



Colac Otway  
SHIRE

**AGENDA**

ORDINARY COUNCIL MEETING  
OF THE  
COLAC-OTWAY SHIRE  
COUNCIL

24 OCTOBER 2012

at 3:00 PM

COPACC, Gellibrand Street Colac

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

24 OCTOBER 2012

## TABLE OF CONTENTS

### OFFICERS' REPORTS

#### CHIEF EXECUTIVE OFFICER

OM122410-1	CEO'S PROGRESS REPORT TO COUNCIL.....	9
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#### CORPORATE AND COMMUNITY SERVICES

OM122410-2	COUNCIL PLAN FIRST QUARTER PERFORMANCE REPORT JULY - SEPTEMBER 2012 .....	29
OM122410-3	FIRST QUARTER FINANCIAL PERFORMANCE REPORT 2012- 2013 .....	33
OM122410-4	COUNCIL ANNUAL REPORT 2011-2012.....	35

#### GENERAL BUSINESS

OM122410-5	MINUTES OF THE OLD BEECHY RAIL TRAIL COMMITTEE.....	43
OM122410-6	ASSEMBLY OF COUNCILLORS .....	45
OM122410-7	ITEM FOR SIGNING & SEALING - TRANSFER OF LAND - VOLUME 11359 FOLIO 351.....	47

#### NOTICES OF MOTION

OM122410-8	WYE RIVER AND SEPARATION CREEK WASTE SERVICES (CR LYN RUSSELL) .....	51
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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, Gellibrand Street Colac on 24 October 2012 at 3.00 pm.

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## **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 community input and participation in Council decisions. Council meetings provide an opportunity for the community to ask Council questions, either verbally at the meeting or in writing.

Please note that Council may not be able to answer some questions at the meeting. These will be answered later.

Council meetings enable Councillors to debate matters prior to decisions being made. I ask that we all behave in a courteous manner.

An audio recording of this meeting is being made for the purpose of ensuring the minutes of the meeting are accurate. 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. It is an offence to make an unauthorised recording of the meeting.

Thank you. Now 30 minutes is allowed for question time. Please remember, you must ask a question. If you do not ask a question you will be asked to sit down and the next person will be invited to ask a question. 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

- Special Council Meeting held on the 19/09/12
- Ordinary Council Meeting held on the 26/09/12.

**Recommendation**

*That Council confirm the above minutes.*

## OFFICERS' REPORTS

### Chief Executive Officer

OM122410-1 CEO'S PROGRESS REPORT TO COUNCIL

### Corporate and Community Services

OM122410-2 COUNCIL PLAN FIRST QUARTER PERFORMANCE REPORT JULY –  
SEPTEMBER 2012

OM122410-3 FIRST QUARTER FINANCIAL PERFORMANCE REPORT 2012-2013

OM122410-4 COUNCIL ANNUAL REPORT 2011-2012

### General Business

OM122410-5 MINUTES OF THE OLD BEECHY RAIL TRAIL COMMITTEE

OM122410-6 ASSEMBLY OF COUNCILLORS

OM122410-7 ITEM FOR SIGNING & SEALING - TRANSFER OF LAND - VOLUME  
11359 FOLIO 351

### Notices of Motion

OM122410-8 WYE RIVER AND SEPARATION CREEK WASTE SERVICES

**Rob Small**  
**Chief Executive Officer**



CONSENT CALENDAR

OFFICERS' REPORT

D = Discussion  
W = Withdrawal

ITEM	D	W
<p><b><u>CHIEF EXECUTIVE OFFICER</u></b></p> <p><b><u>OM122410-1      CEO'S PROGRESS REPORT TO COUNCIL</u></b></p> <p>Department: Executive</p> <p><b><u>Recommendation(s)</u></b></p> <p><i>That Council notes the CEO's Progress Report to Council.</i></p>		

**Recommendation**

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

**MOVED**                            .....

**SECONDED**                        .....





OM122410-1

**CEO'S PROGRESS REPORT TO COUNCIL**

AUTHOR:	Rhonda Deigan	ENDORSED:	Rob Small
DEPARTMENT:	Executive	FILE REF:	F11/3291

**Caretaker Statement**

The recommended decision is not a "Major Policy Decision", as defined in section 93A of the *Local Government Act 1989*, or a "Significant Decision" within the meaning of Council's Caretaker Policy.

**EXECUTIVE****Fonterra and Otway Community College**

The Acting Chief Executive Officer has been in discussions with parties involved in the closure of Fonterra's Cororooke facility and the placement of Otway Community College in voluntary administration. Colac Otway Shire Council will continue to advocate for a positive outcome for all involved and is encouraged by the resumption of the majority of services provided by the College while its long term future is being decided. The CEO has continued these discussions on his return.

**Regional Management Forum**

The CEO attended a meeting of the Regional Management Forum (RMF) in Camperdown on 27 September 2012. The forum is held regularly and is attended by Great South Coast and G21 Council CEOs, Executive Officers from G21 Regional Alliance and the Great South Coast Group, Regional Managers from various State Departments and chaired by the Secretary, Department of Community Planning and Development. Agenda items included:

- Secretary's Update
  - update on current government policy and regional services delivery
- Trade & Industry Development (Department Business Innovation - DBI)
  - DBI Business Engagement Model
  - Investment Attraction
  - International Engagement & Export Development
- Discussion Skills and Education Barwon South West (BSW)
  - Regional model DEECD overview
  - Higher Education and Skills in BSW region
  - Trade Training Centre progress overview BSW region
  - Education Attainment Strategy
- Development of Regional Education Skills & Jobs plans
- Hume Workforce Development
- AusIndustry - Department of Innovation, Industry, Science and Research update
- Great South Coast Education Forum.

**G21 Regional Alliance****G21 Board Meeting**

The Mayor and CEO attended a meeting of the G21 Board on 28 September 2012 in Queenscliff. The meeting included:

- Epworth HealthCare presentation
- Audit and Risk Committee report

- 2013 G21 Board delegation to Canberra
- G21 submission to Parliament of Victoria Economic Development & Infrastructure Committee Inquiry.

### **G21 Sport & Recreation Pillar**

The CEO chaired a meeting of the G21 Sport & Recreation Pillar on 18 October 2012. The Pillar discussed the position of Chair and Deputy Chair, the G21 Sport & Recreation Pillar Strategic Plan and a request from the Motorcycle Road Riders Cooperative for Pillar support for a "Ride Day Track" facility.

### **Vic Roads Cluster Group Meeting**

Vic Roads holds regular cluster group meetings with G21 Councils to discuss strategic issues relevant to the G21 region and specific to each of the member Councils. At the Regional Cluster visit on 5 October 2012 in Torquay, the Mayor and General Manager Infrastructure and Services were briefed on the:

- Impact of funding cuts
- Speed limit review
- Condition of the road network.

Issues raised by the Colac Otway Shire included:

- Princes Highway Duplication to Colac
- Colac Heavy Vehicle Bypass
- Road Upgrades
- Great Ocean Road
- Timber Roads
- Country Roads and Bridges Initiative.

### **Great South Coast CEOs' Forum**

The CEO attended this meeting in Warrnambool on 19 October 2012. Agenda items included:

- South West Transport Strategy update
- Presentation: Sharing Maternal and Child Health Services
- Corangamite Shire forum with quarry operators, DPI and VicRoads re issues associated with supply of stone and associated issues.
- Municipal Association of Victoria – Regional Collaboration Project

## **CORPORATE & COMMUNITY SERVICES**

### **HEALTH & COMMUNITY SERVICES**

#### **Maternal & Child Health**

Statistics – September 2012

Number of infants enrolled from birth notifications	13
First Time mothers	7

#### **Key Ages and Stages Consultations**

Home visits	13	8mths	16
2wks	17	12mths	13
4wks	21	18mths	23
8wks	11	2yrs	18
4mths	23	3.5yrs	21

Other services provided include:

- 111 Additional consultations
- 25 Phone consultations
- 12 Opportunistic immunisations
- 30 Referrals
- 46 Counselling sessions provided
- New Parents Groups - 4 sessions in Colac
- 32 Families currently enrolled under Enhanced Home Visiting service (Vulnerable and at risk families).

### **Rural Access**

#### **Creating Connections Giant Jigsaw Puzzle**

On R U OK? Day, Rural Access facilitated a workshop with a group of young people at Colac's Neighbourhood House. They decorated giant jigsaw puzzle pieces showing what social connectedness means to them. In total 200 puzzle pieces were decorated by young people from Geelong and Colac. The completed jigsaw was displayed in Geelong Courthouse ARTS from 1 – 12 October 2012.

#### **The National Disability Insurance Scheme (NDIS)**

The Productivity Commission's Disability Care and Support inquiry found:

*'The current disability support system is underfunded, unfair, fragmented, and inefficient, and gives people with a disability little choice and no certainty of access to appropriate supports. The stresses on the system are growing, with rising costs for all governments'.*

The National Disability Insurance Scheme (NDIS) will fund long-term high quality care and support for people with significant disabilities. The scheme is being launched on 1 July 2013 in five areas in Australia including the Barwon Region of Victoria which covers the City of Greater Geelong, Colac Otway Shire, Borough of Queenscliffe and Surf Coast Shire.

The NDIS will include:

- a common set of eligibility criteria
- individually tailored supports
- certainty of funding based on need
- genuine choice over how needs are met, including choice of providers
- portability of entitlements across borders.

The NDIS will take a long-term view and have a strong incentive to fund cost effective early interventions, and collect data to monitor outcomes and ensure efficiency. The scheme will cover the same types of supports currently provided by specialist providers (but with sufficient funding), give people more opportunity to choose mainstream services, and encourage innovative approaches to support.

As elements of our Home and Community Care (HACC) Services will be involved in the NDIS we are working closely with G21 Region Alliance to develop a consistent understanding and a collaborative approach to developing the NDIS regionally.

### **Children & Family Services**

Family Day Care has a busy month ahead with a Cardiopulmonary Resuscitation (CPR) update scheduled for 29 November 2012.

The service is acknowledging a number of Educators' lengthy dedication to Family Day Care through Years of Service Awards on 31 October 2012. These awards are for Educators celebrating 5, 20 and 25 years of service respectively.

The Family Day Care service currently has a waiting list, so is hoping to employ additional Educators in the coming months.

### **Older Persons & Ability Support Services (OPASS)**

#### **Government House Reception**

Congratulations to the six successful nominees who attended the 2012 Victorian Seniors Festival Government House Reception on the 5 October 2012.

His Excellency the Honourable Alex Chernov, Governor of Victoria hosted the reception in recognition of services of older people who have made and continue to make a contribution to the community.

The six successful nominees were Aida Krasts and Reverend Sherryl Smith of Wye River, and Betty Harris, Gwen Robertson, Jean Ross, Marian Matthews and Edna Mulgrew, all from Colac. They were accompanied by Councillor Lyn Russell and an OPASS staff member.

#### **Community Care Common Standards Quality Review**

The Australian Health Care Associates (AHCA) has confirmed that the Department of Health Victoria, Home & Community Care (HACC) and the Department of Health and Ageing Community Aged Care Packages (CACP) will conduct a Community Care Quality Review on Tuesday 4 December 2012. This will be conducted by two reviewers focussing respectively on State and Federal requirements.

The preparation for the review process will be tight as the steps leading in to the review are comprehensive.

#### **Seniors Week October 7 – 14 October 2012**

A range of activities were organised for Senior's Week across the Shire. The activities program was well advertised by local media and our Public Relations section.

Most activities, which included trips away, morning teas across the Shire and the "Frankie Lawrence 60 Years Celebrations", were booked out.

These activities also included a number of ILOP (Improving Liveability for Older People) Ambassador developed activities in Forrest, Apollo Bay, Wye River, Gellibrand and Colac. Congratulations to all involved.

#### **Mental Health Week Celebrations - October 2012**

A civic reception was held by the City of Greater Geelong on 8 October 2012 to acknowledge the significant contributions to community through the Mental Health Week Wellbeing Awards. Congratulations to Mick McCrickard (Trinity College) for being nominated in the Mental Health & Wellbeing Workers award and to St Mary's Primary School, Colac which received an award for their efforts around Wellbeing.

A family fun day called "*Connecting with your Community*" aimed at celebrating Mental Health Week was conducted on 9 October 2012 in Memorial Square. There were a number of local and regional service providers, including Council who displayed their services and spoke to members of the Colac community. A special thanks to Colac and Camperdown

Lions who provided free food and entertainment for the day. A highlight of the day was an a'capella performance by the recently formed Song and Soup Community Choir.

## RECREATION ARTS AND CULTURE

### EVENTS

#### **The Hunt for the Golden Gumboot (25 September to 21 October 2012)**

The Hunt for the Golden Gumboot event encouraged the community to get out and get active by hunting for Golden Gumboots along the Old Beechy Rail Trail in Gellibrand (from 25 September to 5 October) and then in Beech Forrest (from 9 to 19 October). The return of this popular event coincided with the school holidays. All those that found a golden gumboot received a prize. The event finished with a celebratory BBQ at the J W Gardiner Reserve, Beech Forest on 21 October.

#### **Birregurra Weekend Festival and Art Show (12 to 14 October 2012)**

Thousands of people flocked to the 13<sup>th</sup> annual Birregurra Weekend Festival and Art Show. The festival featured food stalls, farm machinery exhibitions, arts, crafts and children's activities. The festival's large crowds were treated to musical performances from a wide range of local musicians plus *Australia's Got Talent*, Cameron and Taylor Henderson, a 160 person choir Orchestral Manoeuvres and a full program of Music at the Church. Feature standouts included the dog jumping, circus act 'Roy Maloy' and woodchop on the Sunday. The Food and Wine area once again showcased the best of the region's produce of olives, preserves, pies, pasta, cheeses, wines and beers.

#### **Colac Orchid Club (13 to 14 October 2012)**

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 late season for orchids 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.

#### **Beeac Golf Club 100<sup>th</sup> Centenary (13 to 14 October 2012)**

Hundreds of people made the trip to Beeac to help celebrate the 100<sup>th</sup> anniversary with current and past members of the club. The 18 hole event on Saturday was very popular and was followed by a social Sunday afternoon.

#### **Warrion 102<sup>nd</sup> Flower Show (24 October 2012)**

The Warrion Annual Flower Show which is now in its 102nd year is to be held on 24 October 2012. The event is timed to display the finest examples of old fashioned and native flowers, spring vegetables, home preserves and cakes, handicrafts and schoolwork. Stalls and exhibits are also held which highlight local wines and produce.

#### **Alvie Festival (28 October 2012)**

The inaugural Alvie Festival is to be held on 28 October. The festival will include print races with cash prizes to jumping castles and face painting. There will also be high quality local food stalls and a market selling local produce.

#### **Upcoming Events**

Events which will be held throughout the Colac Otway Shire in November 2012 will be the Opera in the Otways – 17 November 2012 at the Cape Otway Lightstation.

## RECREATION

### Central Reserve Oval Redevelopment

The Central Reserve Oval Redevelopment has commenced with Council's contractor Pitchcraft having undertaken the following works:

- Sprayed the ground on two occasions
- Installed temporary fencing
- Removed goal posts, old irrigation system and turf wicket block
- Stripped 50mm from existing surface
- Cut and filled base level
- Commenced installation of new irrigation system.

The contractor's works program indicates that the subsurface drainage and the new 250mm sand base will be completed by the end of November with planting of the Santa Ana grass to be completed early December 2012.

### Active Transport Strategy and Plan

Council has appointed GHD as the successful contractor to undertake the development of the Active Transport Strategy and Plan. An inception meeting has been held to confirm the project team, key contacts and confirmation of the work plan. A Briefing and Visioning workshop was also held in early October 2012 to review the methodology for the project, develop a communications and consultation strategy and identify a vision for the strategy. An Issues and Opportunities paper will be developed based on an analysis and review of existing Council documents, site visits and other research.

### Elliminyt Playspace

Council has appointed Safe Play Systems (trading as For Park Australia) as the successful contractor for the Elliminyt Playspace Project. The Elliminyt Playspace Reference Group has viewed the proposed plans and confirmed that they are delighted with the design and that there are no major changes required. Manufacturing of play equipment has commenced and it is planned that the playground will be installed before Christmas 2012. Discussions have also been held with the local Elliminyt Primary School to investigate the possibility of creating public artwork to be included in the play space.

