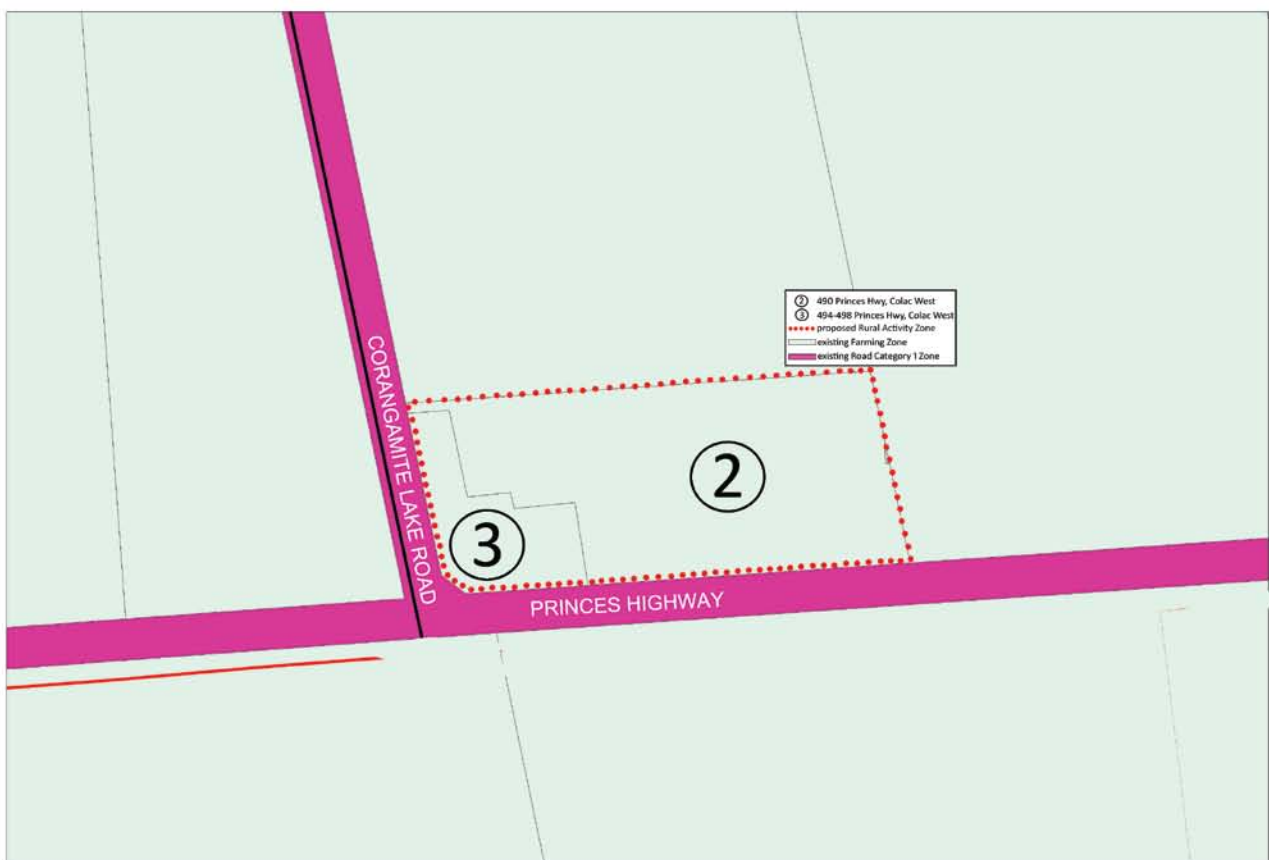
1. Zoning Map\_490 & 494-498 Princes Hwy, Colac East
2. Zoning Map\_10 Flaxmill Road, Colac East
3. Aerial Map\_DDO6 - Apollo Bay
4. Aerial Map\_DDO7 - Apollo Bay and Marengo

**Recommendation(s)**

***That Council resolves to request authorisation from the Minister for Planning to prepare and exhibit an amendment to:***

- 1. Rezone land at 490 Princes Highway, Colac West from the Farming Zone to the Rural Activity Zone.***
- 2. Rezone land at 494-498 Princes Highway, Colac West from the Farming Zone to the Rural Activity Zone.***
- 3. Rezone land at 10 Flaxmill Road, Colac East from the Farming Zone to the Rural Activity Zone.***
- 4. Remove Schedule 7 to the Design and Development Overlay from land bound by Cawood Street, Great Ocean Road, Murray Street and McLachlan Street and apply Schedule 6 to the Design and Development Overlay to this land.***
- 5. Amend wording of Schedule 7 of the Design and Development Overlay (DDO7) to reinforce design objectives.***
- 6. Amend wording of Clause 43.01 Schedule to the Heritage Overlay to make minor administrative corrections.***
- 7. Amend wording of Clause 43.05 Schedule to the Neighbourhood Character Overlay to make minor administrative corrections.***

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OM112610-15 G21 REGIONAL GROWTH PLAN UPDATE - PHASE 2: GROWTH SCENARIOS AND PRINCIPLES

| | | | |
|-------------|------------------------------------|-----------|------------|
| AUTHOR: | Doug McNeill | ENDORSED: | Jack Green |
| DEPARTMENT: | Sustainable Planning & Development | FILE REF: | F11/2194 |

Purpose

The purpose of this report is to update Council on the status of the G21 Regional Growth Plan.

Declaration of Interests

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

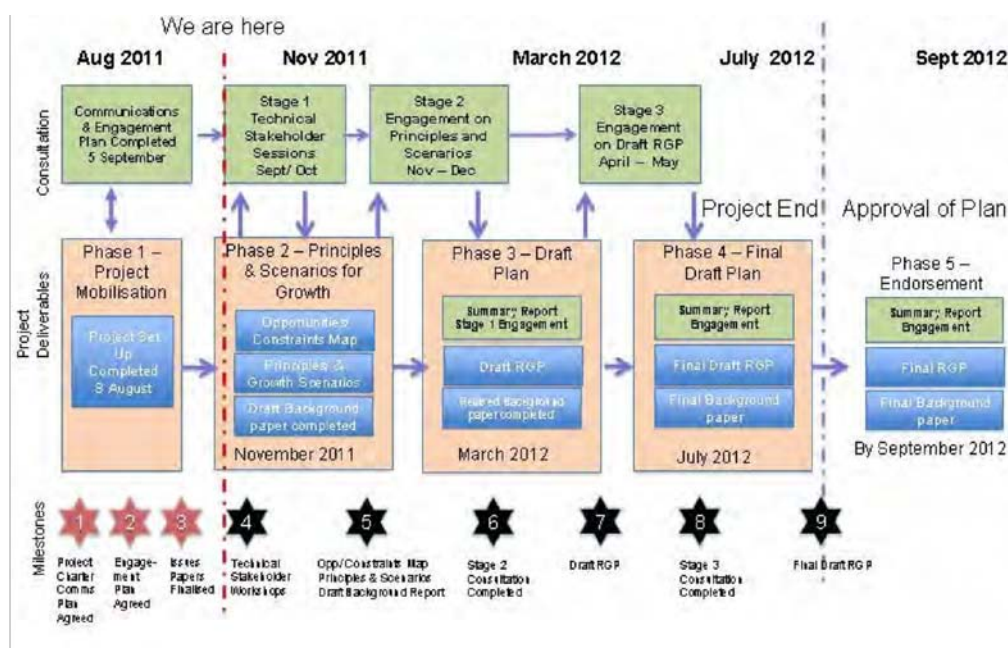
Background

The G21 Regional Growth Plan (RGP) is one of a number of Growth Plans being developed across the State.