## COPACC

### Business Events

COPACC held its largest annual event, the *Powercor Colac Otway Business Awards*, on 13 October 2012 which again was an outstanding success.

Business Events revenue for COPACC has been strong in October with more than 62 events attracting more than 3,500 people.

### School Holidays

The *Sock It To 'Em* school holiday workshop, which taught children how to make a sock puppet with moving mouth parts, sold out as did two performances of Queensland Theatre Company's production of *Treasure Island*. Both events were in the Civic Hall.

### October Programme

October 2012 was an extremely busy month in terms of the COPACC season with two dramas, a morning music show and a stand-up comedy night. COPACC also took a comedy performance to Lavers Hill as part of its outreach program. This performance was delivered in partnership with the not-for-profit Otway Hinterland Events and will also benefit Lavers Hill K-12 College.

**Civic Hall**

COPACC was recently asked to report on the success of the State Government's investment in the redevelopment of the Civic Hall to upgrade the venue to black box theatre standard with portable staging and tiered seating.

The original project objectives were:

- To encourage repeat visitation to COPACC from within and beyond the region
- To increase usage of the Civic Hall space
- To increase the diversity of programming offered at COPACC.

The data shows that the investment by the State Government and Council has resulted in significant outcomes for COPACC and the community.

- In 2009/10, prior to the works, there were 233 bookings for the Civic Hall, with 25,118 guests/audience/clients.
- In 2010/11, during and just after the works, there were 312 bookings and 27,006 guests/audience/clients.
- In 2011/12 there were 333 bookings and 28,665 guests/audience/clients.

**BLUEWATER FITNESS CENTRE****Redevelopment Project**

The design phase of the Bluewater Fitness Centre Redevelopment has commenced with Suters Architects meeting with the Project Team in early October 2012. A community engagement plan will be developed as a priority to ensure that the design meets the needs of user groups, members and the health sector as well as the broader community. Members of the community who are interested in providing input into the design can contact Council's Recreation, Arts and Culture Unit.

**Patronage**

The monthly membership average for September 2012 was 977 which is slightly ahead of the same time for the past two years. It is expected that membership will climb back to over 1,000 over the next month as Term 4 is usually one of the busiest terms of the year.

A multi-pass sale for the first two weeks of September resulted in 56 multi-passes sold across all areas of the Centre. There are now 588 active multi-passes which includes the pool, gym, aquatic and dry programs, crèche and personal training.

**Group Fitness**

The Term 4 group fitness program has begun and features the newly named kids program *Joeys*. The *Joeys* program replaces the old Kid Fit program and is targeted toward primary school age students.

Bluewater has begun its first ever *Boot Camp* which is a program being run primarily off site at various sporting ovals around Colac as well as three sessions being held at the Botanic Gardens.

**Events**

The Colac Basketball Association has begun their summer season with basketball court bookings at Bluewater each weeknight. There will also be a regional tournament for under 16 and under 18 basketball teams held at Bluewater on the 1 & 2 December 2012.

Shae'k' It Dance School utilised the Bluewater stadium for their annual dance production on the 13 October 2012 which attracted a great attendance.

New Age Wrestling (NWA) has held an event for the first time in Colac at the Bluewater Fitness Centre stadium on the 20 October 2012 which proved popular and brought many people into the Centre.

## **INFRASTRUCTURE and SERVICES**

### **CAPITAL WORKS UNIT**

#### **Cressy Shelford Road Agreement**

Investigations have commenced into the formalisation of a firebreak along Cressy Shelford Road. This was identified as an action in the Cressy Shelford Road Management Plan. Adjacent landholders have been contacted in order to address issues of access and egress to the proposed worksite (ie the protected grasslands). Council is currently awaiting their reply to ascertain what further actions will be required regarding planning and any other permit requirements.

#### **Major Drainage Program**

Environmental assessments are currently being undertaken on the 2012/13 Major Drainage Program. Recent guidelines released by the Environmental Protection Agency (EPA) in February 2012 (EPA publication number 1436 - 1442) have raised possible issues regarding spoil disposal generated through the program. Clarification from the EPA regarding the guidelines as well as other possible options for spoil disposal are currently being investigated.

#### **Old Beechy Rail Trail**

##### *Colac Railway Station section*

Detailed design of the trail and alignment have been prepared and discussed with adjoining landholders. It is anticipated that a tender will be advertised by the end of October 2012.

##### *Dinmont to Ditchley section*

Further meetings have been held with property owners and the DSE regarding the alignment of the Dinmont to Ditchley station section of the trail. Field work to peg this alignment through a large gully is being finalised. Upon finalisation of the alignment, contractors will be engaged to commence trail construction.

##### *Beech Forest to Ferguson section*

Officers have commenced discussions with landholders along the Beech Forest to Ferguson trail section. Preliminary discussions were held sometime ago with property owners, who indicated at the time their willingness to enter into necessary agreements to allow the trail to be positioned in the best location. It is anticipated that the agreements will be finalised with works commencing early in 2013.

#### **Parking Management - Morley Avenue, Wye River**

Property owners in the vicinity of Morley Avenue, Wye River and other keys stakeholders were surveyed recently to determine their preference for treatment options to better manage parking along Morley Avenue. A survey form invited respondents to provide comment on three (3) alternatives, these being: leave the parking arrangements as is; restrict parking on the ocean side of Morley Avenue; or restrict on-street parking on both sides of Morley Avenue. A good number of survey responses have been received and a report will be forwarded to Council's November 2012 meeting.

#### **Surveys and Project Development**

Contractors have performed pavement testing and design for three (3) road reconstruction jobs in Apollo Bay. Recommendations from these reports are being incorporated into the



technical design for the renewal of McLaren Parade, Murray Street and Seymour Crescent in Apollo Bay. These three (3) roads form part of Council's Road Reconstruction Program.

### **CCTV Camera System – Colac CBD**

Council has engaged CPD Consulting Pty Ltd to undertake the technical design and specification development for the implementation of the CCTV Camera System to be established within Colac's CBD. Key stakeholder consultation will continue with Colac Police and the Colac Liquor Accord prior to undertaking a tendering process. It is still anticipated a tender will be advertised by the end of November 2012.

## **SUSTAINABLE ASSETS**

### **Routine Road and Footpath Inspections**

The following is a summary of the routine road and footpath network inspections completed for the month of September 2012:

<i>Rural Collector Roads</i>	A number of signs were found to be either damaged or missing, drain scouring and trees and limbs down were also identified. Signage maintenance to address issues from previous inspections has been completed. Some isolated lengths of roadside table drains have been treated to prevent ongoing scouring.
<i>Urban Collector Roads</i>	Streets in Colac have been inspected and a number of signs were found to be either damaged or missing. The general condition of roads within the urban areas of Colac is good. All identified maintenance works have been programmed to be completed by Cosworks works crews in the near future.
<i>Coastal Townships</i>	Rural roads in Kennett River, Separation Creek, Wye River, Marengo, Skenes Creek and Apollo Bay have been inspected. Damaged or missing signs, potholes and minor corrugations were commonly identified in roads incorporated within this inspection area. Trees and limbs down were also identified requiring cleanup and removal. Isolated drain scouring was also identified in certain areas owing to ongoing wet conditions. All identified maintenance works have been programmed to be completed by Cosworks work crews.
<i>Footpath Renewal Program 2012/13</i>	Two substantial packages of footpath works in Colac have been allocated to Council's contractors for expected completion by the end of 2012. These works include:  Areas of Colac on the south side of Murray Street <ul style="list-style-type: none"> <li>• Garrett Street</li> <li>• George Street</li> <li>• Gravesend Street</li> <li>• Hart Street</li> <li>• Wheal Street</li> <li>• Wilson Street</li> </ul> and, areas of Colac on the north side of Murray Street <ul style="list-style-type: none"> <li>• Bambi Court</li> <li>• Fyans Street</li> <li>• Gellibrand Street</li> <li>• Hesse Street</li> </ul>

	Council has committed \$300,000 to the annual Footpath Replacement Programme in its 2012/13 Capital Works Budget. Footpath renewal works are identified through Council's routine inspections and other formalised condition assessments. Works are prioritised considering a number of factors including; asset hierarchy; footpath condition; utilisation; and risk.
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### **Building Maintenance and Renewal**

<i>Warrion Hall</i>	The building permit for the construction of the access ramp has been issued and works commenced mid October 2012. Power has now been connected to the old fire station shed.
<i>COPACC</i>	Re-keying of the building was completed mid October 2012.
<i>Birregurra Toilets</i>	The construction of the Birregurra Public Toilets commenced week beginning 15 October 2012, following the Birregurra Festival which was held on 13 – 15 October 2012.
<i>SP&amp;D and Infrastructure Air Conditioning</i>	The packaged air conditioning units servicing the SP&D and Infrastructure offices are ageing and are beginning to require significant levels of maintenance. Consequently, Council has engaged a consultant to assess the mechanical services requirements of these two (2) office spaces and to recommend appropriate replacement units. The scope of these assessments will include investigating the most energy efficient and sustainable solutions.
<i>Apollo Bay Redevelopment</i>	The contract for the redevelopment of the existing Apollo Bay Library was awarded to Apollo Bay Building Group Pty Ltd at the Special Council Meeting of 19 September 2012. An inception meeting was held 8 October 2012 with on site works commenced during the week commencing 15 October 2012. The Apollo Bay Library is presently operating from temporary accommodation at Council's Nelson Street Offices. Based on the works programme presented by Apollo Bay Building Group it is expected that this project will be finalised in March 2013. The contract price is within budget, however some areas of cost savings have been identified and are presently being further explored.
<i>Rae Street Office Refurbishment</i>	The start date for this project has been delayed slightly due to a number of issues relating to a building permit being issued for the works. Council was required to complete a full disability access audit on the proposed design to ensure that it complied with the relevant building regulations and Australian Standards. As a result, a number of design changes were required to be made to provide for adequate circulation spaces and other disability access requirements. A DDA Compliance Statement has been signed off and a building permit has now been issued for the works. Construction drawings are presently being finalised for issuing to the appointed Contractor. As part of the Disability Access Plan prepared along with the Compliance Statement, Council will be required to install a vertical disability access lift and construct accessible sanitary facilities on the first floor of the building within the next three (3) years.

<i>Pirron Yallock Recreation Reserve</i>	<p>An Emergency Order was issued by the Municipal Building Surveyor on the 19 September 2012 requiring that all public use of the clubrooms cease due to safety reasons. In response, Council officers organised security fencing to be installed around the perimeter of the building to prevent public access. Subsequent to this a Building Notice was issued on 28 September 2012 requiring Council to show cause as to why the clubrooms should not be demolished. This has been responded to requesting that the building be allowed to remain as is in the interim until such time that further information is gathered to enable a further assessment of the long term future of the facility.</p> <p>Council officers have engaged consultants to undertake audits in order to assess the extent of the issues that have been discovered with this building. PJ Yttrup &amp; Associates P/L (Structural Engineers) has been engaged to undertake a structural audit. Joel Brewer Electrical has completed an audit on the electrical installation with recommendations of rectification works and risk ranking of these issues. David Parker Plumbing has been engaged to undertake an audit of the plumbing in the near future to verify issues relating to stormwater management, waste water and potable water supply. Council's Health officers have also inspected the building and have provided a detailed report in relation to the kitchen facilities, waste water management and general hygiene matters.</p> <p>It is intended that a staged approach is taken in working through the issues that are currently presented as a result of the condition of this building as outlined below:</p> <ol style="list-style-type: none"><li>1. Collate and review the reports once received with a view to developing a detailed scope of works to address risk issues affecting health and safety of the users.</li><li>2. Based on available funding and priority, undertake remedial works to remove extreme and high risk hazards with the intention of reopening parts of the building to restricted use.</li><li>3. Open toilet block up for public use to allow cricket club restricted use.</li><li>4. Develop a scope of works to make good the clubrooms if appropriate, or reassess the long term viability of the existing clubrooms once all information is available Council is presently working with the Committee of Management and users of the Pirron Yallock Recreation Reserve in developing a Master Plan for the facility. This Plan will be further informed by the detailed information being collated by Council and will provide direction as to the future of the clubrooms.</li><li>5. Council officers are currently working with representatives of the Stoneyford Cricket Club to establish interim use arrangements to provide access to basic public amenities initially and possible further use of parts of the clubrooms under restricted use conditions. Sign off from the Municipal Building Surveyor will be required prior to any such arrangements being implemented.</li></ol>
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**COSWORKS**

Works undertaken by Cosworks during the past month are as follows:

**Minor Patching**

Minor patching works were undertaken in Apollo Bay streets, Colac streets and other rural sections of the Shire including Gellibrand, Barongarook, Pennyroyal and Birregurra areas.

**Storm Damage**

Over the past month there has been an increase in fallen, hanging and dangerous trees due to strong wind damage. This has been widespread throughout the southern section of the shire. A Killala Road landslip was repaired during the month.

**Bridge Maintenance**

Due to flooding, clearing of debris from approaches to bridges was undertaken on several structures in the Otways including:

- Gravel beams and decking replaced on the Glenaire bridge
- Repairs on the corbels of Watsons Bridge
- Decking planks replaced on Scorcis bridge.

**Road Regrading**

The road regrading effort has increased in all areas as weather conditions improve however, due to winter rains the gravel road network still has very soft road pavements.

**Gravel Road Re-sheeting**

Gravel road re-sheeting works were undertaken on Binns Road, Sunnyside Road, Hartneys Road, Settlement Road, Ridge Road, Wonga Road, Boundary Road, Mahoods Road and Bullock Swamp Road. The total length of resheeting works completed this month is approximately 15.2km.

**Routine Drainage Works**

Routine Drainage works were completed in the last month in Wye River, Kennett River, Separation Creek, Apollo Bay and Marengo townships. Also works have been undertaken in the areas of Gellibrand, Carlisle River, Kawarren, Lavers Hill, Barwon Downs and Gerangamete areas.

**Sport Ovals**

Mowing of the ovals continue as per the works program.

**Tree Maintenance**

Tree maintenance works were completed on Harrington Park, Wye River, Scoullers Road and Birregurra Yeodene Road, Birregurra. Colac township works continue on trimming street trees including those trees located under overhead powerlines.

**Township Mowing**

Township mowing continues in accordance with the mowing program around Apollo Bay, Marengo, Gellibrand, Lavers Hill, Kawarren, Carlisle River, Beech Forest, Forrest, Barwon Downs, Loves Creek, Colac, Beeac and Cressy.

**Reach Arm Mowing**

Reach arm mowing was undertaken on Barham River Road, Sunnyside Road, Tuckers Orchard Road, Carlisle Valley Road and Porcupine Road.

**Tree Planting**

Tree planting was undertaken during the month around the Gellibrand township. Planting also was undertaken in Cliff Young Park, Colac and in Colac streets.

**Guide Posts**

Guide posts were installed on Old Beech Forest Road, Beech Forest and McDonalds Road, Kawarren.

**Old Beechy Rail Trail**

Works have been undertaken along the Old Beechy Rail Trail including the removal of fallen and dangerous trees and cleaning out of drainage lines. Grass mowing was undertaken in the Kawarren section.

**MAJOR CONTRACTS/WASTE UNIT****Bioenergy Expo, DPI Ballarat University**

Staff attended a Bioenergy exhibition held at Ballarat University on 5 October 2012. Papers were presented on various technologies for organic waste processing such as Pyrolysis, Gasifier and Combustion etc. The Ballarat region is currently working on a Waste to Energy Feasibility Study incorporating aspects such as identification of a suitable site for a waste to energy plant, identification of feedstock, technology and capital and operating costs associated with the project. As part of future initiatives and the 2030 vision, Ballarat will be exploring options for a Bio Refinery, indigenous plantation for a source of biomass and carbon sequestration, Forest Fuel Reduction (harvesting rather than burning), mobile versus centralised processing of bio fuels, establishment of a regional research and innovation centre, role of waste water treatment and wood processing to produce bio coal.

Information was also provided by presenters on the overseas technologies available in the Energy to Waste sector and it was indicated that the Swedish technologies are quite advanced in this regard.