The G21 RGP project is being managed by the G21 RGP Project Steering Group (PSG), a partnership of senior officers from the G21 councils, the Department of Planning and Community Development and State Departments and Agencies. A project management team is in place ensuring the project is delivered to the agreed timelines.

Council’s General Manager Sustainable Planning and Development represents Council on the PSG and the Manager Planning and Building is represented on the Technical Working Group. Council’s Strategic Planning Coordinator and other planning officers have also made significant contributions to the project.

The G21 RGP timeline diagram below identifies the four project phases and three engagement phases:



An update of the project progress was provided to Council at the August 2011 meeting. The project is now in Phase 2 incorporating the development of growth principles and scenarios for the region.

It is important to recognise that the above table already shows the stage that the project is currently at.

While there has been a significant amount of work already done by the project team supported by Council and State Government officers across the region, which includes assembling comprehensive information on all individual Council's existing strategic planning work, much still remains to be done as the project heads toward the July 2012 date which has been set for its completion.

Another important thing to remember when considering the scenarios is that they are intended to provide direction that is over and above the growth fronts that have already been identified in the Council's structure plan and other strategic work that already exists.

What is being presented in this report is a set of nine draft principles and three possible scenarios for growth in the region over time. These are not intended to be prescriptive and are simply to demonstrate to the regional community a variety of futures that could be pursued. They are meant to stimulate the community's imagination, provoke discussion and encourage everyone in all of our communities to think about how they would like this region to look and function in the future. It is quite possible that the Final Growth Plan will include elements of some of all of the scenarios, and community input to the scenarios may even introduce a different direction. It is envisaged that even when the G21 Growth Plan is complete, much of the actual growth directions that it will identify will not eventuate until up to 50 years or so in the future.

At the same time it will provide a strong foundation to guide our growth, recognising and providing direction for infrastructure provision, social amenity needs and employment opportunities that will support productive lives and a suitable and liveable region for our children and our children's children.

Council Plan / Other Strategies / Policy

Land Use and Development

Council will engage, plan and make decisions about land use and development that takes into account the regulatory role of Council, its diverse geography, social, community, economic and environmental impacts for current and future generations.

The Plan contains a strategy that Council will:

"Lead the community in responding to the current and long term sustainability challenges facing the municipality".

A specific action in the Plan to achieve this strategy is to:

"Pursue the development of a collaboratively developed Sustainable Population Strategy that takes into account the demographic, social, environment, economic, land use and leadership factors that make a great municipality. Participate in the G21 Regional Land Use Plan".

Council's existing local strategies relating to growth such as the Colac Structure Plan and Apollo Bay Structure Plan will be important inputs into the project.

Issues / Options

The G21 RGP project has completed the project mobilisation phase (Phase 1). Deliverables of this phase have included:

- Endorsement of the Revised Project Approach/ Project Charter and Project Plan
- Appointment of engagement consultants Kismet Forward and endorsement of the Engagement Strategy
- Development of background issues papers and a Technical Working Paper summarising the key issues
- Preparation of a 'givens' map identifying critical areas where future development cannot occur, can occur with tight controls, as well as identifying areas that are able to be developed.

The G21 Regional Growth Plan's Stage 1 engagement involved three technical workshops from the 20-22 September 2011 (two in Geelong and one in Colac). A total of 81 people participated across the workshops (not including the Project Management Team). Of these participants 20 were from State Government, 17 from Local Government, 14 from Community/Interest Group representatives, and 30 from Business/Group representatives.

The process undertaken in the workshops included:

- Review of the G21 Vision and 5 directions from the G21 Regional Strategy
- Using the 5 directions as the basis for developing principles for growth
- Testing of the givens (constraints) and possibilities mapping including environmental and agricultural assets, strategic infrastructure and employment assets
- Coming up with possible futures for the region leading to development of possible scenarios to accommodate additional growth beyond that already planned.

The material provided for the September workshops indicates that existing settlement and growth area planning undertaken by Councils across the G21 region has the capacity to accommodate an additional 160,000 people. The region's current population is approximately 290,000. In order to reach an aspiration population of 500,000 in the region (based on the G21 Region Plan) additional planning is required to accommodate a further 50,000 people.

Information from the three workshops was subsequently analysed and used as a basis by the Project Management Team to develop a set of nine draft principles and five scenarios. A final 'closing the loop' workshop was held on 11 October 2011 where members from the Project Steering Group, Technical Reference Group and Planning Team refined these draft principles and scenarios including testing them with a number of project partner Councillors and Board members. Following this feedback the material has been further refined to three scenarios for consultation over November and December 2011.

Attachment 1 outlines the proposed draft principles and three draft scenarios for growth. It also includes a background on the process to get to this point, the challenges for managing growth and the likely forces of change. A description of the planned growth for the region incorporating the growth already identified through Council adopted structure plans or growth plans is also provided.

Engagement during Stage 2 will include an interactive website allowing for discussion on the principles and scenarios, workshops and listening posts. These will occur in each Council area in the region. Attachment 2 includes a summary of the engagement activities, locations and dates.

Following stage 2 engagement a draft Regional Growth Plan will be developed (Phase 3) which will identify a preferred direction for longer term growth as well as implementation directions to manage existing growth areas identified in Council planning strategies.

Proposal

It is proposed that Council notes the current status of the G21 RGP project.

Financial and Other Resource Implications

Council made a financial contribution to the project from the 2010/11 budget, and has contributed significant “in-kind” support through the participation of Council officers in the scoping and implementation of the project as noted earlier in the report. Other G21 Councils have also made financial contributions, however the majority of the project is being funded by the State Government.

Risk Management & Compliance Issues

The State Government has mandated that Regional Growth Plans are developed for each region in the State.

Environmental and Climate Change Considerations

Environmental and climate change issues relating to growth in the region will be identified through the development of the Plan.

Community Engagement

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement Policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

A detailed engagement plan has been developed for the G21 RGP project, and as described above, an engagement consultant has been appointed to guide/assist with engagement activities during the life of the project. Engagement methods being used include inform, consult and collaborate. Initial stakeholder consultation in September is now being followed by broader community consultation in November and December.

Implementation

Details of the proposed community engagement opportunities within Colac Otway Shire over November and December 2011 will be advertised widely within the community when they are confirmed.

Conclusion

The G21 Regional Growth Plan project is currently in the Principles and Scenarios for Growth Phase (Phase 2). The Engagement Plan for the project outlines three discrete stages of engagement. The first of these stages included three workshops in late September involving 81 participants from state and local government, as well as from community/interest groups and business/development groups. The workshops generated the material that has helped produce the information on the draft vision and principles and scenarios for growth across the region. Broader consultation will occur on the draft principles and scenarios during November and December 2011.

Attachments

1. Regional Growth Plan Program Outline - including draft principles and scenarios
2. Regional Growth Plan Engagement Diary

Recommendation(s)

That Council:

- 1. Notes the Draft Principles and Scenarios for Growth that have been developed after targeted consultation during the first stage of engagement.***
- 2. Notes that Stage 2 of the engagement process will occur over November and December 2011.***

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# Shaping Our Region



## The G21 Regional Growth Plan

The G21 Region is growing. There will be more people living, working and visiting the region over the next 40 years. This growth will build a lively, healthy, sustainable and safe region. Growth will support a stronger and more robust economy and attract a diverse community.