The presentations were followed with an afternoon field trip session incorporating:

- Inspection of transfer station at Gillies Street
- Investigation of Smythsdale landfill
- Investigation of Berrybank Farm at Windemere

**Tender Opening for Apollo Bay Harbour Dredge & Workboat**

The tenders for Apollo Bay Harbour Dredge and Workboat closed on 3 October 2012 at 4pm. The tenders were opened by the tender opening committee. A tender evaluation team comprising of a Council representative, a member of Department of Transport (the funding body) and an independent marine consultant has been formed for thoroughly examining and evaluating all tenders received. Council officers are looking to submit a Tender Evaluation Report to the November 2012 Council meeting.

**Wye River and Separation Creek Waste Collection Route Safety Issues**

In accordance with Council's resolution at its meeting on 19 September 2012, a meeting was held with the Sarsfield Street, Bass Avenue and Dunoon Road residents on 4 October 2012 assisting with identification of problems and agreement with proposed rectification works for overcoming the safety issues. An action plan has been developed with works scheduled to be completed prior to the Christmas period. Further street meetings were conducted on 21 October 2012 with residents in the Wye River area. Soon after the completion of street consultation meetings, the works will be programmed to be carried out.

Further street based consultative meetings have been scheduled for holding discussions with the residents on a street to street basis wherever safety concerns have been identified and rectification measures are required.

### Tenders

Tenders opened since the last reporting period:

1221 - Bushfire Planning Project

1212 – Apollo Bay Harbour – Design & Construction of Dredge and Workboat

Tenders awarded since the last reporting period:

1232 -Central Reserve Oval Redevelopment

1231 - Apollo Bay Library Extension – to Apollo Bay Building Group Pty Ltd

1235 - Barham River Road & Upper Gellibrand Road Bridges – Design & Construct – to VEC Civil Engineering Pty Ltd

1236 -Carlisle Valley Road & Ganes Access Bridges – Design & Construct – to VEC Civil Engineering Pty Ltd

1237 - Bituminous Sealing Works – to Inroads Pty Ltd

1239 - Active Transport Strategy & Plan – to GHD Pty Ltd

1240 - Elliminyt Playspace – Design & Construct – to Safe Play Systems Pty Ltd

Tenders advertised since the last reporting period:

1242 - Linemarking Services, closing 28 September 2012

1243 - Supply & Deliver 3-Tonne Tip Truck, closing 28 September 2012

1245 - Supply & Deliver 4WD Out-Front Mower, closing 28 September 2012

1246 - Supply & Deliver 5-Metre Tip Truck, closing 28 September 2012

1247 - Supply & Deliver Tandem Axle Float Trailer, closing 28 September 2012

1244 - Livestock Scanning Services, closing 31 October 2012

### 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 (19 Lots)	A certificate of compliance has been issued and outstanding works guaranteed with a security bond. Fill to lots is continuing with surface drainage, landscaping and some ancillary works remaining.
202A Pound Road Stage 1 (13 Lots)	A certificate of compliance is expected to be issued following approvals from the referral authorities.
202A Pound Road Stage 2 (13 Lots)	Stage 2 has been certified with construction plans soon to be approved by Council's Infrastructure & Services department.
Cants Road Stage 4 (Imperial Drive) (8 Lots)	Works on Stage 4 have commenced. The works include an 80 meter extension to Imperial Drive and footpath on one side. Drainage has been constructed in Stage 3.

### Bituminous Sealing Works

The sealing program for 2012/2013 is currently being programmed. Inroads, who completed the contract last year, expects to complete the majority of work prior to Christmas. Cosworks is currently preparing roads for sealing and carting aggregate to stacksites.

**SUSTAINABLE PLANNING and DEVELOPMENT****Planning & Building****Birregurra Structure Plan**

Hansen Partnership has commenced a review of the 2010 draft Birregurra Structure Plan. It is intended to revise the draft document to take into account submissions received late in 2010, as well as to incorporate the outcomes of the Neighbourhood Character Study, the G21 Regional Growth Plan, Open Space Strategy and other strategic plans produced in the last few years. The Community Reference Group is due to meet on 13 November 2012 to further discuss the project. This meeting is being made available for attendance by the wider public who may have an interest in the project. It is expected a revised draft Structure Plan will be available for consideration by Council by the end of the year, and placed on public exhibition early in 2013.

**Apollo Bay Harbour Master Plan Planning Scheme Amendment**

Officers have appointed a planning consultant to manage a planning scheme amendment process on behalf of Council that implements the Apollo Bay Harbour Master Plan. It is envisaged that a small number of specialist consultants will be engaged over the next six months to provide technical input into the development of the planning scheme amendment documentation. Exhibition of the amendment will therefore not occur until early in 2013, following a further report to Council. Council will be asked to sign off on the amendment documentation before proceeding to the exhibition stage.

**Planning Scheme Amendment C69 (Rural Living Strategy & Forrest Structure Plan)**

An independent Panel heard submissions to this amendment at a hearing in Colac between 9 -11 October 2012. Several submitters made representations to the Panel. A report from the Panel with recommendations relating to submissions will be lodged with the Shire within six weeks of the hearing, and will be presented to Council for consideration early in 2013.

**Heritage Strategy**

Officers are currently working with Council's Heritage Advisor to develop a draft Heritage Strategy. A community 'drop-in' session was held in September to give residents and other stakeholders the opportunity to discuss the project with staff and provide input into the Strategy. The draft document is expected to be completed for public exhibition early next year.

**Development of Bushfire Local Planning Policy**

Officers have appointed a consultant following a public tender process to undertake this project which has been funded by a \$120,000 DPCD grant. The project will include the development of schedules to the Bushfire Management Overlay for specific towns to introduce standardised requirements for planning applications to reduce the burden for permit applicants, Council and the CFA. The schedules will include strategic assessments of the growth potential for Gellibrand, Forrest, Beech Forrest and Lavers Hill from a bushfire risk perspective (this is follow-on work from the recent Rural Living Strategy).

**Environment & Community Safety****Fire Danger Period Starts on 1 November 2012**

On 1 November the Fire Danger Period begins in the Colac Otway Shire. Landowners are expected to keep their properties suitably maintained during this period and people will require a permit to conduct all burning off. Council has sent a courtesy letter to all landowners to formally remind landholders that they must maintain grass to a length of 100 millimetres or less, and maintain the cut area of 20 metres around houses and buildings for

the duration of the fire season and should also remove fuels such as leaves, twigs and bark from their gutters and around their house to a radius of at least 20 metres. The letter also highlights that the Victorian Government has increased the fine for failing to comply with a fire prevention notice from \$244 to \$1,408. We encourage anybody with questions to contact Council to discuss their fire prevention measures. Council understands that every site presents a different set of challenges and is keen to work with our community to help people achieve compliance.

### **Climate Resilient Communities Project**

The Project Reference Group for the Climate Resilient Communities project met in Camperdown on 27 September 2012 to finalise a detailed project plan. The project plan provides detail on the actions that will be carried out across ten municipalities over the next three years. The finalised plan will be submitted to the Department of Sustainability and Environment by the end of October and subject to its approval the project activities will start being implemented in early 2013.

### **Carbon Neutral Plan**

Council is currently in the process of engaging a consultant to help develop a carbon neutral plan. The development of the plan is being funded by a grant received through the Victorian Sustainability Accord. Council set a target in the 2010-2018 Environment Strategy for council operations to be carbon neutral by 2016. Although Council has reduced its carbon footprint over the last 10 years it is a long way from being carbon neutral. For Council to achieve this we need to fully cost a range of options for achieving carbon neutrality and then consider whether they are viable and if so identify the approach we will take. We hope to have the plan presented to Council by May 2013.

### **Economic Development**

#### **Colac High School Master Plan**

The first stage of community engagement has commenced with a community survey available to residents and key stakeholders. Hard copy surveys have been placed at Council customer service centres, the Library Annex and the Colac Community Library and Learning Centre. The community survey is also available online through Survey Monkey via the following link <http://www.surveymonkey.com/s/ColacHighSchool>. The survey closes on 29 October 2012.

#### **Tourism**

Colac visitation during September 2012 was up by 9.93% on previous year servicing more than 2645 visitors through the door and over 219 customer calls. GORVIC's visitation was up by 6% on previous year with 26,632 visitors for the quarter ending September. Both VICs have facilitated customer satisfaction surveys with a good response. Colac VIC staff training day included a tour and catch up with staff at GORVIC followed by visits to the Apollo Bay motels and camping grounds.

The Interim Great Ocean Road Tourism Board will complete a draft proposal for Council by late November 2012. This will be presented to a Council workshop before an officer's report to Council to seek endorsement of recommendations.

#### **Small Towns Improvement Program (STIP)**

Projects funded via Council's Small Towns Improvement Program are currently being completed and are on schedule.

#### **Business Development**

The ANZ Business Breakfast is scheduled for 19 October 2012 at the Lake Bowling Club. Guest speaker at the breakfast is Naomi Simson, Founding Director of RedBalloon.



Council's Business Development Officer is currently working with the Glenelg Shire Council's Grants Officer to initiate a Barwon South West Grants Network. The first meeting will be held on 16 November 2012 at COPACC with Grants Officers from both G21 and Great South Coast Council's attending.

**Attachments**

Nil

**Recommendation(s)**

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

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**CONSENT CALENDAR****OFFICERS' REPORT**

D = Discussion

W = Withdrawal

| ITEM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | D | W |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <p><b><u>CORPORATE AND COMMUNITY SERVICES</u></b></p> <p><b><u>OM122410-2 COUNCIL PLAN FIRST QUARTER PERFORMANCE REPORT JULY - SEPTEMBER 2012</u></b></p> <p>Department: Corporate and Community Services</p> <p><b><u>Recommendation(s)</u></b></p> <p><i>That Council receives the 2012/2013 Council Plan First Quarter Performance Report for the three months ending 30 September 2012.</i></p>                                                                                                                                                                                                  |   |   |
| <p><b><u>OM122410-3 FIRST QUARTER FINANCIAL PERFORMANCE REPORT 2012-2013</u></b></p> <p>Department: Corporate and Community Services</p> <p><b><u>Recommendation(s)</u></b></p> <p><i>That Council receives the first quarter financial performance report for 2012-2013.</i></p>                                                                                                                                                                                                                                                                                                                    |   |   |
| <p><b><u>OM122410-4 COUNCIL ANNUAL REPORT 2011-2012</u></b></p> <p>Department: Corporate and Community Services</p> <p><b><u>Recommendation(s)</u></b></p> <p><i>That Council:</i></p> <ol style="list-style-type: none"> <li><i>1. Notes the completion of the 2011/2012 Annual Report document and process.</i></li> <li><i>2. Notes the Auditor's unqualified reports on the Financial Statements, Standard Statements and Performance Statement.</i></li> <li><i>3. Notes the Annual Report was submitted to the Minister for Local Government by 30 September 2012, as required.</i></li> </ol> |   |   |

|                                                                                                                                                                        |  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| <p><b>4. Considers and adopts the 2011/12 Annual Report as presented to this meeting in accordance with sections 131 and 134 of the Local Government Act 1989.</b></p> |  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|

**Recommendation**

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

**MOVED** .....

**SECONDED** .....

OM122410-2

## COUNCIL PLAN FIRST QUARTER PERFORMANCE REPORT JULY - SEPTEMBER 2012

|             |                                |           |              |
|-------------|--------------------------------|-----------|--------------|
| AUTHOR:     | Margaret Giudice               | ENDORSED: | Colin Hayman |
| DEPARTMENT: | Corporate & Community Services | FILE REF: | 11/95772     |

### Purpose

This report provides information to Council and the community on the progress of achieving the Key Actions from the Council Plan 2009-2013 for the first quarter of the financial year, ending September 2012.

### Caretaker Statement

The recommended decision is not a "Major Policy Decision", as defined in section 93A of the *Local Government Act 1989*, or a "Significant Decision" within the meaning of Council's Caretaker Policy.

### 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 at the Council meeting held on 27 June 2012.

### 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 noted above, this report discusses performance against the Council Plan 2009-2013.

### Issues / Options

#### Council Plan Update

The attached report provides Council with the first quarterly progress report as at 30 September 2012 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 120 Key Actions allocated for the 2012/13 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:

- 93 Actions at least 90% of target
- 3 Actions between 70% and 90% of target
- 24 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 for this financial year. This includes 5 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 2012/13 Council Plan actions.

As at 30 September 2012, the end of the first quarter, the organisation is on track to achieve a successful outcome for this financial year.

### **Proposal**

That Council consider the quarterly report as provided.

### **Financial and Other Resource Implications**

There are no financial or resource implications as a result of this report.

### **Risk Management & Compliance Issues**

This report meets the reporting and risk obligations of officers to Council.

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

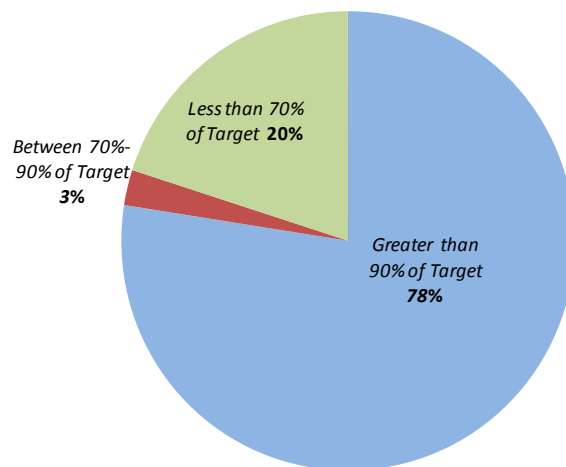
Applied in preparation of Council Plan and adoption of budgets.

### **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. This is a quarterly report that is for the information of Council.

**Progress on Council Plan Key Actions  
July – September 2012**



**Implementation**

Council Plan and Budget are already implemented and operating.

**Conclusion**

The Council Plan Progress Report reflects the progress to date for the first quarter of the 2012/13 year, with the majority of actions well underway.

**Attachments**

1. Council Plan First Quarter Report 20120930

**Recommendation(s)**

***That Council receives the 2012/2013 Council Plan First Quarter Performance Report for the three months ending 30 September 2012.***

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**OM122410-3****FIRST QUARTER FINANCIAL PERFORMANCE REPORT  
2012-2013**

|             |                                |           |              |
|-------------|--------------------------------|-----------|--------------|
| AUTHOR:     | Brett Exelby                   | ENDORSED: | Colin Hayman |
| DEPARTMENT: | Corporate & Community Services | FILE REF: | 11/96473     |

**Purpose**

This report provides information to Council and the community on the financial performance of Council for the first quarter of the financial year, ending September 2012.

**Caretaker Statement**

The recommended decision is not a "Major Policy Decision", as defined in section 93A of the *Local Government Act 1989*, or a "Significant Decision" within the meaning of Council's Caretaker Policy.

**Declaration of Interests**

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

**Background**

Council adopted the budget for 2012-2013 including the Capital Works Programme at the Council meeting held 27 June 2012. The attached report seeks to provide information on the performance of Council against the adopted budget.

**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**

Attached to this report is the First Quarter Financial Performance Report 2012-2013.

At the time the budget for 2012-2013 was prepared, it was expected that Council would see an operating surplus of \$6.379 million. Council continues to revise the estimate for the 2012-2013 year activities as more accurate information comes to hand, with the current operating surplus forecast to be \$6.268 million.

The achievement of an operating surplus for the 2012-2013 year continues to be a priority of Council. It is important for Council and the community to understand that we continue to refine our forecasts and adjust our activities to ensure that Council is in the position to report an operating surplus for the 2012-2013 financial year.

Council currently has a cash at bank balance of \$11.832 million, which is higher than for the same time in 2011-2012.

The attached report includes further details on Council's financial performance for the first quarter of the 2012-2013 financial year.

**Proposal**

That Council considers the report as detailed herein, receives the report as provided and notes the forecast changes to date.

**Financial and Other Resource Implications**

Financial and resource matters affecting the budget performance of Council are detailed in the quarterly finance report.

**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 follows 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 as per statutory obligations when preparing the Council Plan and 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 Finance and Customer Service Unit of Council and reflects the performance to date of Council against the budget and targets set by Council for the first quarter of the 2012-2013 year.