The G21 Region has a population of 290,000 which is growing at a yearly rate of 1.7%. The 'Geelong Region Plan – A sustainable growth strategy' (2007) identified a potential growth in population to 500,000 people over the next 40 years. This growth offers many economic and social benefits and also presents pressures that need to be managed.

The Regional Growth Plan, the 'Plan', for the G21 region will manage the growth and land use pressures. The Plan covering the time period from now to 2050 will pull together the strategic land use and growth planning already done across the region. It will build on this work on a regional scale and identify where future residential and employment growth will be supported and where it will not. It will contain a high-level implementation plan including sequencing of key infrastructure and services.

The Plan is a joint project between the five G21 councils (Colac Otway, Golden Plains, Surf Coast, Queenscliffe and Greater Geelong) and state government. This is a key project for the region and will draw significantly from the G21 Geelong Region Plan and other local and regional plans and strategies. It will be developed over four phases and incorporates three stages of engagement.

The first stage of engagement included workshops in late September involving 81 participants from State and Local Governments as well as community/interest groups and business/development groups. We are now seeking broader community input to test the information presented in this brochure including, the Draft Principles for Regional Growth, the Challenges facing the region and the planning for already identified growth areas as well as scenarios for the remaining growth required to reach the Geelong Region Plan's target of 500,000 people by 2050.

The feedback received during this engagement period will inform the development of the Plan. The next opportunity to input into the Plan will be in April and May 2012.



Want to find out more?  
Designs 1 and 2 of the project issue papers and a background report were prepared. This information can be downloaded from the project website:

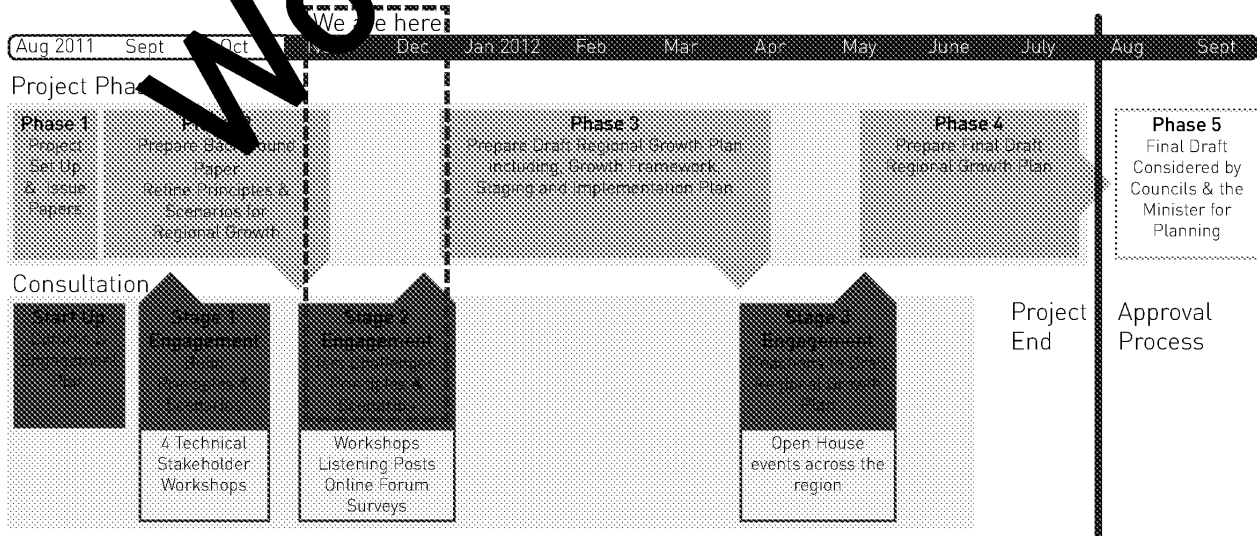
[G21regionalgrowthplan.com.au](http://G21regionalgrowthplan.com.au)

The website will be updated throughout the life of the project with reports and details of consultation events.

An online forum will run from November 4-December 16. Get online and join the conversation which is shaping our region.

The Project Team can be contacted at [G21RGP@geelongcitycouncil.vic.gov.au](mailto:G21RGP@geelongcitycouncil.vic.gov.au)

Alternatively, please contact your local council's Strategic Planning Department for more details.



[G21regionalgrowthplan.com.au](http://G21regionalgrowthplan.com.au)



# Planning for Regional Growth

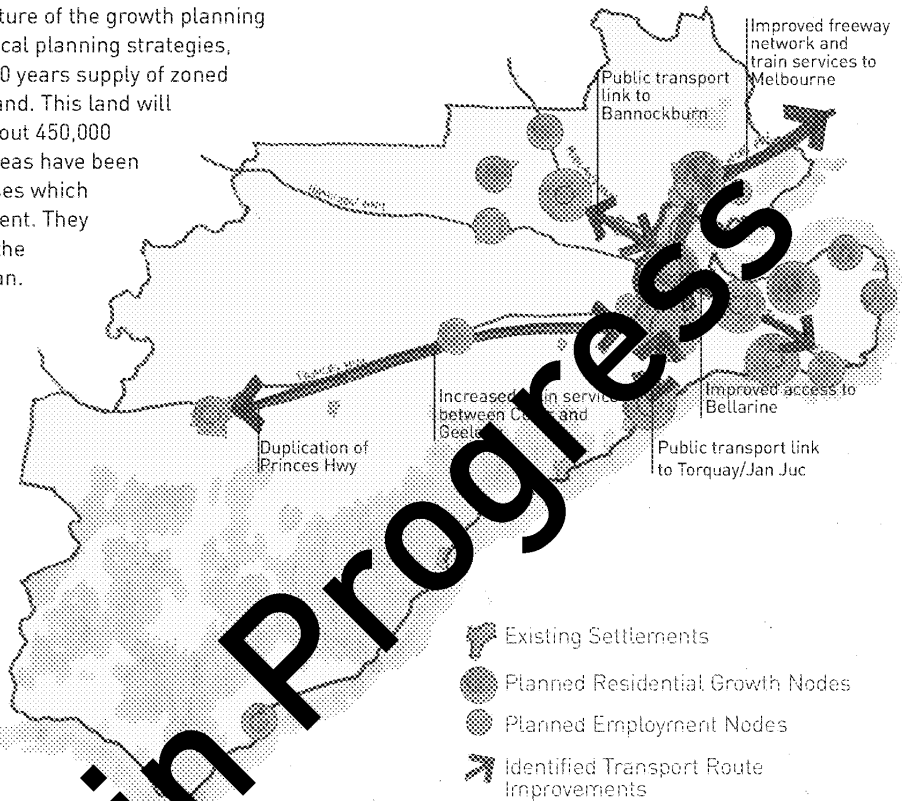
The G21 Councils have already planned for an additional 160,000 people in our region

For the first time G21 has a regional picture of the growth planning undertaken by each Council. Through local planning strategies, the G21 Councils have mapped out 20-30 years supply of zoned and strategically identified residential land. This land will allow the region to grow over time to about 450,000 people. The current identified growth areas have been identified through local planning processes which involved extensive community engagement. They are considered to be non-negotiable in the development of the Regional Growth Plan.