**Attachments**

1. 2012-2013 - Quarter 1 Financial Report to Council
2. Project List Progress Update - 2012-2013

**Recommendation(s)**

***That Council receives the first quarter financial performance report for 2012-2013.***

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## OM122410-4

## COUNCIL ANNUAL REPORT 2011-2012

|             |                                |           |              |
|-------------|--------------------------------|-----------|--------------|
| AUTHOR:     | Margaret Giudice               | ENDORSED: | Colin Hayman |
| DEPARTMENT: | Corporate & Community Services | FILE REF: | CLF11/8      |

**Purpose**

This report is to update Council on the preparation, finalisation and council receipt of the 2011/2012 Annual Report in order to meet legislative requirements for Council.

The 2011/2012 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.

**Caretaker Statement**

The recommended decision is not a "Major Policy Decision", as defined in section 93A of the *Local Government Act 1989*, or a "Significant Decision" within the meaning of Council's Caretaker Policy.

**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 2011/2012 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 28 September 2012.

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 third year 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, the Sustainability Report and details of the Executive Management Team.
- The next 6 sections are Key Result Areas as detailed in the Council Plan for the reporting period:
  - o Leadership and Governance
  - o Physical Infrastructure and Assets
  - o Land Use and Development
  - o Environmental Management
  - o Economic Development
  - o Community Health and Wellbeing
- The Corporate Governance Section, which reports on Council's statutory compliance requirements.
- The Financial Reporting section provides performance details, key financial details for the 2011/2012 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 2011/12 in the 6 Key Result Areas in the Council Plan:****Leadership and Governance**

- Advancing Country Towns plan completed.
- New electronic document management system implemented.
- Major upgrade to telecommunications.

**Physical Infrastructure and Assets**

- Completion of Capital Works.
- New bridge constructed.
- 100% increase in footpath replacement.

**Land Use and Development**

- Adoption of Rural Living Strategy.
- Completion of Colac CBD and Entrances Project Plan.
- Completion of Colac and Apollo Bay Car Parking Strategy.
- Completion of the Birregurra Neighbourhood Character Study.

**Environmental Management**

- New Sustainability Policy.
- Sustainability features included in new Council offices.
- Land management plans developed for eight of Council's high conservation value reserves.
- Landfill environmental risk assessment and development of management plan.

**Economic Development**

- Completion of Community Infrastructure Plans.
- Community Support for the Business Development Program.
- Redevelopment of historic Lions Park
- Significant Increase in Grant Funding.

**Community Health and Wellbeing**

- Completion of significant strategic plans.
- Upgrades to community facilities.
- Smooth transition to the National and Victorian Early Years Framework.
- Celebrating arts and culture.

The Auditor General has issued a clear audit opinion on the Financial Statements. Council is required by legislation to consider the 2011/2012 Annual Report.

The draft Financial Statements were considered by the Audit Committee on 4 September 2012 and by Council at a Special Meeting of Council on 19 September 2012.

The report was submitted to the Minister within the time limit allowed by the *Local Government Act 1989*, i.e. 30 September 2012.

**Proposal**

That Council notes the process of the completion of the 2011/2012 Annual Report and that it 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.

**Financial and Other Resource Implications**

The cost of the preparation of the Annual Report has been within the prescribed budget allocation. The cost of printing the 2011/2012 Annual Report is met within the current budget. 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 2012.

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 24 October 2012.

**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 has followed 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.

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 Wednesday 10 October 2012 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, website and Libraries. The final printed version of the Annual Report will be available in November 2012.

**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 2011/2012 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 Council continuing to have a solid financial position.

Overall, 2011/2012 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 2011-2012

**Recommendation(s)**

***That Council having considered the report, as per section 134 of the Local Government Act 1989, that the Annual Report incorporating the report on Operations, Annual Financial Statements, Standard Statements and Performance Statement for 2011/12 be received and noted.***

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**CONSENT CALENDAR****OFFICERS' REPORT**

D = Discussion

W = Withdrawal

| ITEM  | D | W |
|---|---|---|
| <p><b><u>GENERAL BUSINESS</u></b></p> <p><b><u>OM122410-5 MINUTES OF THE OLD BEECHY RAIL TRAIL COMMITTEE</u></b></p> <p>Department: General Business</p> <p><b><u>Recommendation(s)</u></b></p> <p><i>That Council notes the Minutes and Executive Officer Report of the Old Beechy Rail Trail Committee for 6 August 2012.</i></p>   |   |   |
| <p><b><u>OM122410-6 ASSEMBLY OF COUNCILLORS</u></b></p> <p>Department: General Business</p> <p><b><u>Recommendation(s)</u></b></p> <p><i>That Council notes the Assembly of Councillors reports for:</i></p> <ul style="list-style-type: none"> <li>• <i>Friends of Botanic Gardens Meeting 13 August 2012</i></li> <li>• <i>Lake Colac Coordinating Committee Meeting 11 September 2012</i></li> <li>• <i>Special Council Meeting Briefing Session 19 September 2012</i></li> <li>• <i>Councillor Briefing Session 26 September 2012</i></li> <li>• <i>Colac Livestock Selling Centre Advisory Committee Meeting 28 September 2012</i></li> <li>• <i>Saleyards Information Session 4 October 2012</i></li> </ul> |   |   |
| <p><b><u>OM122410-7 ITEM FOR SIGNING &amp; SEALING - TRANSFER OF LAND - VOLUME 11359 FOLIO 351</u></b></p> <p>Department: General Business</p> <p><b><u>Recommendation(s)</u></b></p> <p><i>That Council resolves to approve the signing and sealing of the attached Transfer of Land application to enable the Road title known as Rankin Street, Speirs Street and Stepnell Crescent to be transferred to Council ownership.</i></p>  |   |   |

**Recommendation**

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

**MOVED** .....

**SECONDED** .....

OM122410-5

**MINUTES OF THE OLD BEECHY RAIL TRAIL COMMITTEE**

|             |                                |           |              |
|-------------|--------------------------------|-----------|--------------|
| AUTHOR:     | Jodie Fincham                  | ENDORSED: | Colin Hayman |
| DEPARTMENT: | Corporate & Community Services | FILE REF: | F11/3291     |

**Caretaker Statement**

The recommended decision is not a "Major Policy Decision", as defined in section 93A of the *Local Government Act 1989*, or a "Significant Decision" within the meaning of Council's Caretaker Policy.

It has been previously agreed to by Council that the minutes of the Old Beechy Rail Trail Committee should be included in the Council agenda once any confidential items have been identified and the minutes have been confirmed by the Committee.

Attached are the Minutes and Executive Officer Report from the meeting held 6 August 2012.

Meetings are held every two months, commencing in February of each year.

**Attachments**

1. Minutes of the Old Beechy Rail Trail Committee 6 August 2012
2. Executive Officer Report Old Beechy Rail Trail 6 August 2012

**Recommendation(s)**

***That Council notes the Minutes and Executive Officer Report of the Old Beechy Rail Trail Committee for 6 August 2012.***

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OM122410-6

**ASSEMBLY OF COUNCILLORS**

|             |               |           |           |
|-------------|---------------|-----------|-----------|
| AUTHOR:     | Rhonda Deigan | ENDORSED: | Rob Small |
| DEPARTMENT: | Executive     | FILE REF: | CLF11/6   |

**Caretaker Statement**

The recommended decision is not a “Major Policy Decision”, as defined in section 93A of the *Local Government Act 1989*, or a “Significant Decision” within the meaning of Council’s Caretaker Policy.

**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 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:

- |                                                             |                   |
|-------------------------------------------------------------|-------------------|
| • Friends of Botanic Gardens Meeting                        | 13 August 2012    |
| • Lake Colac Coordinating Committee Meeting                 | 11 September 2012 |
| • Special Council Meeting Briefing Session                  | 19 September 2012 |
| • Councillor Briefing Session                               | 26 September 2012 |
| • Colac Livestock Selling Centre Advisory Committee Meeting | 28 September 2012 |
| • Saleyards Information Session                             | 4 October 2012    |

### **Attachments**

1. Special Council Meeting Briefing Session - 19 September 2012
2. Friends of Botanic Gardens - 13 August 2012
3. Lake Colac Coordinating Committee Meeting - 28 September 2012
4. Councillor Briefing Session - 26 September 2012
5. Colac Livestock Selling Centre Advisory Committee Meeting - 28 September 2012
6. Saleyards Information Session - 4 October 2012

### **Recommendation(s)**

***That Council notes the Assembly of Councillors reports for:***

- |                                                                           |                                 |
|---------------------------------------------------------------------------|---------------------------------|
| • <b><i>Friends of Botanic Gardens Meeting</i></b>                        | <b><i>13 August 2012</i></b>    |
| • <b><i>Lake Colac Coordinating Committee Meeting</i></b>                 | <b><i>11 September 2012</i></b> |
| • <b><i>Special Council Meeting Briefing Session</i></b>                  | <b><i>19 September 2012</i></b> |
| • <b><i>Councillor Briefing Session</i></b>                               | <b><i>26 September 2012</i></b> |
| • <b><i>Colac Livestock Selling Centre Advisory Committee Meeting</i></b> | <b><i>28 September 2012</i></b> |
| • <b><i>Saleyards Information Session</i></b>                             | <b><i>4 October 2012</i></b>    |

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**OM122410-7                    ITEM FOR SIGNING & SEALING - TRANSFER OF LAND -  
VOLUME 11359 FOLIO 351**

|             |               |           |           |
|-------------|---------------|-----------|-----------|
| AUTHOR:     | Rhonda Deigan | ENDORSED: | Rob Small |
| DEPARTMENT: | Executive     | FILE REF: | 11/96344  |

**Caretaker Statement**

The recommended decision is not a “Major Policy Decision”, as defined in section 93A of the *Local Government Act 1989*, or a “Significant Decision” within the meaning of Council’s Caretaker Policy.

Council has recently been approached by solicitors acting on behalf of the current property owners of the Road titles known as Rankin Street, Speirs Street and Stepnell Crescent, Colac.

In the 1950’s a residential subdivision was carried out on land at the intersection of Queen Street and Pound Road, Colac. As part of the subdivision land was set aside for the provision of Roads, and were named Rankin Street, Speirs Street and Stepnell Crescent. At the time of subdivision the title created for the land set aside as Road was not transferred to Council. The property was recently purchased and developed, including the construction of road infrastructure to service the existing residential allotments.

As the Road title is still in private ownership, the current owner being Devlot 1 Pty Ltd is seeking to transfer the Road title to Council. This will then enable Council to become the Coordinating Road Authority and take ownership of the road infrastructure assets servicing the residential properties.

It is recommended Council sign and seal the Transfer of Land application which will transfer title ownership of the current Road title to Council.

**Attachments**

- 1. Transfer of Land - Rankin Street, Colac    0 Pages

**Recommendation(s)**

***That Council resolves to approve the signing and sealing of the attached Transfer of Land application to enable the Road title known as Rankin Street, Speirs Street and Stepnell Crescent to be transferred to Council ownership.***

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**CONSENT CALENDAR**

**OFFICERS' REPORT**

D = Discussion  
 W = Withdrawal

| ITEM                                                                                                                                                                                                                                                                            | D | W |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <p><b><u>NOTICES OF MOTION</u></b></p> <p><b><u>OM122410-8 WYE RIVER AND SEPARATION CREEK WASTE SERVICES</u></b></p> <p>Department: Notices of Motion</p> <p><b><u>Recommendation</u></b></p> <p><b><i>That Council consider the contents of this Notice of Motion.</i></b></p> |   |   |

**Recommendation**

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

**MOVED** .....

**SECONDED** .....



**OM122410-8            WYE RIVER AND SEPARATION CREEK WASTE SERVICES  
(CR LYN RUSSELL)**

**Caretaker Statement**

The recommended decision is not a “Major Policy Decision”, as defined in section 93A of the *Local Government Act 1989*, or a “Significant Decision” within the meaning of Council’s Caretaker Policy.

TAKE NOTICE that it is my intention to move at the Ordinary Council Meeting of the Colac Otway Shire to be held on 24 October 2012:

*That Council requests that the Audit Committee include in its program a review of the process for letting the waste contract in 2010.*

*(Note this should be a brief audit that considers the adequacy of the specifications prepared for the waste contract with specific reference to the Wye River/Separation Creek collections.)*

**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 the confirmation of minutes arising from the In-Committee Special Council meeting of 19 September 2012 and the In-Committee Council meeting of 26 September 2012.***



# ORDINARY COUNCIL MEETING

## WEDNESDAY, 24 OCTOBER 2012

### ATTACHMENTS

PAGE NO.

#### CORPORATE AND COMMUNITY SERVICES

**OM122410-2 Council Plan First Quarter Performance Report July - September 2012**

Attachment 1: Council Plan First Quarter Report 20120930 3

**OM122410-3 First Quarter Financial Performance Report 2012-2013**

Attachment 1: 2012-2013 - Quarter 1 Financial Report to Council ..... 39

Attachment 2: Project List Progress Update - 2012-2013 60

**OM122410-4 Council Annual Report 2011-2012**

Attachment 1: Annual Report 2011-2012 61

#### GENERAL BUSINESS

**OM122410-5 Minutes of the Old Beechy Rail Trail Committee**

Attachment 1: Minutes of the Old Beechy Rail Trail Committee 6 August 2012 ..... 219

Attachment 2: Executive Officer Report Old Beechy Rail Trail 6 August 2012 ..... 224

**OM122410-6 Assembly Of Councillors**

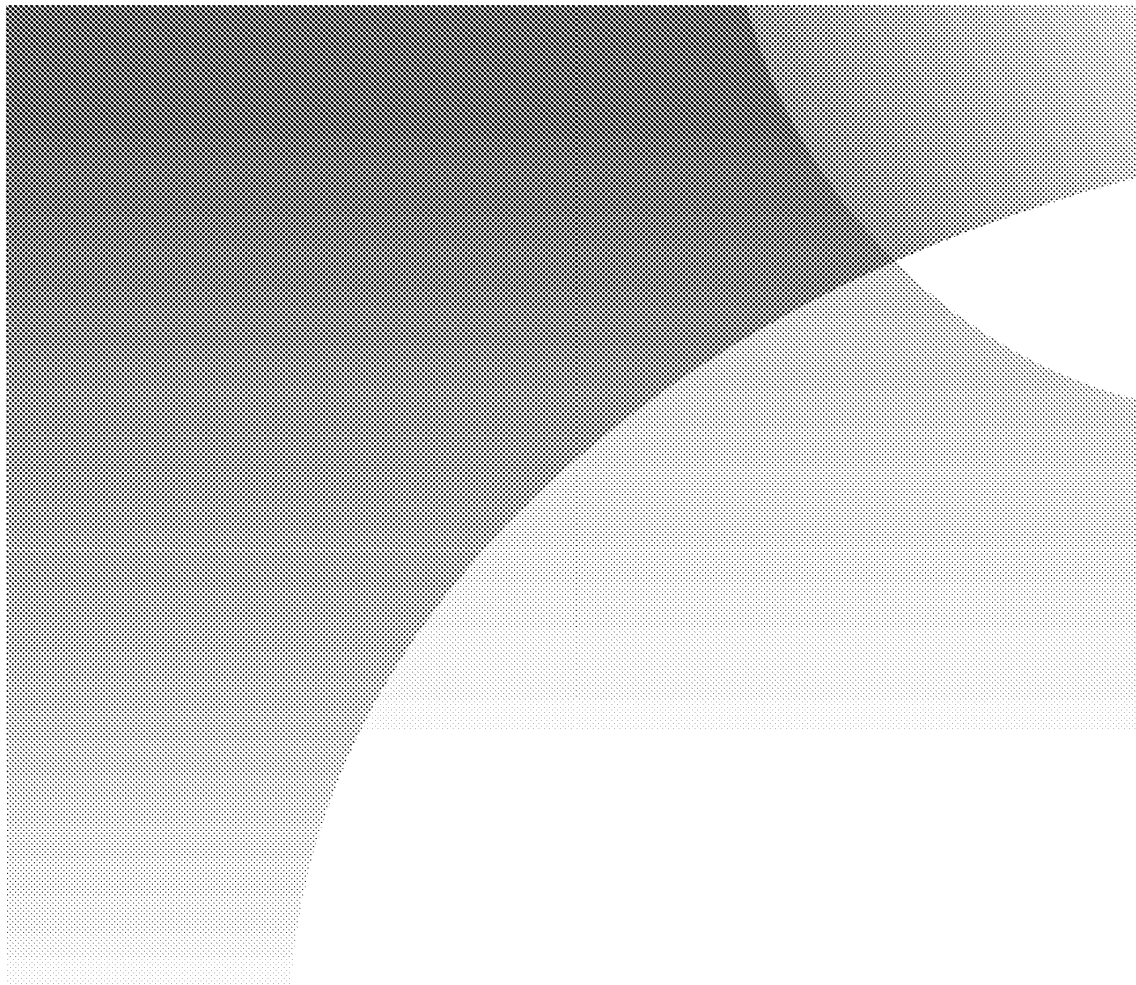
Attachment 1: Special Council Meeting Briefing Session - 19 September 2012 ..... 225