Key identified growth nodes for the region include Armstrong Creek, Lara, Ocean Grove, Drysdale/Clifton Springs and Torquay/Jan Juc and Bannockburn. Additionally, large scale urban consolidation and renewal areas have been identified and include: Fyansford, Central Geelong, the West Fyans Precinct and Corio/Nortlane. Further work is required to more accurately estimate the likely population that will be housed in these infill areas.

In addition to local growth planning, the Councils have identified employment precincts. These precincts are spread across the region and for example include, The Geelong Ring Road Employment Precinct, the Epworth Hospital in Waurn Ponds, Colac East Industrial precinct and Messmate Road industrial precinct in Torquay.

Based on this information it appears that there is an adequate supply of land in the region for the next 20-30 years. However while vacant land may either be identified or already zoned residential it is not always 'development ready'. This situation needs to be monitored closely to ensure there is an adequate supply of vacant land across the region.



The Plan will manage growth and land use issues from now till 2050.





# Regional Growth Challenges

## The G21 region faces challenges as it grows

### Delivering the Identified Growth

The planned growth needs to be managed at a local and regional level. Challenges of delivering the planned growth at a regional scale include the sequencing and funding of physical infrastructure, community and education services and transport facilities across multiple growth fronts, ensuring employment areas are provided across the region, enhancing the regional environmental and economic assets and strengthening the connection to Melbourne and surrounding regions.

### Planning and Adapting to Climate Change

Our climate is changing. The region will have warmer temperatures, increased evaporation and humidity and a reduction in rainfall. Our coastal areas will be vulnerable to sea level rise and storm surge. Our farming land may become more productive and important for food security.

### Accommodating the Population Growth

There will be more people living, working and visiting the region over the next 40 years. Maintaining the region's liveability and protecting our unique natural and farming assets as we grow is a challenge. The region's population is growing and aging, requiring more services and supporting infrastructure.

### Providing Housing Choice

The region's housing stock is primarily single detached dwellings. Delivering a diversity of housing choice, addressing social disadvantage and housing affordability will be important.

### Managing Land Use Conflicts

The rich diversity of land uses and activity can create conflicts. As we grow we need to ensure that we protect strategic assets and land uses are in the right places.

### Managing the Expectations of the G21 Community

Developers, communities and businesses all have quite different expectations of the region in terms of growth, services and infrastructure provision. We need to ensure effective mechanisms are in place to understand these expectations.

### Reducing our Dependence on Cars

Our region is dependent on cars to support everyday life. Our cities and towns have been built to encourage the use of cars over walking, cycling and public transport. Making it easier to drive to work or the shops. We will need to shift the dependence on cars and build a region based on more sustainable transport choices.

### Educating and Building our Skills

The Geelong Region is experiencing significant business growth particularly in sectors such as health, education, information communication and technology, food processing, tourism, transport and research. Career pathways and higher wages attract many skilled professionals away from regional centres. Dealing with skill shortages and capability will involve educating our labour force and keeping people in the region to work and live.

The Regional Growth Plan will need to consider how to manage these challenges and how to deliver the planned growth.

What challenges do you see planning for regional growth?

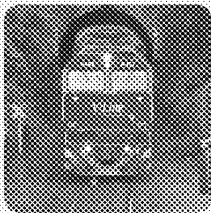


# Principles for Regional Growth

Over the 3 workshops held in September, Principles for Regional Growth were developed. These were refined into 9 Draft Principles and then tested at a 4<sup>th</sup> workshop with the project partners. They are aspirational and will guide the future direction of growth within the Region. The Principles have been drafted against the G21 Vision and the 5 Directions from the 'Geelong Region Plan'

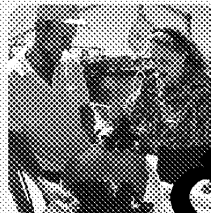
“The Geelong region is Australia’s most desirable destination for living, visiting working and investing; it is renowned for its vibrant cohesive community, exceptional physical environment and vigorous economy.”

## Optimise Infrastructure and Consolidate



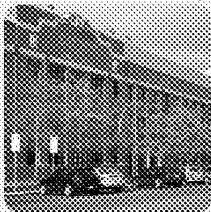
Maximise capacity and leverage off existing built infrastructure and services particularly near central retail and transport nodes. Minimise land used for residential, commercial and industrial purposes by harnessing under-utilised land and buildings in our settlements. Develop new infrastructure and services to facilitate consolidation and growth.

## Live, Work & Participate Locally



Create jobs to utilise skills in the region. Promote learning of new skills to support the increasing employment diversity. Encourage our communities to invest and be involved in the region.

## Diversity, Knowledge & Innovation



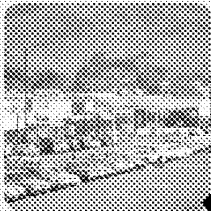
Build and support diversity and innovation through a range of education, housing types, service provision and employment and social opportunities. Create a resilient and robust region that seeks and is open to new opportunities and lifelong learning.

## Build our economy



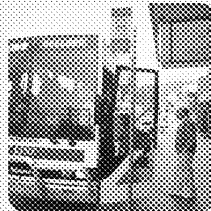
Diversify the economy and tourism across the G21 region through building on our competitive strengths and economic, social and environmental assets. Ensure there is sufficient employment land, infrastructure, skills and education to respond to growth and support the change in our economy.

## Unique & Connected Communities



People feel part of their communities and celebrate their sense of place. Ensure growth enhances and improves choice, liveability, connectivity and diversity. Communities can easily participate in arts, culture, sport and recreation encouraging healthy lifestyles. Provide equitable access to services and facilities.

## Accessible Transport Choices



Provide a broad range of flexible, reliable transport choices which connects residents, workers and visitors to the services and facilities they need.

## Protect, Restore & Enhance our Unique Environment



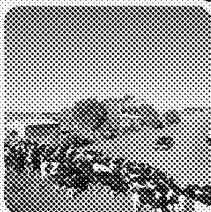
Protect, restore and enhance the quality of our waterways, biodiversity and soils. Ensure development minimises risks and impacts on the environment and landscape. Plan for and adapt to changes in our climate.

## Balanced, Consistent & Collaborative Approach



Use the collective power of people in the G21 region to engender and facilitate change. Use inclusive engagement processes to create a balanced, transparent and consistent approach to planning and growth.

## Food, Water & Energy Security



Promote new opportunities in farming, fisheries and energy in a changing climate. Harness our existing energy and resources promoting a robust and self-sustaining region whilst protecting our agricultural and natural assets as we grow.

What do you like about the Principles?  
 How could the Principles be improved?



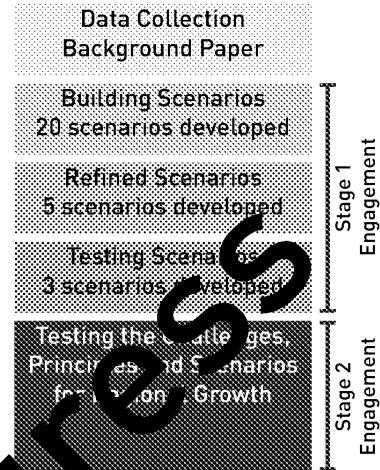
# Scenarios for Regional Growth

## Scenarios for Regional Growth

The scenarios have been developed using key inputs from the workshops including the possible futures and subsequent mapping of these futures. The scenarios have been developed to describe possible futures for the G21 region at 500,000 people and beyond. The scenarios explore ways in which an additional 50,000+ people could be accommodated in the region beyond those areas already identified for growth. They have been developed to encourage discussion about how you would like to see the region look and function in the longer term. Each scenario includes a vision and description and a summary of the scenarios advantages and disadvantages, challenges and the key requirements to implement it.