Attachment 2: Friends of Botanic Gardens - 13 August 2012 ..... 226

Attachment 3: Lake Colac Coordinating Committee Meeting - 28 September 2012 ..... 229

Attachment 4: Councillor Briefing Session - 26 September 2012 ..... 230

|  |  |     |
|--|--|-----|
| Attachment 5:  | Colac Livestock Selling Centre Advisory Committee Meeting - 28 September 2012..... | 231 |
| Attachment 6:  | Saleyards Information Session - 4 October 2012                                     | 235 |
| <b>OM122410-7 Item for Signing &amp; Sealing - Transfer of Land - Volume 11359 Folio 351</b> |  |     |
| Attachment 1:  | Transfer of Land - Rankin Street, Colac.....                                       | 237 |

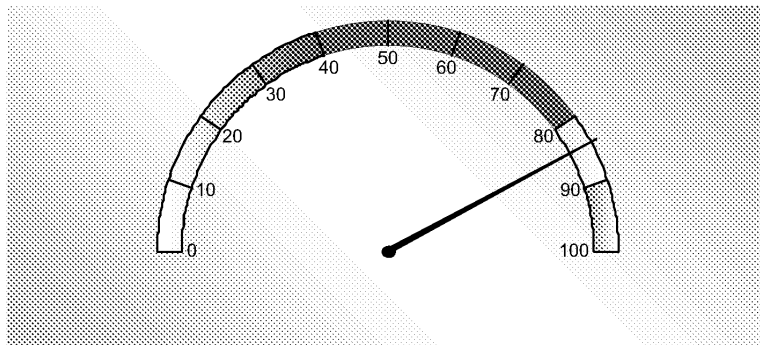


## *Quarterly Council Plan Progress Report*

*Period:* 01/07/12 - 30/09/12

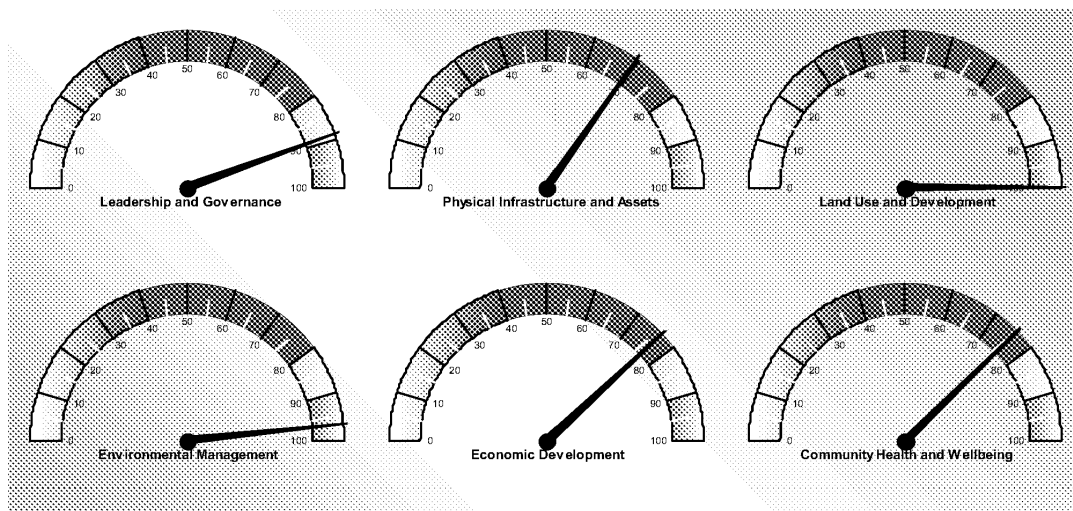


Quarterly Progress against Council Plan Actions



| Description  | Indicator |
|--|-----------|
| 120 Council Plan Actions reported on                 |           |
| 93 Council Plan Actions at least 90% of target       |           |
| 3 Council Plan Actions between 70% and 90% of target |           |
| 24 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 ON | 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          | 27                                      | 22                                    | 0   | 5                                      | 0                         | 0                      |
| 2. Physical Infrastructure and Assets | 19                                      | 12                                    | 0   | 7                                      | 0                         | 0                      |
| 3. Land Use and Development           | 17                                      | 17                                    | 0   | 0                                      | 0                         | 0                      |
| 4. Environmental Management           | 18                                      | 17                                    | 0   | 1                                      | 0                         | 0                      |
| 5. Economic Development               | 18                                      | 12                                    | 0   | 6                                      | 0                         | 0                      |
| 6. Community Health and Wellbeing     | 21                                      | 13                                    | 3   | 5                                      | 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 |
|---|--|--|------------|----------|
| <b>Key Result Area:</b> 1 Leadership and Governance   |  |  |            |          |
| <b>Council Plan Objective:</b> 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. |  |  |            |          |
| <b>Council Plan Strategy:</b> 1.1.3 Provide responsible financial management.   |  |  |            |          |
| 1.1.3.4 Review the ten year financial plan on an annual basis and ensure that it is integrated with Council's Asset Management Strategy.  | The Ten Year Financial Plan from 1 June 2012 has been completed and adopted by Council. The next review will be undertaken in 2013.  | Corporate & Community Services GM's Office     | 30/06/2013 |          |
| <b>Council Plan Strategy:</b> 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.   | A comprehensive review of the Municipal Emergency Management Plan was undertaken in 2011. The contact details of the agency personnel listed in the plan are currently being checked and updated where required. The Municipal Emergency Management Planning Committee has met to discuss matters in accordance with the plan and the annual review of the plan will be undertaken by December 2012. | Sustainable Planning & Development GM's Office | 30/06/2013 |          |
| <b>Key Result Area:</b> 2 Physical Infrastructure and Assets  |  |  |            |          |
| <b>Council Plan Objective:</b> 2.1 Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.   |  |  |            |          |
| <b>Council Plan Strategy:</b> 2.1.1 Ensure infrastructure development, renewal and maintenance plans address current and forecast community needs.  |  |  |            |          |
| 2.1.1.3 Review and implement Asset Management Plans to ensure that the level of funding for asset renewal, maintenance and upgrade meets the community's expectations.  | Asset Management Plans for Buildings and Open Space infrastructure classes to be finalised during 2013/14.   | Sustainable Assets                             | 30/06/2013 |          |
| 2.1.1.4 Develop a 10 year capital works and major projects program according to adopted priorities.   | A 10 year capital works program structure has been developed with projects added for prioritisation each year.   | Capital Works                                  | 30/06/2013 |          |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| Item  | Strategic Objective   | Business Unit                  | Completion Date | Progress |
|---|---|--------------------------------|-----------------|----------|
| <b>Key Result Area:</b> 3 Land Use and Development  |   |                                |                 |          |
| <b>Council Plan Objective:</b> 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 |   |                                |                 |          |
| <b>Council Plan Strategy:</b> 3.1.1 Ensure a partnership approach to land use planning that reflects the needs, values and aspirations of the community.  |   |                                |                 |          |
| 3.1.1.4 Finalise a Rural Living Strategy and implement findings.  | The Rural Living Strategy was finalised and adopted by Council in December 2011. The planning scheme amendment (C69) which implements the Strategy's recommendations was placed on exhibition early in 2012, and an independant Panel will commence a hearing of submissions on 9 October 2012. | Planning & Building Services   | 30/06/2013      |          |
| 3.1.1.5 Finalise and implement a car parking study for Colac & Apollo Bay.  | The Colac and Apollo Bay Car Parking Strategy was finalised and adopted by Council in December 2011. A planning scheme amendment to implement its findings is currently being prepared.   | Planning & Building Services   | 30/06/2013      |          |
| <b>Key Result Area:</b> 4 Environmental Management  |   |                                |                 |          |
| <b>Council Plan Objective:</b> 4.1 Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts.  |   |                                |                 |          |
| <b>Council Plan Strategy:</b> 4.1.1 Develop a coordinated approach to managing environmental issues across all Council activities.  |   |                                |                 |          |
| 4.1.1.2 Implementation of the Environment Strategy.   | The Environment Strategy continues to be implemented via the completion of the actions set out in the associated action plan. Recent actions include revegetation works at the Marengo Flora Reserve.   | Environment & Community Safety | 30/06/2013      |          |
| <b>Council Plan Strategy:</b> 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 2010-2016   |   |                                |                 |          |
| 4.1.5.4 Encourage energy efficiency including the use of renewable and alternative energy sources.  | Council is currently working on the development of a carbon neutral plan to determine an approach to becoming carbon neutral by 2016. Council is also initiating a street light change over program that will significantly reduce the energy use of these lights.                              | Environment & Community Safety | 30/06/2013      |          |
| <b>Key Result Area:</b> 5 Economic Development  |   |                                |                 |          |
| <b>Council Plan Objective:</b> 5.1 Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership.  |   |                                |                 |          |
| <b>Council Plan Strategy:</b> 5.1.3 Support local business to develop and succeed.  |   |                                |                 |          |




Colac Otway Shire Council **QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)**

| OBJECTIVE  | DESCRIPTION/ACTIVITIES  | BUSINESS UNIT  | COMPLETION DATE | PROGRESS |
|--|---|--|-----------------|----------|
| 5.1.3.5 Enhance Colac's regional service centre status through the development of a Marketing strategy.  | Work is being completed on the new Colac brand. The new Colac brand will be presented at a Council Workshop once completed. Further brand development workshops have been held with senior staff.   | Economic Development   | 30/06/2013      |          |
| <b>Council Plan Strategy:</b>  |   | 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 and Tourism Development Officer on a monthly basis to provide management support and to discuss service delivery.  | Economic Development   | 30/06/2013      |          |
| <b>Key Result Area:</b>  |   | 6 Community Health and Wellbeing   |                 |          |
| <b>Council Plan Objective:</b>   |   | 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 |                 |          |
| <b>Council Plan Strategy:</b>  |   | 6.1.1 Provide, facilitate or advocate for a range of health, recreation, community services and facilities.  |                 |          |
| 6.1.1.18 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. | The Central Reserve oval redevelopment has commenced. The Bluewater Fitness Centre Redevelopment detailed design will commence in October 2012. An application has been submitted to the State Government for development of a community sports field at the Colac Secondary College. | Recreation, Arts and Culture   | 30/06/2013      |          |
| <b>Council Plan Strategy:</b>  |   | 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)

| Item     | Description   | Business Unit                 | Completion Date | Progress  |
|----------|---|-------------------------------|-----------------|---|
| 6.1.3.15 | Implement and promote the Municipal Public Health Plan.   | Health and Community Services | 30/06/2013      |  |
|          | There are a number of actions areas within the Municipal Public Health Plan that have been commenced. These include accessibility through transport and better communication/connection through Civic Media; planning for communities to recover from emergencies; health and wellbeing initiatives around food security; developing a local Health & Wellbeing Alliance; and supporting the development of Medicare Locals and the National Disability Insurance Scheme. |                               |                 |   |



### 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 |
|---|--|---|------------|----------|
| <b>Key Result Area:</b>   |  | 1 Leadership and Governance   |            |          |
| <b>Council Plan Objective:</b>                                    |  | 1.1 Fulfill leadership, statutory & legal obligations to community & staff in a fair, ethical, inclusive, sustainable and financially responsible way to meet current & future needs & practical aspirations. |            |          |
| <b>Council Plan Strategy:</b>                                     |  | 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. | An extensive review of the General Local Law and Livestock Local Law are well advanced. To be completed in 2013.           | Corporate & Community Services GM's Office  | 30/06/2013 |          |
| 1.1.1.3 Review of Council's Policies.                             | A number are in the process of being reviewed. Will need to be a detailed review of all policies undertaken early in 2013. | Corporate & Community Services GM's Office  | 30/06/2013 |          |
| <b>Council Plan Strategy:</b>                                     |  | 1.1.2 Improve community engagement to ensure open, accessible, transparent planning and decision making.  |            |          |
| 1.1.2.3 Conduct community forums throughout the Shire.            | Meetings regularly held.   | Chief Executive Office  | 30/06/2013 |          |
| <b>Council Plan Strategy:</b>                                     |  | 1.1.3 Provide responsible financial management.   |            |          |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| OBJECTIVE  | STRATEGIC OBJECTIVE   | BUSINESS UNIT                              | COMPL. 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 to grants newsletters and web based notifications have been renewed. Grant opportunity information is regularly emailed to the organisation and advice and referral service for grant applicants provided. The Grants Officer and Manager Economic Development have met with the Department of Planning and Community Development to seek information on new grant opportunities and continue to monitor current projects with grant funding allocated. Grants newsletter has been distributed monthly. | Economic Development                       | 30/06/2013  |          |
| 1.1.3.1 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 audit plan for the 2012-2015 period has been developed in conjunction with the external audit contractor.   | Finance & Customer Service                 | 30/06/2013  |          |
| 1.1.3.4 Review the ten year financial plan on an annual basis and ensure that it is integrated with Council's Asset Management Strategy.   | The Ten Year Financial Plan from 1 June 2012 has been completed and adopted by Council. The next review will be undertaken in 2013.   | Corporate & Community Services GM's Office | 30/06/2013  |          |
| 1.1.3.6 Ensure Council's asset and financial systems meet the National Financial Reporting Framework standards required by the Federal Government by June 2013.                              | System implementation discussions are currently being undertaken with a view meeting the basic standards required by the National Framework.  | Finance & Customer Service                 | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>  |   |  |             |          |
| 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.   | The replacement of Council's telephony systems during the quarter have increased the capability of officers to provide a more directed and responsive service to those that interact with Council.<br><br>Council continues to seek opportunities to improve the quality of the services provided.  | Finance & Customer Service                 | 30/06/2013  |          |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| STRATEGY  | DESCRIPTION/ACTIVITIES  | BUSINESS UNIT                         | COMPL. DATE | PROGRESS |
|---|---|---------------------------------------|-------------|----------|
| 1.1.4.2 Actively promote the delivery of responsive customer service across the organisation.                     | During the quarter the customer service activities of Council has been re-branded. The Customer Service Centres have been re-branded as Customer Assist Centres to highlight their focus, whilst the Corporate Customer Service team have undertaken a communication campaign under the title " Customer Service is not a department, its an attitude" to lift the understanding that customer service is everyone's responsibility.  | Finance & Customer Service            | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>   |   |                                       |             |          |
|   | 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. | Council officers are part of a working group, "Wye River/Separation Creek Overview Committee", which meets on a regular basis to discuss the issues associated with Wye River and Separation Creek water and Sewerage. The group has representatives from the Department of Sustainability and Environment, The Environmental Protection Agency, Barwon Water and the Department of Human Services. The most recent meeting on 2 August 2012 was chaired by DSE in the Barwon Water Offices. Council is also party to a joint investigation of a Case Study in Mount Macedon that has similar issues to the coastal areas. A meeting and field trip is planned for 17 October in Bacchus Marsh. | Infrastructure & Services GM's Office | 30/06/2013  |          |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| STRATEGY  | DEVELOPMENT INITIATIVE  | BUSINESS UNIT                                     | COMPL. DATE | PROGRESS |
|---|---|---|-------------|----------|
| 1.1.5.1 Advocate for appropriate fire prevention activities in the Great Otway National park and other public land.   | Appropriate fire prevention activities in the Otways and other public land are being discussed at the Municipal Emergency Management Committee and its subsidiary Municipal Fire Management Planning Committee. Specific issues that have been discussed include integrated burning off across private and public land around Forrest and Wye River and the management of the threat of peat fire near Yeodene. The Municipal Fire Management Plan was endorsed by Council at a Special Meeting of Council held on 19 September. The implementation of this plan will help achieve more appropriate fire prevention activities by all relevant land managers in the on public and private land. | Sustainable Planning & Development<br>GM's Office | 30/06/2013  |          |
| 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. | Regular representations made.   | Chief Executive Office                            | 30/06/2013  |          |
| 1.1.5.3 Advocate for appropriate State and Federal Government funding for community priorities.   | Regular representations made to Ministers and officers at State and Federal levels. Active participation in G21 and G21 lobbying processes.   | Chief Executive Office                            | 30/06/2013  |          |
| 1.1.5.4 Participate in G21 and Great South Coast resource sharing forums and negotiations on regional strategic objectives.   | Active and effective participation.   | Chief Executive Office                            | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>   |   |   |             |          |
| 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".                     | Colac Otway Shire Council participated in the Careers Expo held on Friday 31 August. Approximately 500 students, teachers and parents attended the event.   | Organisational Support and Development            | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>   |   |   |             |          |
| 1.1.7 Provide a fair, safe and healthy work environment.  |   |   |             |          |





Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| ACTIVITY   | DESCRIPTION/COMPLETION   | BUSINESS UNIT  | COMPL. DATE | PROGRESS |
|--|--|--|-------------|----------|
| 1.1.7.4 Enhance and implement the corporate occupational health and safety systems (SafetyMap) and ensure ongoing compliance with all relevant regulations.        | SafetyMap surveillance audit has been scheduled to occur in Mid November 2012. Contact has not yet been made in relation to the JMAPP audit.   | Organisational Support and Development                                       | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>  |  | 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.  | The Disaster Recovery work is Phase 4 of the Storage Area Network renewal project. The project has commenced, but Phase 4 of the project is not expected to be finalised until March 2013.   | Information Services   | 30/06/2013  |          |
| 1.1.8.2 Seek opportunities for sharing of resources and expertise across the region.   | Active participation through G21, Great South Coast Group and Municipal Association of Victoria processes.   | Chief Executive Office   | 30/06/2013  |          |
| 1.1.8.3 Implement Council's Information Communication Technology strategic plan.   | Action items from the strategy that were approved for implementation this financial year have been built into the Information Services Unit work plan. The work plan, a 12 month program, is on track and expected to be finalised in June 2013. | Information Services   | 30/06/2013  |          |
| 1.1.8.3 Review and update Council's Risk Management Policy and Procedures Manual including compliance audits.  | Risk Management Policy was reviewed in June 2012 and Risk Management Framework including procedures are currently under review in consultation with a risk management consultant.  | Organisational Support and Development                                       | 30/06/2013  |          |
| 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. | The Prince2® Project Management Methodology Project is progressing as scheduled and implementation products are well along in their development. The new telephone system is operational, reducing the previous 12 independent systems to one.   | Organisational Support and Development                                       | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>  |  | 1.1.9 Communicate regularly, effectively and honestly with the community.    |             |          |



Colac Otway Shire Council **QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)**

| STRATEGY  | DESCRIPTIVE OBJECTIVES   | BUSINESS UNIT                                  | COMPL. DATE | PROGRESS |
|---|--|--|-------------|----------|
| 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. | Ongoing and outstanding media communications achieved.   | Chief Executive Office                         | 30/06/2013  |          |
| 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.                               | Website is satisfactory only. A change to staff resources from November 2012 should improve this performance.  | Chief Executive Office                         | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>   |  |  |             |          |
| 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.   | A comprehensive review of the Municipal Emergency Management Plan was undertaken in 2011. The contact details of the agency personnel listed in the plan are currently being checked and updated where required. The Municipal Emergency Management Planning Committee has met to discuss matters in accordance with the plan and the annual review of the plan will be undertaken by December 2012. | Sustainable Planning & Development GM's Office | 30/06/2013  |          |
| 1.1.10.6 Implement the Domestic Animal Management Plan.   | The Domestic Animal Management Plan is being implemented in a timely and professional manner. The Animal Registration enforcement process has been undertaken in a methodical manner to increase the level of compliance.  | Environment & Community Safety                 | 30/06/2013  |          |
| 1.1.10.7 Implement the Municipal Fire Prevention Plan.  | The Municipal Fire Prevention Plan has been superseded by the Municipal Fire Management Plan. A work plan has been developed to track progress by Council and the other relevant agencies in accordance with the plan.   | Environment & Community Safety                 | 30/06/2013  |          |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| OBJECTIVE  | DESCRIPTION/INITIATIVES   | BUSINESS UNIT                  | COMPL. 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 undertake investigations into Neighbourhood Safer Places. Reports were submitted to Council in September 2012 recommending that work not proceed with implementing Neighbourhood Safer Places in Forrest, Carlisle River and Barwon Downs due to the costs exceeding the funds available. Council will continue to investigate sites in Gellibrand and Apollo Bay. | Environment & Community Safety | 30/06/2013  |             |
| <b>Key Result Area:</b>  | 2 Physical Infrastructure and Assets  |                                |             |             |
| <b>Council Plan Objective:</b>   | 2.1 Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.  |                                |             |             |
| <b>Council Plan Strategy:</b>  | 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.                              | Small Town Improvement Program projects are underway. Successful in receiving \$150,000 from the Department of Planning and Community Development for the Forrest Main Street Streetscape Upgrade project.  | Economic Development           | 30/06/2013  |             |
| 2.1.1.3 Review and implement Asset Management Plans to ensure that the level of funding for asset renewal, maintenance and upgrade meets the community's expectations. | Asset Management Plans for Buildings and Open Space infrastructure classes to be finalised during 2013/14.  | Sustainable Assets             | 30/06/2013  |             |
| 2.1.1.4 Develop a 10 year capital works and major projects program according to adopted priorities.  | A 10 year capital works program structure has been developed with projects added for prioritisation each year.  | Capital Works                  | 30/06/2013  |             |
| 2.1.1.5 Review the 10 year capital works and major projects program annually.  | The review of the capital works and major projects program is scheduled for January 2013 following the inclusion of new projects identified through the budget process.   | Capital Works                  | 30/06/2013  | No Progress |
| <b>Council Plan Strategy:</b>  | 2.1.2 Implement and manage Colac Otway Shire's Road Management Plan   |                                |             |             |



Colac Otway Shire Council



QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| ACTIVITY   | STRATEGIC OBJECTIVE  | BUSINESS UNIT                         | COMPL. DATE | PROGRESS    |
|--|--|---------------------------------------|-------------|-------------|
| 2.1.2.2 In line with the Road Management Act 2004 requirements, review and update Colac Otway Shire's Road Management Plan.            | Council's current Road Management Plan is under review. Stakeholder workshop held in early September 2012 to enable stakeholders to raise issues with the present document. Consultants are providing facilitation support for the review. | Sustainable Assets                    | 30/06/2013  |             |
| 2.1.2.2 Review and implement the Strategic Footpath Plan for Apollo Bay.   | Scheduled to undertake the review starting January 2013.   | Capital Works                         | 30/06/2013  | No Progress |
| 2.1.2.3 Continue active participation and involvement in the STEP Asset Management Program with the Municipal Association of Victoria. | Next visit to Council is expected during November 2012. The National Asset Management Assessment Framework Scorecard is presently being reviewed in the lead up to this scheduled visit.   | Sustainable Assets                    | 30/06/2013  |             |
| <b>Council Plan Strategy:</b> 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.  | Not yet commenced.   | 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.   | Work has commenced with the identification of known buildings in a register. Further work needs to be carried out to audit the condition of buildings before this can be completed.  | Infrastructure & Services GM's Office | 30/06/2013  |             |
| 2.1.3.2 Develop Building Assets Management Plan and implement according to adopted priorities.   | Building Asset Management Plan to be finalised following confirmation of long term asset renewal requirements.   | Sustainable Assets                    | 30/06/2013  |             |
| <b>Council Plan Strategy:</b> 2.1.4 Improve local and regional transport networks to ensure safety and accessibility.                  |  |                                       |             |             |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| OBJECTIVE   | STRATEGIC INITIATIVE   | BUSINESS UNIT                         | COMPL. DATE | PROGRESS  |
|---|--|---------------------------------------|-------------|---|
| 2.1.4.1 Advocate for strategic transport initiatives.   | Council continues advocacy with both G21 and VicRoads. At the meeting with VicRoads on 17 September 2012, the following items were discussed: continuation of the highway duplication from Winchelsea to Colac, upgrade of the Skenes Creek to Apollo Bay road, flooding of the Great Ocean Road at Wild Dog Creek and maintenance works required on the Ballarat Colac Road. The continuation of advocacy for the upgrade of the Geelong to Warrnambool Rail Line is regularly discussed at G21 meetings. This has resulted in the recent announcement from the Minister for Transport, Mr Terry Mulder, that a commitment has been given to construct a passing line in the rail reserve at Warrcourt. | Infrastructure & Services GM's Office | 30/06/2013  |    |
| 2.1.4.2 Advocate for further improvements to the Princes Highway from Colac to the South Australian border.                                       | Good progress with bypassing lanes approved in the State Government budget and four constructed.   | Chief Executive Office                | 30/06/2013  |  |
| 2.1.4.2 In partnership with regional councils and VicRoads develop and implement a Road Safety Plan and Council approved road safety initiatives. | Review of the Plan has not yet commenced.  | Infrastructure & Services GM's Office | 30/06/2013  | No Progress   |





Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| ITEM   | DESCRIPTIVE COMMENTS   | BUSINESS UNIT                         | COMPL. DATE | PROGRESS |
|--|--|---------------------------------------|-------------|----------|
| 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. | Council has engaged a consultant to facilitate this process. A Community Reference Group has been formed that includes VicRoads, council transport industry members and community members. The project has narrowed the initial 40 options down to 4 for further investigation. Community consultation on the final options for adoption by Council has halted until after the election of the new Council as it was considered unfair to make a decision immediately prior to the election of a new Council. It is intended that soon after the election the process will be reactivated. | Infrastructure & Services GM's Office | 30/06/2013  |          |
| 2.1.4.4 Advocate for improved commuter Rail Services and safe Railway Crossings.   | Council has signed both interface agreements with the Rail Authorities about responsibilities for the upgrade of safe rail crossings. This sets the standards and responsibilities for maintaining all rail crossings into the future.   | Infrastructure & Services GM's Office | 30/06/2013  |          |



Colac Otway Shire Council **QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)**

| STRATEGY  | DESCRIPTION OF INITIATIVE   | BUSINESS UNIT                         | COMPL. DATE | PROGRESS  |
|---|---|---------------------------------------|-------------|---|
| 2.1.4.5 Implement the parts of the G21 Transport Plan relevant to Colac Otway Shire.          | Recent achievements in relation to the G21 Transport Plan are the commitment from both major state political parties to the continuation of the Winchelsea to Colac Highway duplication. In addition, through G21, the regional Councils were successful in obtaining \$100,000 from the State Member for Western Victoria, David O'Brien, who announced funding of \$100,000 for the City of Greater Geelong to produce an integrated public transport plan for the region. G21 Transport Strategy will articulate the region's public transport needs and reflect the priorities and strategic actions for the G21 group of councils, comprising Greater Geelong, Surf Coast, Queenscliff, Colac Otway and Golden Plains. The project will effectively plan for and respond to public transport opportunities and challenges facing the region over the next three years, with the overall goal of the project to increase public transport use across the Geelong region, help reduce traffic congestion and social isolation and improve the environment. The project will examine user behaviour data from V/Line, the Public Transport Users Association and the Department of Transport. | Infrastructure & Services GM's Office | 30/06/2013  |    |
| <b>Council Plan Strategy:</b>   |   |                                       |             |   |
|   | 2.1.5 Ensure environmental risks are adequately addressed for Council infrastructure works, including impacts of climate change.  |                                       |             |   |
| 2.1.5.1 Implement measures to manage and monitor Council's closed landfills to EPA standards. | The Environmental Protection Agency Annual Performance Statement is satisfactorily completed for 2011/12. Working in accordance to landfill auditor's recommendations.  | Major Contracts                       | 30/06/2013  |  |



Colac Otway Shire Council **QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)**

| STRATEGY   | DESCRIPTION/INITIATIVE  | BUSINESS UNIT                         | COMPLETION DATE | PROGRESS |
|--|---|---------------------------------------|-----------------|----------|
| 2.1.5.2 Develop a proposed long term management response to sea level rise for Council assets.             | Until the outcomes of the Coastal Committee's investigation into sea level rise is completed this project cannot be finalised.  | Infrastructure & Services GM's Office | 30/06/2013      |          |
| <b>Key Result Area:</b>  | 3 Land Use and Development  |                                       |                 |          |
| <b>Council Plan Objective:</b>   | 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  |                                       |                 |          |
| <b>Council Plan Strategy:</b>  | 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. | Colac Otway Shire is now included within the State Government Urban Land Monitoring Program.  | Planning & Building Services          | 30/06/2013      |          |
| 3.1.1.3 Advocate for more detailed mapping of the Erosion Management Overlay by State Government.          | There have been several occasions over the last few years where Council has advocated for improved Erosion Overlay Mapping. Officers will advocate that this be a priority action in the next version of the Victorian Coastal Strategy which is currently under development.                   | Planning & Building Services          | 30/06/2013      |          |
| 3.1.1.4 Finalise a Rural Living Strategy and implement findings.   | The Rural Living Strategy was finalised and adopted by Council in December 2011. The planning scheme amendment (C69) which implements the Strategy's recommendations was placed on exhibition early in 2012, and an independant Panel will commence a hearing of submissions on 9 October 2012. | Planning & Building Services          | 30/06/2013      |          |
| 3.1.1.5 Finalise and implement a car parking study for Colac & Apollo Bay.                                 | The Colac and Apollo Bay Car Parking Strategy was finalised and adopted by Council in December 2011. A planning scheme amendment to implement its findings is currently being prepared.   | Planning & Building Services          | 30/06/2013      |          |





Colac Otway Shire Council **QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)**

| ITEM  | DESCRIPTION/ACTIVITY  | BUSINESS UNIT                                  | COMPL. DATE | PROGRESS |
|---|---|--|-------------|----------|
| 3.1.1.6 Finalise a Structure Plan for Birregurra.   | Following adoption by Council of the Birregurra Neighbourhood Character Study in June 2012, a consultant has commenced a review of the draft Structure Plan that Council placed on hold at the end of 2010. The review will incorporate feedback from a Community Reference Group established for the project. A revised draft is expected to be reported to Council early in 2013 for public exhibition. | Planning & Building Services                   | 30/06/2013  |          |
| 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.            | A project manager has been appointed to undertake the planning scheme amendment on Council's behalf following confirmation in July 2012 that the State Government funding for the amendment is still available.   | Planning & Building Services                   | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>   |   |  |             |          |
| 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.   | The State Government has advised that it will not be introducing planning controls along the coast to low lying areas, but rather will continue to work with Councils to develop more detailed modelling for specific areas. Officers have expressed the desire for statewide planning controls through the recent consultation on the review of the Victorian Coastal Strategy.                          | Sustainable Planning & Development GM's Office | 30/06/2013  |          |
| 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. | Officers have advocated for localised modelling of future sea level rise through the G21 Regional Growth Plan process, and this is an action listed in the final Plan. Officers have also identified the need for this work in the consultation forming part of the review of the Victorian Coastal Strategy.   | Sustainable Planning & Development GM's Office | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>   |   |  |             |          |
| 3.1.3 Ensure all Council land use plans and strategies are current and responsive   |   |  |             |          |



Colac Otway Shire Council


QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| STRATEGY   | DESCRIPTION/ACTIVITIES  | BUSINESS UNIT                | COMPL. DATE | PROGRESS |
|--|---|------------------------------|-------------|----------|
| 3.1.3.2 Regularly update and improve the Colac Otway Planning Scheme through Planning Scheme amendments. | Council has adopted Amendment C65 (range of rezonings and other planning scheme changes) in September 2012, and Amendment C68 (modifications to the Erosion Management Overlay Schedule and mapping). Council considered submissions to Amendment C69 (implementing the Rural Living Strategy and Forrest Structure Plan) in July 2012 and an independent Panel has been appointed to hear submissions. Amendments to introduce the Salinity Management Overlay, revise the Vegetation Protection and Environmental Significance overlays, and to implement the Colac and Apollo Bay Car Parking Strategy and Colac CBD & Entrances Strategy are currently being prepared for exhibition late in 2012 or early in 2013. | Planning & Building Services | 30/06/2013  |          |
| 3.1.3.5 Undertake a Neighbourhood Character Study for Birregurra.  | The Birregurra Neighbourhood Character Study was completed with adoption by Council in June 2012. A planning scheme amendment to implement the Study will be prepared for exhibition following completion of the Structure Plan process early in 2013.  | Planning & Building Services | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>  |   |                              |             |          |
| 3.1.4 Enforce planning and building regulations to meet legislative requirements                         |   |                              |             |          |
| 3.1.4.1 Implement comprehensive monitoring of the Essential Safety legislative requirements.             | A policy for Essential Safety Measures enforcement is being finalised for adoption by Council late in 2012, which will indicate how resources will be allocated to fulfil Council's obligations within its available resources.   | Planning & Building Services | 30/06/2013  |          |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| STRATEGY  | DESCRIPTIVE OBJECTIVES   | BUSINESS UNIT                | COMPL. DATE | PROGRESS  |
|---|--|------------------------------|-------------|---|
| 3.1.4.3 Implement mechanisms to improve knowledge of building and planning requirements/responsibilities. | The Planning Department has introduced a series of new information checklists/brochures concerning different types of land use/development and to explain general planning processes. The web site has also been updated to improve information available to customers for both Planning and Building. A quarterly newsletter has been produced for regular applicants which aims to update them on changes to policies/provisions and the like. | Planning & Building Services | 30/06/2013  |  |
| <b>Council Plan Strategy:</b>   | 3.1.5 Ensure consistent and timely decision making for building and planning applications that meet Council's policy framework.  |                              |             |   |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| COUNCIL PLAN OBJECTIVE   | COUNCIL PLAN INITIATIVE   | BUSINESS UNIT                           | COMPL. DATE       | PROGRESS  |
|--|---|---|-------------------|---|
| <p>3.1.5.1 Document and continuously improve processes and procedures for assessment and determination of building and planning permit applications.</p> | <p>A range of planning process improvements have been implemented including:</p> <ul style="list-style-type: none"> <li>• Introduction of a new reporting template and preliminary assessment checklist together with improved early discussions between staff member and coordinator.</li> <li>• Further implementation of the 'surgery' process for internal referrals to reduce response times.</li> <li>• Peer review of public notice documentation to minimise opportunity for errors.</li> <li>• SPEAR has been implemented to provide electronic lodgement and processing of planning permit applications and subdivision.</li> <li>• Standard Conditions for planning permits are in the process of being reviewed.</li> <li>• Further checklists/brochures are being developed.</li> <li>• Planning process charts have been developed and implemented for use in each planning file to ensure consistency of process during assessment, and more detailed work instructions are being developed for specific processes.</li> </ul> <p>Much of this work is being assisted by the State Government's Rural Planning Flying Squad Program funding.</p> | <p>Planning &amp; Building Services</p> | <p>30/06/2013</p> |  |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| STRATEGY   | DESCRIPTION OF INITIATIVE   | BUSINESS UNIT  | COMPL. DATE | PROGRESS |
|--|---|--|-------------|----------|
| 3.1.5.2 Prepare and develop a more comprehensive Information Kit on building and planning application requirements.  | A range of planning checklists and brochures have been developed for use by customers and staff. The aim of this is to increase the quality of information being submitted with applications and to reduce processing times. Further brochures are currently being developed. These complement a range of building information sheets which are regularly updated.        | Planning & Building Services   | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>  |   | 3.1.6 Ensure that environmental risks are adequately addressed for new development and land use. |             |          |
| 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. | Officers utilise opportunities as they arise to highlight the need for improved mapping of coastal acid sulfate soils. This issue is being flagged in the current review of the Victorian Coastal Strategy.   | Planning & Building Services   | 30/06/2013  |          |
| 3.1.6.3 Introduce a Salinity Management Overlay to affected areas.   | An external planning consultant has been engaged using the Rural Planning Flying Squad funding to prepare an amendment to introduce the Salinity Management Overlay. The amendment is expected to be placed on public exhibition in November 2012.  | 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.          | Tenders for the development of local bushfire policy have been received and are being evaluated. The project will investigate the growth potential of nominated towns in the Otways and development of Schedules for the Bushfire Management Overlay in specific coastal locations. It is expected a consultant will be appointed and commence work late in October 2012. | Planning & Building Services   | 30/06/2013  |          |
| <b>Key Result Area:</b>  | 4 Environmental Management  |  |             |          |
| <b>Council Plan Objective:</b>   | 4.1 Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts.   |  |             |          |
| <b>Council Plan Strategy:</b>  | 4.1.1 Develop a coordinated approach to managing environmental issues across all Council activities.  |  |             |          |



Colac Otway Shire Council **QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)**

| STRATEGY  | DESCRIPTION OF INITIATIVE   | BUSINESS UNIT                  | COMPL. DATE | PROGRESS |
|---|---|--------------------------------|-------------|----------|
| 4.1.1.2 Implementation of the Environment Strategy.   | The Environment Strategy continues to be implemented via the completion of the actions set out in the associated action plan. Recent actions include revegetation works at the Marengo Flora Reserve.   | Environment & Community Safety | 30/06/2013  |          |
| 4.1.1.3 Development of 2 Year Action Plans for the Environment Program.   | Actions are being implemented in accordance with the two year action. The two year action plan now needs to be reviewed so that a new plan can be developed.  | Environment & Community Safety | 30/06/2013  |          |
| <b>Council Plan Strategy:</b> 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 and the 2 Year Action Plans. | Weed control and revegetation works have been initiated in accordance with management plans developed for high conservation land managed by Council.  | Environment & Community Safety | 30/06/2013  |          |
| 4.1.2.2 Continue to implement the Lake Colac Management Plan and the Re-vegetation and Weed Control Master Plan.  | Weed control and revegetation works have been initiated in accordance with management plans developed for high conservation land managed by Council.  | Environment & Community Safety | 30/06/2013  |          |
| <b>Council Plan Strategy:</b> 4.1.3 Facilitate the protection and enhancement of environmental values on private land.  |   |                                |             |          |
| 4.1.3.1 Update the environmental overlays in the Planning Scheme to introduce the latest biodiversity mapping prepared by State Government.   | An external consultant employed under the funding from the State Government Rural Flying Squad Program is preparing a planning scheme amendment to update the biodiversity overlays. It is expected to be placed on public exhibition late 2012 or early in 2013. | Planning & Building Services   | 30/06/2013  |          |
| 4.1.3.2 Continue to carry out audits of forestry operations on private land.  | Forestry auditing is being carried out regularly. The focus at this time of year are the plantations being re-established. The level of compliance is high.   | Environment & Community Safety | 30/06/2013  |          |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| STRATEGY  | DESCRIPTION OF INITIATIVE  | BUSINESS UNIT  | COMPL. DATE | PROGRESS |
|---|--|--|-------------|----------|
| 4.1.3.3 Continue to raise the awareness of private landholders on their responsibilities in relation to the environment.                    | Advice is provided to private landholders on their responsibilities in relation to the environment through a variety of means including media, meetings, forums and formal written advice associated with planning applications.   | Environment & Community Safety   | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>   |  | 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.           | Planning officers work collaboratively with the Infrastructure Unit and other Council departments to ensure that environmental issues are appropriately considered in relation to Council projects. This occurs through the Interdepartmental Committee, and through advice provided on budget requests and in response to specific project proposals. | Planning & Building Services   | 30/06/2013  |          |
| 4.1.4.2 Continue program of works and practices in accordance with the Environment Strategy and the 2 Year Action Plans.                    | Works are being undertaken in accordance with Environment Strategy such as revegetation works, weed control and sustainability initiatives.  | Environment & Community Safety   | 30/06/2013  |          |
| 4.1.4.3 Continue to implement agreed, viable water saving measures in accordance with the Environment Strategy and the 2 Year Action Plans. | Actions are being undertaken in accordance with strategy. New water tanks are being installed at Council facilities and fitted with water meters to measure how much water is being saved.   | Environment & Community Safety   | 30/06/2013  |          |
| 4.1.4.5 Develop and implement an Environmental Sustainability Policy.   | The policy has been developed and work is now being undertaken to develop a procedure document that will detail how the policy is to be incorporated in Council operations.  | Environment & Community Safety   | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>   |  | 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. |             |          |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| STRATEGY   | DEVELOPMENT INITIATIVES  | BUSINESS UNIT                                     | COMPL. DATE | PROGRESS |
|--|--|---|-------------|----------|
| 4.1.5.1 Advocate where appropriate community views on environmental issues outside the direct responsibility of Council. | Issues such as roadside weeds and inland acid sulphate soils are being addressed through various forums, meetings and correspondence. A grant was recently received from the State Government for roadside weeds and pest control. Council does not accept legal responsibility for roadside weed control unless the road is adjoining Council owned or managed land. While Council accepted the grant we wrote to the State Government re-iterating that Council is still waiting for a resolution in relation to the recommendations made through a Local Government Working Group formed to examine the legal issues associated with roadside weeds and pest control. | Sustainable Planning & Development<br>GM's Office | 30/06/2013  |          |
| 4.1.5.1 Coordinate a range of environmental events across the region.  | Planning has been undertaken for the events to be run in 2012/13, including Threatened Species Day and World Environment Day. Council will also be conducting a Clean up Colac Day.  | Environment & Community Safety                    | 30/06/2013  |          |
| 4.1.5.3 Promote awareness of environmental issues through various media and forums.                                      | Council is promoting awareness of environmental issues through regular columns in the local paper. Recent columns have focused on the values of revegetation works and weed control.   | Environment & Community Safety                    | 30/06/2013  |          |
| 4.1.5.4 Encourage energy efficiency including the use of renewable and alternative energy sources.                       | Council is currently working on the development of a carbon neutral plan to determine an approach to becoming carbon neutral by 2016. Council is also initiating a street light change over program that will significantly reduce the energy use of these lights.   | Environment & Community Safety                    | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>  | 4.1.6 Minimise, recycle and manage residential waste.  |   |             |          |





Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| INDICATOR  | DESCRIPTION/ACTIVITY   | BUSINESS UNIT                 | COMPL. DATE | PROGRESS |
|--|--|-------------------------------|-------------|----------|
| 4.1.6.2 Implementation of the Waste Water Management Strategy.   | Birregurra sewerage is installed and ready for connections. Sewerage for Wye River and Separation Creek is unlikely to proceed following issues on land stability and limited disposal options. However, future wastewater issues in Wye River and Separation Creek still need to be addressed to ensure long term health and environmental management. There is currently no funding available for wastewater initiatives in other unsewered townships. | Health and Community Services | 30/06/2013  |          |
| 4.1.6.3 Implementation of the Landfill Rehabilitation Plan.  | Work on the Gellibrand Tender and surveying has commenced. The bulk of this project will be undertaken between December 2012 and March 2013.   | Major Contracts               | 30/06/2013  |          |
| <b>Key Result Area:</b>  | 5 Economic Development   |                               |             |          |
| <b>Council Plan Objective:</b>   | 5.1 Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership.  |                               |             |          |
| <b>Council Plan Strategy:</b>  | 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. | Convened one meeting of the Colac Otway Shire Industry Advisory Group to discuss industry training needs and support of the Colac Trade Training Centre. The Business Development Officer has continued to attend the Colac Otway Careers and Transitions Network. Attended Board Meeting of the Trade Training Centre. Convened one meeting of the Colac Otway Shire Industry Advisory Group.   | Economic Development          | 30/06/2013  |          |
| 5.1.1.2 Work with industry sectors on strategic workforce planning initiatives.  | Discussions held at the Industry Advisory Group meeting on training needs and development of the Trade Training Centre.  | Economic Development          | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>  | 5.1.2 Work with business to recognise growth potential from climate change and renewable energy initiatives.   |                               |             |          |



| Colac Otway Shire Council   |  | QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)  |             |          |
|---|--|--|-------------|----------|
| ACTIVITY  | DESCRIPTION/COMPLIANCE   | BUSINESS UNIT  | COMPL. DATE | PROGRESS |
| 5.1.2.1 Encourage and promote climate change sustainability initiatives for business and renewable and alternative energy opportunities for the Colac Otway Shire.    | Council partnered with a local accounting firm to provide a local business information seminar on the new carbon price. 70 business people attended the seminar.   | Economic Development                                 | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>   |  | 5.1.3 Support local business to develop and succeed. |             |          |
| 5.1.3.2 Continue to provide world standard tourism support services including Visitor Information Services, and support for local and regional tourism organisations. | Visitors to the Colac and Great Ocean Road Visitor Information Centres have been down due to the winter period. Low visitor numbers are attributed to the positive snow season. Liaison continues with Geelong Otways Tourism, Apollo Bay Chamber of Commerce and Tourism and Otway Hinterland Tourism Association. The Visitor Information Centres coordinated a range of activities during Tourism Week including open house days and familiarisation tours. | Economic Development                                 | 30/06/2013  |          |
| 5.1.3.3 Implement Business Development training programs, networking events and Business Awards.  | One Working Women's Networking function has been completed. Planning for the 2012 ANZ Business Breakfast has been completed, with the event to be held on 19 October 2012. Working with a local accounting and financial planning firm to deliver business events in the new calendar year.  | Economic Development                                 | 30/06/2013  |          |
| 5.1.3.4 Provide on line information for customers and potential investors to access businesses in the Shire.  | Provided information through the Economic Development pages of the Council website and through new business enquiries via telephone. Also provided public statistical information through 'i.d. profile', with new Census data available on a Council website link. Economic data is also available on request through REPLAN services.  | Economic Development                                 | 30/06/2013  |          |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| OBJECTIVE  | STRATEGIC INITIATIVE  | BUSINESS UNIT  | COMPL. DATE | PROGRESS |
|--|---|--|-------------|----------|
| 5.1.3.5 Enhance Colac's regional service centre status through the development of a Marketing strategy.  | Work is being completed on the new Colac brand. The new Colac brand will be presented at a Council Workshop once completed. Further brand development workshops have been held with senior staff.                                   | Economic Development   | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>  |   | 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. | A Federal Government TQUAL grant application for Forrest Mountain Bike Trails Strategy was unsuccessful. Further meetings planned to take advantage of the next grant opportunity.  | Economic Development   | 30/06/2013  |          |
| 5.1.4.3 Promote and encourage the development of infrastructure to support Lake Colac tourism and community use.   | Quarterly meeting held with Lake Colac Coordinating Committee. Lions Park and Stoddart Street pathway works have been completed. Submission for Council budget funds to complete Lake Colac Master Plan unsuccessful.               | Economic Development   | 30/06/2013  |          |
| 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. Ongoing liaison on projects with Otway Business Inc. and Apollo Bay Apollo Bay Chamber of Commerce and Tourism. | Economic Development   | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>  |   | 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.  | Marketing Strategy adopted by Council on 28 March 2012 without a preferred brand. Further work has been undertaken to develop the brand. The new Colac brand will be presented at a Council Workshop once completed.                | Economic Development   | 30/06/2013  |          |
| 5.1.5.2 Identify the capacity, demand and rating of accommodation in Colac including the attraction of a high end quality star hotel.  | Budget submission for funds to complete the hotel feasibility study unsuccessful.   | Economic Development   | 30/06/2013  |          |