Factors applying to all Scenarios 1-3 include,

- » Total new population assumed to be around 50,000+ people over the already planned growth of 160,000. The assumed new population will depend on the scenario
- » No breakdown of the population profile has been assumed at this point
- » Existing growth nodes adopted by Councils through growth strategies and structure plans are accepted as 'givens'
- » Employment target of 1 job per household for new growth
- » Essential physical infrastructure can be provided (roads, water, sewerage, power)
- » Community infrastructure is provided similar to growth area planning guidelines



What scenario or combination do you most prefer?

What scenario or combination do you least prefer?

### Scenario 1 - Growing In

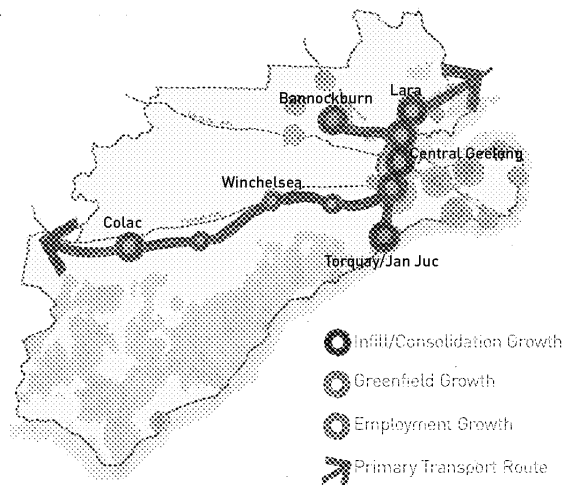
The region is growing in and up, not out. People are living in apartments and townhouses, close to public transport and shops. People are spending less time in cars and joining the local arts and sporting activities. The region's parks and plazas are our backyards.

Town centres and Central Geelong are lively and functional, provide better amenity for its residents, workers and visitors. The tree lined streets have space for seating, walkers, cyclists and cars. Walkers and cyclist have priority over cars.

Central Geelong is a vibrant, safe 24 hour city. Higher density apartments are providing the opportunity to live close to work in the growing health and education service industry.

The region's townships are alive with a village atmosphere and café culture. Less rural environment and farming land is used for development, protecting unique assets and sense of place.

Our transport system, hospitals, schools and universities are accessible and used efficiently. Sustainable building design and innovations in vertical living are seen throughout the region.



#### The Specifics

- » Existing train and bus networks to be improved so people can travel easily within the region
- » Increased densities and heights of residential building in areas targeted for new growth around activity areas
- » Consolidate residential and employment growth in existing settlements along primary transport routes
- » Existing community and recreation services and facilities to be improved to accommodate new growth
- » Upgrade physical infrastructure (roads, rail lines, water, sewerage) where required

#### The Advantages

- » Utilises existing infrastructure and builds on it where required
- » Keeps the urban footprint contained with less land used for new development
- » Reinforces the importance of transport routes and train lines
- » Protects key agricultural assets and environmental assets
- » Encourages good public transport services
- » Safer, active more vibrant urban areas, improved health and wellbeing

#### The Disadvantages

- » Possible congestion in higher density areas
- » Land assembly may be difficult
- » Could result in increased property values and reduced attractiveness of area for new families/ first home buyers
- » A mix of uses may have some amenity impacts
- » Community resistance to medium-high density residential development and change in character

#### Making it Happen

- » Agreed sequencing of growth fronts for physical and social services
- » Commitment of funding of services from state/ local and federal governments and agencies
- » Incentives and Planning controls supporting urban consolidation development ahead of Greenfields development
- » Identification and protection of core agricultural and environmental land

# Scenarios for Regional Growth

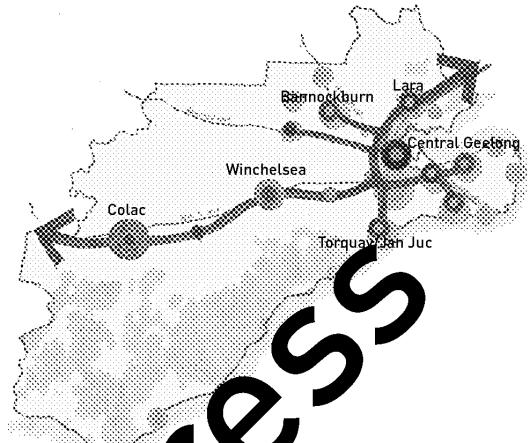
## Scenario 2 - Shared Growth

Population and economic growth is shared across the region along our transport corridors. Central Geelong and the identified growth centres will consolidate further. New development and consolidation is focused along the Colac corridor which in turn provides for stronger smaller rural settlements such as Beeac, Birregurra, Moriac and Inverleigh.

The local economies will be stronger and supported by the central economy in Geelong. Employment opportunities will grow in Colac, Torquay/Jan Juc and Central Geelong retaining and attracting a younger workforce.

There will be more apartments in our centres and houses in our rural townships. People will be able to live close to work. With greater access to services in their local areas people will be spending less time in their cars.

Growth will capitalise on our existing infrastructure. Public transport will be increasingly used to transport people between towns.



### The Specifics

- » New development to be a mix of urban consolidation and greenfield across the region.
- » Areas targeted for new growth area along key transport routes
- » Employment nodes to be included with all new development areas
- » Transport infrastructure improvements across the region, building on rail lines and roads
- » Urban consolidation targeted for all current growth nodes

### The Advantages

- » Growth shared across the region and building on key transport routes
- » Builds more socially cohesive and sustainable communities outside Geelong
- » Protecting core agriculture areas
- » Mixing consolidation and greenfield and maximizing existing infrastructure
- » Provides for a range of housing diversity in region
- » Strong central Geelong and identified growth nodes
- » People living and working locally with better access to services

### The Disadvantages

- » Greater impact on environment with more greenfield area
- » Smaller settlements may not support development
- » Difficulty managing numerous growth fronts across a large area
- » Little opportunity to build on economies of scale
- » Spectacles about service provision in smaller communities
- » More pressure for rural living land

### Making it Happen

- » Would need to have a clear sequencing of growth fronts for physical and social infrastructure provision
- » Incentives for developers matched to the sequencing of areas
- » Major investment and support for economic activity and job creation in a range of centres
- » Targeted road and rail improvements
- » Targeted employment nodes supported by State Government

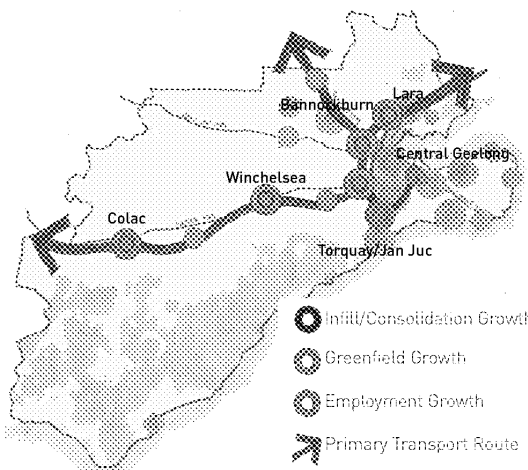
## Scenario 3 - Growing Out

The region is growing out. Growth will be in new communities along the edge of Geelong. Geelong will connect with Torquay, Leopold and Lara. Rural centres along our transport corridors will have new communities.

Central Geelong will play a different role as focus is shifted to our new settlements. Development will be mixed with employment opportunities provided. People will be able to work and live locally.

The housing stock will be less diverse but will meet the current demand for single detached houses. More land will be used for development encroaching into green breaks and productive farming land.

Innovative design and development guidelines will ensure new communities are well planned with pedestrian and cyclist linkages encouraging people to get out of their cars.



### The Specifics

- » All new development is within Greenfield sites.
- » Growth follows transport nodes
- » Transport infrastructure improvements targeted to new areas and linking existing areas to new growth areas
- » Readily available land supply
- » No additional growth proposed in existing areas

### The Advantages

- » Increase in available land supply and housing affordability
- » Spreads growth across the region
- » Enables new areas to be developed with latest growth principles and sustainable housing design
- » Meets current market demand
- » Easier to plan and implement
- » Development industry support

### The Disadvantages

- » Not utilising existing infrastructure – physical and social
- » Erosion of rural-green breaks between settlements
- » Could impact or take up valuable agriculture or environmental land
- » Too many growth fronts for infrastructure service providers to deliver in a timely manner
- » Likely to decrease diversity of housing stock
- » Central Geelong may decline
- » Maintains high usage of vehicles
- » Resistance from smaller communities to character changes associated with new development

### Making it Happen

- » Agreed sequencing of growth fronts for physical and social services
- » Major infrastructure investment
- » Supporting a broad range of economic activities and opportunities
- » Commitment of funding of services from state/ local and federal governments and agencies
- » Planning controls supporting greenfield development
- » Identification and protection of core agricultural and environmental land

## Attachment 2 – Engagement Diary

### World Cafés – Workshop

| Council | Location        | Venue                | Date                      | Time        |
|---------|-----------------|----------------------|---------------------------|-------------|
| SCS     | Winchelsea      | Globe Theatre        | Tues 8th Nov              | 6:30-9:30pm |
| COS     | Colac           | COPACC               | Wed 9th Nov               | 6:30-9:30pm |
| COGG    | Geelong Central | Council Chamber      | Sat 12th Nov              | 1:30-4:30pm |
| COGG    | Belmont         | Belmont Civic Centre | Thur 16 <sup>th</sup> Nov | 6:00-9:00pm |
| GPS     | Bannockburn     | Church               | Tues 15th Nov             | 6:00-9:00pm |

### Static Displays

| Council | Location                 | Venue                                           | Date            |
|---------|--------------------------|-------------------------------------------------|-----------------|
| COGG    | Waurm Ponds              | Leisure Link                                    | 3-10 Nov        |
| COGG    | Geelong Central          | City Hall                                       | 4-18 Nov        |
| SCS     | Torquay                  | Council offices customer service centre Torquay | 12-17 Nov       |
| COGG    | Avalon Airport           | Avalon Airport                                  | 18-25 Nov       |
| COS     | Colac                    | Aquatic Centre                                  | 18-25 Nov       |
| COS     | Birregurra               | Health Centre                                   | 19-25 Nov       |
| COGG    | Ocean Grove              | Customer Service Centre                         | 2-8 Dec         |
| GPS     | Bannockburn              | TBC                                             |                 |
| COGG    | Lara                     | Community Centre                                | 8-16 Dec        |
| GG      | Clifton Springs/Drysdale | Springdale                                      | Sat 10 - 16 Dec |
| COGG    | Leopold                  | Supermarket                                     | 10-16 Dec       |
| BOQ     | Queenscliff              | Council                                         | 8-16 Dec        |

### Listening Posts

| Council | Event/Venue                        | Dates       | Times     |
|---------|------------------------------------|-------------|-----------|
| COGG    | Leisure Link                       | 3 Nov 2011  | 4-6pm     |
| COGG    | Westfield Shopping Centre          | 4 Nov 2011  | 4-6pm     |
| GPS     | Golden Plains Farmers Market       | 5 Sat Nov   | 10am-12pm |
| COGG    | Geelong Showground Market - Sunday | 6 Nov 2011  | 10am-12pm |
| SCS     | Moriac, Corner Store               | 11 Nov 2011 | 1-3pm     |
| SCS     | Anglesea IGA                       | 11 Nov 2011 | 4-6pm     |



|      |                                       |                     |             |
|------|---------------------------------------|---------------------|-------------|
| SCS  | Lorne Supermarket                     | 12 Nov              | 9-11am      |
| SCS  | Torquay IGA                           | 12 Nov              | 12-2pm      |
| SCS  | Winchelsea Post Office                | 12 Nov              | 3:30-5:30pm |
| COGG | Lara Spring Fair                      | 12 Nov 2011         | 10am-12pm   |
| SCS  | Winchelsea Festival                   | 13 Nov 2011         | 10am-12pm   |
| COGG | Avalon Airport                        | 18 Nov 2011         | 1-4pm       |
| COS  | Colac – Outside Target                | 18 Nov 2011         | 3-5pm       |
| COS  | Birregurra – General Store            | 19 Nov 2011         | 9-11am      |
| COS  | Forrest – General Store               | 19 Nov 2011         | 12-2pm      |
| COGG | Gala Parade Day and Family Fun Day    | 19 Nov 2011         | 10am-12pm   |
| COS  | Colac Lions Sunday Market 9am-2pm     | 20 Nov 2011         | 10am-12pm   |
| COGG | Piccadilly Market – Deakin Waterfront | 20 Nov 2011         | 2pm-4pm     |
| COS  | Apollo Bay Community Market 8am-4pm   | 26 Nov 2011         | 10am-12pm   |
| COGG | Ocean Grove – Main Street             | 2 Dec 2011          | 4-6pm       |
| GPS  | Inverleigh – Red Door                 | 3 Dec 2011          | 9-11am      |
| GPS  | Bannockburn – Supermarket             | 3 Dec 2011          | 12-3pm      |
| COGG | Barwon Heads Market                   | 3 Dec 2011          | 10am -12pm  |
| SCS  | High Tide Festival                    | 4 Dec 2011          | 10am-12pm   |
| BOQ  | Point Lonsdale Primary School market  | 4 Dec 2011<br>(TBC) | 10am-12pm   |
| BOQ  | Queenscliff                           | 8 Dec 2011          | 12-2pm      |
| COGG | Lara – Centre Way                     | 8 Dec 2011          | 3-5pm       |
| COGG | Clifton Springs – Main Street         | 10 Dec 2011         | 12-2pm      |
| COGG | Portarlington – Main Street           | 10 Dec 2011         | 9-11am      |
| COGG | Leopold – Supermarket                 | 10 Dec 2011         | 3-5pm       |
| SCS  | Aireys Inlet Community Market         | 11 Dec 2011         | 10am-12pm   |

**CONSENT CALENDAR**

**OFFICERS' REPORT**

D = Discussion  
W = Withdrawal

| ITEM                                                                                                                                                                                                                                      | D | W |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b><u>GENERAL BUSINESS</u></b>                                                                                                                                                                                                            |   |   |
| <b><u>OM112610-16 ASSEMBLY OF COUNCILLORS</u></b>                                                                                                                                                                                         |   |   |
| Department: General Business                                                                                                                                                                                                              |   |   |
| <b><u>Recommendation(s)</u></b>                                                                                                                                                                                                           |   |   |
| <i>That Council notes the Assembly of Councillors reports for:</i>                                                                                                                                                                        |   |   |
| <ul style="list-style-type: none"> <li>• <i>Councillor Briefing Session - 28 September 2011</i></li> <li>• <i>Central Reserve Advisory Committee - 5 October 2011</i></li> <li>• <i>Councillor Workshop - 12 October 2011.</i></li> </ul> |   |   |

**Recommendation**

*That recommendations to items listed in the Consent Calendar, with the exception of items ....., be adopted.*

**MOVED** .....

**SECONDED** .....



**OM112610-16 ASSEMBLY OF COUNCILLORS**

|             |               |           |           |
|-------------|---------------|-----------|-----------|
| AUTHOR:     | Rhonda Deigan | ENDORSED: | Rob Small |
| DEPARTMENT: | Executive     | FILE REF: | CLF11/6   |

**Assembly of Councillors**

A record must be kept of an assembly of Councillors which lists the Councillors attending, the matters discussed, disclosures of conflict of interest and whether a Councillor left the meeting after making a disclosure.

**Definition**

An “assembly of Councillors” is a defined term under section 76AA of the *Local Government Act 1989* (the Act). It is a meeting at which matters are considered that are intended or likely to be the subject of a Council decision or the exercise of a delegated authority and which is either of the following:

- A meeting of an advisory committee where at least one Councillor is present; or
- A planned or scheduled meeting that includes at least half the Councillors and at least one Council officer.

If a meeting fits either of these types the procedures applying to an assembly of Councillors must be complied with, irrespective of any name or description given to the committee or meeting.

**Advisory Committees**

Section 3(1) of the Act defines an advisory committee to be any committee established by the Council, other than a special committee, that provides advice to—

- the Council; or
- a special committee; or
- a member of Council staff who has been delegated a power, duty or function of the Council under section 98.

**Councillor briefings**

One type of meeting that is clearly an assembly of Councillors is the type of regular meeting, commonly referred to as a “Councillor Briefing” or similar name where Councillors and staff meet on a to discuss issues that are likely to come before Council for decision.

While these meetings have no authority to make Council decisions. They are generally assemblies of Councillors and subject to conflict of interest disclosures.

**What records are to be kept.**

Section 80A of the Act requires that a record must be kept of an Assembly of Councillors which lists:

- the Councillors and members of Council staff attending;
- the matters discussed;
- disclosures of interest (if any are made); and
- whether a Councillor left the meeting after making a disclosure.



It is a requirement that the record of an assembly is to be reported to the next practicable Council meeting and be included in the minutes of that meeting, instead of being made available for public inspection.

The following Assemblies of Councillors have been held:

- Councillor Briefing Session - 28 September 2011
- Central Reserve Advisory Committee - 5 October 2011
- Councillor Workshop - 12 October 2011

#### **Attachments**

1. Councillor Briefing Session - 28 September 2011
2. Central Reserve Advisory Committee - 5 October 2011
3. Councillor Workshop - 12 October 2011

#### **Recommendation(s)**

***That Council notes the Assembly of Councillors reports for:***

- ***Councillor Briefing Session*** - ***28 September 2011***
- ***Central Reserve Advisory Committee*** - ***5 October 2011***
- ***Councillor Workshop*** - ***12 October 2011.***

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Council Meeting Running Order

Wednesday, 28 September 2011

Venue – COPACC Meeting Rooms, Colac

Present: Cr Brian Crook (Mayor), Cr Frank Buchanan, Cr Lyn Russell, Cr Stephen Hart, Cr Stuart Hart, Cr Geoff Higgins (from 12.55pm), Cr Chris Smith (from 3.00pm)
Staff: Rob Small, Colin Hayman, Neil Allen, Jack Green, Rhonda Deigan
Part: Brett Exelby, Doug McNeill, Don Lewis, Michael Swanson

Apologies: Cr Geoff Higgins (until 12.55pm)

| | |
|-----------------|--|
| 11.10 am | Fire Services Property Levy – Colin Hayman & Brett Exelby |
| 11.30 am | Hydrotherapy Pool – Colin Hayman |
| 12.00 pm | Lunch |
| 12.30 pm | Environmental Significant Overlay Presentation – Barwon Water, Doug McNeill & Don Lewis |
| 12.45 pm | Councillor Briefing Session |
| 3.00 pm | Council Meeting |
| 5.15 pm | In Committee Meeting
Declaration of Conflict of Interest: Colin Hayman & Neil Allen |



Assembly of Councillors Record

This Form **MUST** be completed by the attending Council Officer and returned **IMMEDIATELY** to Document Management Co-ordinator for filing. A copy of the completed form must be provided to the Executive Officer to the CEO, Mayor & Councillors for reporting at the next Ordinary Council Meeting.

Assembly Details:

Date: 5 October 2011

Time: 5:15pm – 7:00pm

Assembly Location: Hockey Rooms, Central Reserve

(some e.g's. COPACC, Colac Otway Shire Offices, 2 - 6 Rae Street, Colac, Shire Offices – Nelson Street, Apollo Bay

In Attendance:

Councillors: Cr Brian Crook

...../...../...../.....

Officer/s: Ian Seuren – Manager Recreation, Arts and Culture

...../...../...../.....

Matter/s Discussed: See attached meeting agenda.

.....
(some e.g's. Discussion s with property owners and/or residents, Planning Permit Application No. xxxx re proposed development at No. xx Pascoe Street, Apollo Bay, Council Plan steering committee with Councillors and officers.)

Conflict of Interest Disclosures: (refer page 5)

Councillors: Not applicable

...../...../...../.....

Officer/s: Not applicable

...../...../...../.....

Left meeting at: At conclusion of the meeting at 6:15pm

Completed by: Ian Seuren – Manager, Recreation, Arts and Culture

| | | |
|--|---|----------------|
|  <p>Agenda</p> | <h1 style="margin: 0;">Central Reserve Advisory Committee</h1> <p style="margin: 0;">Wednesday 5 October 2011
5:15pm-7:00pm
Central Reserve Hockey Clubrooms</p> | |
| | <p>INVITEES:</p> <p>Ian Seuren (Colac Otway Shire)
 Cr. Brian Crook (Colac Otway Shire)
 Nick Lang (Colac Football & Netball Club Inc.)
 Bruce Roberts (Colac Football & Netball Club Inc.)
 Helen Gibson (Colac Netball Club Inc.)
 Graham Tevelein (Colac Youth & Recreation Club)
 Rob Osborne (Colac & District Cricket Association Inc.)
 Phil Lang (Colac & District Cricket Association Inc.)
 Val Russell (Colac & District F/L Netball Association Inc.)
 Bob Mason (Colac & District Football Netball League)
 Sam McDonald (Colac Auskick)
 Gerard Kavenagh (Little Athletics Colac)
 Terry Stephens (Colac & District Dog Obedience Club)
 John Neal (Colac City Bowls Club)
 Simon Dewar (Colac Secondary College)
 David Latham (Colac Otway Rovers)</p> | |
| | <h2 style="margin: 0;">Agenda topics</h2> | |
| 1. | APOLOGIES: | |
| 2. | WELCOME & INTRODUCTION | Cr Brian Crook |
| 3. | Confirmation of Minutes from Previous Meeting and Business Arising | All |
| 4. | Facilities Maintenance Report (Infrastructure)
Grounds Maintenance Report (CosWorks)
- As circulated
- | Ian Seuren |
| 5. | Old Beechy Rail Trail | Ian Seuren |
| 6. | CYRC Facility Improvement Update | Ian Seuren |
| 7. | Central Reserve Master Plan – funding application update | All |
| 9. | Local funding contributions / fundraising ideas | All |

| | | |
|------------|---|-----|
| 10. | Update from all User Group Representatives | All |
| 11. | General Business | All |
| 12. | Items for future meetings | All |
| 13. | Next meeting: <ul style="list-style-type: none">• Wednesday 7 December 2011 | |



Agenda

Councillor Workshop

Wednesday, 12 October 2011
COPACC Meeting Room
9.00 am to 5.00 pm

ATTENDEES:

Cr Crook (Mayor), Cr Stephen Hart, Cr Stuart Hart, Cr Smith (10.05am – 11.30am & 1.00pm – 3.05pm), Cr Russell
Rob Small (CEO)
Colin Hayman (GM, Corporate & Community Services)
Jack Green (GM, Sustainable Planning & Development)
Neil Allen (GM, Infrastructure & Services) until 1.30pm

Part:

Adam Lehmann, Doug McNeill, Don Lewis, Mike Barrow, Ian Seuren, Hansen Partnership, Roslyn Cousins, RSL & Colac Golf Club, Daniel Pech, Jane Stanley

Apology:

Cr Buchanan, Cr Higgins

Agenda Topics

| | | |
|---------------------|--|--|
| 9.00 am | Declaration of Interest
Nil | |
| 9.00 am – 9.45 am | Planning Committee Briefing Session | Doug McNeill & Ian Williams |
| 9.45 am – 10.30 am | Birregurra Neighbourhood Character Study | Doug McNeill/Don Lewis & David Barnes (Hansen Partnership) |
| 10.30 am – 11.30am | Planning Committee Meeting | |
| 11.30 am – 12.30 pm | CRLC Current & Future Issues and Library Annex | Roslyn Cousins |
| 12.30 pm – 1.00 pm | Lunch | |
| 1.00 pm – 1.15 pm | Special Council Meeting
Bridge Load Limits | |
| 1.15 pm – 1.30 pm | Other Issues – Tourism | |
| 1.30 pm – 2.15 pm | Status of Planning Process Improvement | Doug McNeill |
| 2.15 pm – 2.45 pm | Colac RSL/Colac Golf Club/Colac Turf Club Merger | Ian Seuren, Mike Barrow, Mark Johnson & Darryl Lawrence (RSL), Ben Hickey, Murray McCoombe (Colac Golf Club), Jim Ryan (Colac Turf Club) |

| | | |
|--------------------------|---|------------------------------------|
| 2.45 pm – 3.05 pm | Private Development Proposal (confidential)
Conflict of Interest
Indirect conflict of interest due to ownership of publicly listed shares - Cr Stephen Hart
Cr Stephen Hart left meeting at 2.45pm and returned at 3.05pm. | Mike Barrow/Doug McNeill |
| 3.05 pm – 3.50 pm | C65 Follow On Amendment | Doug McNeill/Don Lewis/Daniel Pech |
| 3.50 pm – 4.05 pm | Central Reserve Upgrade | Ian Seuren |
| 4.05 pm – 4.15 pm | Botanic Gardens Café | Paul Carmichael |
| 4.15 pm – 4.25 pm | Other Issues | |

Confidentiality Statement:

The discussion on the private development proposal is deemed confidential under section 89(2) (d) and (h) of the Local Government Act 1989 as the report refers to contractual matters and any other matter which would prejudice the Council or any person.

Rob Small

Chief Executive Officer

CONSENT CALENDAROFFICERS' REPORT

D = Discussion

W = Withdrawal

| ITEM | D | W |
|---|---|---|
| <p><u>NOTICES OF MOTIONSERSEGR</u></p> <p><u>OM112610-17 ORDINARY COUNCIL MEETING</u>
<u> AGENDAS</u></p> <p>Department: Notices of Motion</p> <p><u>Recommendation</u></p> <p><i>That Council consider the contents of this Notice of Motion.</i></p> | | |
| <p><u>OM112610-18 LOCAL GOVERNMENT</u>
<u> INFRASTRUCTURE PROGRAM</u></p> <p>Department: Notices of Motion</p> <p><u>Recommendation</u></p> <p><i>That Council consider the contents of this Notice of Motion.</i></p> | | |

Recommendation

That recommendations to items listed in the Consent Calendar, with the exception of items, be adopted.

MOVED

SECONDED

OM112610-17 ORDINARY COUNCIL MEETING AGENDAS (CR STEPHEN HART)

TAKE NOTICE that it is my intention to move at the Ordinary Council Meeting of the Colac Otway Shire to be held on 26 October 2011:

**Resolution
Disclosure of Ordinary Meeting agendas to the public**

Council:

1. Notes that it has been the practice of Colac Otway Shire Council to release Ordinary Meeting agendas on the Monday immediately prior to meetings held on a Wednesday.
2. Notes that this Council is committed to open and transparent processes and believes the delay in releasing agendas to the public is unnecessary.
3. Instructs the Chief Executive Officer to take all reasonable steps to ensure that future Ordinary Meeting agendas are available for the public at Council offices no later than 4pm on the Friday prior to Wednesday meetings.
4. Instructs the Chief Executive Officer to take all reasonable steps to ensure that future Ordinary Meeting agendas are available for the public on the Council's web site no later than 4 pm on the Friday prior to Wednesday meetings.

Recommendation

That Council consider the contents of this Notice of Motion.

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**OM112610-18 LOCAL GOVERNMENT INFRASTRUCTURE PROGRAM (CR  
STEPHEN HART)**

TAKE NOTICE that it is my intention to move at the Ordinary Council Meeting of the Colac Otway Shire to be held on 26 October 2011:

**Local Government Infrastructure Program**

Council:

1. Notes the decision at the September 2011 Ordinary Council meeting to allocate all of the Local Government Infrastructure Program, in excess of the \$200,000 being saved, for 2011/2012, to repair or replace a bridge or bridges, in addition to any works funded via the usual Council budget process.
2. Notes that this amounts to approximately \$361,000 extra for bridges in the 2011/2012 year.
3. Instructs the Chief Executive to allocate all of the Local Government Infrastructure Program, in excess of the \$200,000 being saved, for 2012/2013, to repair or replace bridges, in addition to any works funded via the usual Council budget process.

**Recommendation**

***That Council consider the contents of this Notice of Motion.***

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IN COMMITTEE

Recommendation

That pursuant to the provisions of Section 89(2) of the Local Government Act, the meeting be closed to the public and Council move "In-Committee" in order to deal with:

| SUBJECT | REASON | SECTION OF ACT |
|--|--|------------------------|
| Sale of 6 Murray Street Colac | this matter deals with contractual matters; AND this matter may prejudice the Council or any person | Section 89 (2) (d) (h) |
| Audit Committee Independent Member | this matter deals with contractual matters; AND this matter may prejudice the Council or any person | Section 89 (2) (d) (h) |
| Council Approval Contract 1116 - Bituminous Sealing Works | this matter deals with contractual matters | Section 89 (2) (d) |
| Contract Approval Contract 1118 - J Barrys Road Bridge Design & Construct | this matter deals with contractual matters | Section 89 (2) (d) |
| Chairperson - Joint Use Committee Colac Community Library and Learning Centre (CCLLC) | this matter may prejudice the Council or any person | Section 89 (2) (h) |
| Confidential Item for Consideration - Presentation at Councillor Workshop – Proposed Private Development | this matter deals with a proposed development; AND this matter may prejudice the Council or any person | Section 89 (2) (e) (h) |