Colac Otway Shire Council **QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)**

| ACTIVITY  | DESCRIPTIVE COMMENTS   | BUSINESS UNIT   | COMP. DATE | PROGRESS |
|---|--|---|------------|----------|
| 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. Quarterly business liaison visits completed.   | Economic Development  | 30/06/2013 |          |
| 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 and Tourism Development Officer on a monthly basis to provide management support and to discuss service delivery. | Economic Development  | 30/06/2013 |          |
| <b>Council Plan Strategy:</b>   |  | 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 activity this quarter.  | Economic Development  | 30/06/2013 |          |
| 5.1.6.3 Support the Apollo Bay Harbor Precinct development.   | The planning scheme amendment process has commenced and is being managed by the Planning Department.   | Economic Development  | 30/06/2013 |          |
| 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  | 30/06/2013 |          |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| ACTIVITY   | DESCRIPTION/COMPLETION   | BUSINESS UNIT                              | COMPL. DATE | 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 from 2012 allocation will be implemented in early 2013 when contractors are available. Projects underway include:<br>• Apollo Bay Mothers Beach Facilities<br>• Barwon Downs Combined Community/Tennis Club/CFA Centre<br>• Beeac Street Furniture Upgrade<br>• Beech Forest Main Street and Birregurra Railway Station Beautification<br>• Carlisle River Recreation Reserve Fencing<br>• Cressy Duverney Street Precinct table and seating<br>• Forrest Main Street Drinking Fountain<br>• Swan Marsh/Pirron Yallock Sports Reserve Master Plan. | Economic Development                       | 30/06/2013  |             |
| <b>Key Result Area:</b>  | 6 Community Health and Wellbeing   |  |             |             |
| <b>Council Plan Objective:</b>   | 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   |  |             |             |
| <b>Council Plan Strategy:</b>  | 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.  | Civic Home Hardware site purchased. Project to commence in February 2013.  | Chief Executive Office                     | 30/06/2013  | No Progress |
| 6.1.1.4 Implement the Positive Ageing Strategy.  | Discussions have been held with Ambassadors from the Improving Liveability for Older People (ILOP) project on the relevance of recommendations. Actions taken within ILOP are reflecting a number of recommendations within the Strategy.  | Health and Community Services              | 30/06/2013  |             |
| 6.1.1.4 Investigate initiatives that reduce exposure to passive smoking in public places.  | No action taken to date.   | Corporate & Community Services GM's Office | 30/06/2013  | No Progress |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| STRATEGY   | DEVELOPMENT INITIATIVES   | BUSINESS UNIT                              | COMPLETION DATE | PROGRESS |
|--|---|--|-----------------|----------|
| 6.1.1.6 Implement the extension of the Apollo Bay Library and additional program spaces.   | Tender awarded on 19 September 2012. Temporary library to be established in the Apollo Bay Office in Nelson street. Construction to commence in October 2012.   | Corporate & Community Services GM's Office | 30/06/2013      |          |
| 6.1.1.16 Develop a 10 year upgrade works program for Colac Otway Performing Arts and Cultural Centre.  | No further progress on this action. Council's Building Construction Coordinator has been requested to investigate COPACC as a priority in terms of building renewal planning.   | Recreation, Arts and Culture               | 30/06/2013      |          |
| 6.1.1.17 Develop a 10 year capital upgrade works program for Blue Water Fitness Centre.  | Detailed design for the Bluewater Fitness Centre Redevelopment will commence in October 2012. This project alleviates the need for a Capital Works Program for the short term.  | Recreation, Arts and Culture               | 30/06/2013      |          |
| 6.1.1.18 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. | The Central Reserve oval redevelopment has commenced. The Bluewater Fitness Centre Redevelopment detailed design will commence in October 2012. An application has been submitted to the State Government for development of a community sports field at the Colac Secondary College. | Recreation, Arts and Culture               | 30/06/2013      |          |
| 6.1.1.20 Develop an Active Transport Strategy.   | A consultant has been appointed to prepare Active Transport Strategy and Action Plan. Inception meeting to be held October 2012.  | Recreation, Arts and Culture               | 30/06/2013      |          |
| 6.1.1.21 Implement Council's Recreation Strategy.  | The Recreation Strategy continues to provide guidance to Council operations in this field.  | Recreation, Arts and Culture               | 30/06/2013      |          |
| 6.1.1.24 Review and implement the Council Community Funding Program Guidelines.  | The Community Funding Program Guidelines will be reviewed late in 2012 and considered by Council in early 2013.   | Recreation, Arts and Culture               | 30/06/2013      |          |
| <b>Council Plan Strategy:</b>  | 6.1.2 Promote and facilitate cultural and community events throughout the municipality.   |  |                 |          |



Colac Otway Shire Council **QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)**

| OBJECTIVE  | STRATEGIC PRIORITY  | BUSINESS UNIT                              | COMPL. DATE | PROGRESS    |
|--|---|--|-------------|-------------|
| 6.1.2.1 Implement the Arts and Cultural Strategy.  | The Strategy continues to provide guidance to Council in this area. The majority of recommendations referring to COPACC have been implemented.  | Recreation, Arts and Culture               | 30/06/2013  |             |
| 6.1.2.3 Implement the Festival and Events Strategy.  | The Festival and Events Strategy continues to provide guidance to this area. The majority of the recommendations from the Strategy have been implemented and scoping of a new Strategy has commenced.   | Recreation, Arts and Culture               | 30/06/2013  |             |
| 6.1.2.9 Work with event organisers and community groups to develop a broad range of community festivals and events.                                | The Events Unit continues to work with a wide range of event organisers to deliver quality events that benefit the community. Recent events include Amy's Grand Fondo, FReeZA Battle of the Bands and the Colac Garden & Lifestyle Expo.  | Recreation, Arts and Culture               | 30/06/2013  |             |
| <b>Council Plan Strategy:</b> 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.   | No further action at this time.   | Corporate & Community Services GM's Office | 30/06/2013  | No Progress |
| 6.1.3.15 Implement and promote the Municipal Public Health Plan.   | There are a number of actions areas within the Municipal Public Health Plan that have been commenced. These include accessibility through transport and better communication/connection through Civic Media; planning for communities to recover from emergencies; health and wellbeing initiatives around food security; developing a local Health & Wellbeing Alliance; and supporting the development of Medicare Locals and the National Disability Insurance Scheme. | Health and Community Services              | 30/06/2013  |             |



Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| ITEM  | DESCRIPTION/ACTIVITY   | BUSINESS UNIT                 | COMPL. DATE | PROGRESS |
|---|--|-------------------------------|-------------|----------|
| 6.1.3.16 Implement the Early Years Plan.  | There have been a number of actions completed in our Early Years Plan. These include auditing all early years facilities; supporting kindergartens to increase contact time from 10 to 15 hours/week; building on partnerships through networks such as 'Our Kids Need You', 'Catforce' and the Colac and South Otways KEYS (Kids Early Years Services networks); and supporting Glastonbury to become a kindergarten manager for Cluster Management within the Shire. | Health and Community Services | 30/06/2013  |          |
| 6.1.3.17 Implement the Access, Equity & Inclusion Plan.   | We have implemented a number of actions in our Access, Equity and Inclusion Plan. These include ongoing assessment of Council practices; supporting the Colac Disability Network; supporting the Migrant Settlement Program; applying access standards to the refurbishment of Council facilities; and working with older people through the ILOP (Improving Liveability for Older People) Ambassadors Project.  | Health and Community Services | 30/06/2013  |          |
| <b>Council Plan Strategy:</b>   |  |                               |             |          |
| 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. | Meetings held with various agents to discuss market growth and potential investments.  | Economic Development          | 30/06/2013  |          |
| 6.1.4.1 Work with Developers and Housing Associations to create liveable, affordable and sustainable housing.         | Officers work with developers and permit applicants to achieve objectives relating to affordable, livable and sustainable housing on an ongoing basis, through meetings and advice.  | Planning & Building Services  | 30/06/2013  |          |
| 6.1.4.2 Participate in local and regional Affordable Housing task groups.   | No meetings this quarter.  | Economic Development          | 30/06/2013  |          |





Colac Otway Shire Council

QUARTERLY COUNCIL PLAN PROGRESS REPORT (Jul to Sep)

| STRATEGY   | DESCRIPTIVE OBJECTIVES   | BUSINESS UNIT                 | COMPL. DATE | PROGRESS |
|--|--|-------------------------------|-------------|----------|
| 6.1.4.4 Implement the Regional Transport Connections Strategy. | Council's Transport connections project, called 'Access Connect Belong' (funded by the Department of Planning and Community Development) provides opportunities for increased community communication and participation, as well as transportation, mobility and accessibility within and beyond our municipality. Council is also working within the region to develop a web-based transport users guide and a car pooling project. | Health and Community Services | 30/06/2013  |          |





# First Quarter Financial Performance Report 2012-2013

## September 2012



## Contents

|  |    |
|--|----|
| About the report.....                          | 2  |
| Overview .....                                 | 2  |
| Operational Budget.....                        | 3  |
| Major Projects Budget .....                    | 3  |
| Capital Budget .....                           | 3  |
| Operating Statement .....                      | 3  |
| Financial Position Statement.....              | 5  |
| Capital Works Statement.....                   | 6  |
| Capital Works Program Update .....             | 6  |
| Significant budget variations.....             | 7  |
| Carry Forward Projects.....                    | 7  |
| Forecast Changes .....                         | 9  |
| Cash Balance .....                             | 9  |
| Investment Report.....                         | 11 |
| Underlying result .....                        | 11 |
| Audit Committee.....                           | 12 |
| Service Summary.....                           | 13 |
| Contracts Awarded and Tenders Advertised ..... | 16 |

## **ABOUT THE REPORT**

In accordance with the Local Government Act 1989, Council must establish and maintain a budgeting and reporting framework that is consistent with the principles of sound financial management.

In line with our commitment to sound financial management, Council is provided with an analysis of financial and non-financial information each quarter. This information will include at a minimum a comparison of budgeted income and expenditure and actual income and expenditure.

This report covers the period from 1 July 2012 to 30 September 2012 and reports on:

- Significant variations from the adopted budget;
- Council's cash balance and forecast;
- Council's investment performance;
- Council's financial statements;
- Council's Audit Committee; and
- Income and expenditure for the services provided by Council.

This quarterly report examines Council's financial performance as at the first quarter of 2011-2012.

## **OVERVIEW**

At the time the budget for 2012-2013 was prepared, it was expected that Council would see an operating surplus of \$6.379 million. Council continues to revise estimates for the 2012-2013 activities as more accurate information comes to hand, with the current operating surplus forecast to be \$6.268 million.

The achievement of an operating surplus for the 2012-2013 year continues to be a priority of Council. It is important for Council and the community to understand that we continue to refine our forecasts and adjust our activities to ensure that Council is in the position to report an operating surplus for the 2012-2013 financial year.

Council currently has a cash at bank balance of \$11.832 million, which is higher than for the same time in 2011-2012 due to the early payment of Commonwealth grants.

Rate notices have been issued to rate payers and reminders for instalments continue to 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 our 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 the 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 in this report.

### **Operational Budget**

The operational income budget is projected to remain at \$36.647 million which is consistent with the adopted budget, while the operational expenditure budget is projected to increase slightly by \$0.1 million to \$36.735 million, resulting in a net projected increase in the operational budget deficit of \$0.1 million (126%) to \$0.198 million.

### **Major Projects Budget**

Currently the major projects expenditure has not been altered however this is expected to increase during October as the major projects carried forward from the 2011-2012 financial year are reflected in the figures.

### **Capital Budget**

Currently the capital expenditure has not been altered, however this is expected to increase during October as the capital projects carried forward from the 2011-2012 financial year are reflected in the figures.

## **OPERATING STATEMENT**

The information portrayed below provides an operating statement as per the data at 30 September 2012. The four (4) columns of data provide actual year to date results as compared to the budget year to date, the revised budget or forecast position as at 30 September 2012 and the original budget as it was adopted by Council. The forecast budget includes the value of all adjustments made since the adoption of the budget for 2012-2013 and at this stage does not take account of carried forward projects.

## Operating Statement

September 2012

|                                       | Actual YTD          | Budget YTD          | Forecast Budget     | Original Budget     |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Operating revenue</b>              |                     |                     |                     |                     |
| Rates and charges                     | (22,923,394)        | (7,674,725)         | (22,877,236)        | (22,886,751)        |
| Statutory fees and charges            | (111,247)           | (115,633)           | (503,995)           | (500,300)           |
| User fees and charges                 | (780,181)           | (883,659)           | (3,824,201)         | (3,836,801)         |
| Operating grants - state              | (529,872)           | (481,752)           | (2,087,801)         |                     |
| Operating grants - federal            | (741,432)           | (1,627,314)         | (6,537,755)         | (8,626,556)         |
| Contributions - cash operating        | (31,763)            | (5,578)             | (45,700)            | (44,700)            |
| Reimbursements                        | (117,060)           | (30,205)            | (137,919)           | (134,674)           |
| Finance revenue                       | (82,687)            | (113,915)           | (446,250)           | (446,250)           |
| Other revenue                         | (27,546)            | (17,309)            | (170,300)           | (170,300)           |
| <b>Total operating revenue</b>        | <b>(25,345,182)</b> | <b>(10,950,090)</b> | <b>(36,631,157)</b> | <b>(36,646,332)</b> |
| <b>Operating expenses</b>             |                     |                     |                     |                     |
| Employee benefits                     | 3,821,084           | 3,637,070           | 14,933,501          | 14,816,853          |
| Materials and services                | 1,811,821           | 1,259,532           | 5,579,928           | 5,729,143           |
| Contracts                             | 1,811,745           | 1,326,713           | 6,925,260           | 6,787,620           |
| Depreciation and amortisation         | 2,062,774           | 1,877,237           | 8,081,000           | 8,081,000           |
| Finance expenses                      | 51,698              | 78,155              | 331,869             | 331,869             |
| Other expenses                        | 353,529             | 391,729             | 1,298,742           | 1,308,742           |
| <b>Total operating expenses</b>       | <b>9,912,652</b>    | <b>8,570,436</b>    | <b>37,150,300</b>   | <b>37,055,227</b>   |
| <b>Underlying deficit/(surplus)</b>   | <b>(15,432,530)</b> | <b>(2,379,654)</b>  | <b>519,143</b>      | <b>408,895</b>      |
| <b>Capital revenue</b>                |                     |                     |                     |                     |
| Capital grants - state                | (1,260,256)         | (832,000)           | (3,328,000)         |                     |
| Capital grants - federal              |                     |                     |                     | (6,328,000)         |
| Contributions - cash capital          |                     | (750,000)           | (3,000,000)         |                     |
| Net gain / loss on disposal of assets |                     | (106,743)           | (459,500)           | (459,500)           |
| <b>Total capital revenue</b>          | <b>(1,260,256)</b>  | <b>(1,688,743)</b>  | <b>(6,787,500)</b>  | <b>(6,787,500)</b>  |
| <b>Capital expenses</b>               |                     |                     |                     |                     |
| Net gain / loss on disposal of assets | 20,666              |                     |                     |                     |
| <b>Total capital expenses</b>         | <b>20,666</b>       |                     |                     |                     |
| <b>Operating deficit/(surplus)</b>    | <b>(16,672,120)</b> | <b>(4,068,397)</b>  | <b>(6,268,357)</b>  | <b>(6,378,605)</b>  |



## FINANCIAL POSITION STATEMENT

The information below provides details on the financial position or balance sheet as at 30 September 2012.

### Balance Sheet September 2012

|   | Actual YTD           | Forecast Budget      | Original Budget      |
|---|----------------------|----------------------|----------------------|
| <b>Current assets</b>                       |                      |                      |                      |
| Cash and cash equivalents                   | 11,636,383           | 5,066,000            | 5,066,000            |
| Trade and other receivables                 | 23,035,023           | 2,504,999            | 2,504,999            |
| Inventories                                 | 178,379              | 171,999              | 171,999              |
| <b>Total current assets</b>                 | <b>34,849,785</b>    | <b>7,742,998</b>     | <b>7,742,998</b>     |
| <b>Non-current assets</b>                   |                      |                      |                      |
| Other non-current assets                    | 376,712              | 441,000              | 441,000              |
| Property, infrastructure, plant & equipment | 246,589,401          | 235,724,001          | 235,724,001          |
| <b>Total non-current assets</b>             | <b>246,966,113</b>   | <b>236,165,001</b>   | <b>236,165,001</b>   |
| <b>Total assets</b>                         | <b>281,815,898</b>   | <b>243,907,999</b>   | <b>243,907,999</b>   |
| <b>Current liabilities</b>                  |                      |                      |                      |
| Trade and other payables                    | (2,846,336)          | (1,567,000)          | (1,567,000)          |
| Interest-bearing loans and borrowings       | (296,541)            | (486,000)            | (486,000)            |
| Trust                                       | (287,621)            | (229,999)            | (229,999)            |
| Provisions                                  | (3,563,715)          | (3,514,999)          | (3,514,999)          |
| <b>Total current liabilities</b>            | <b>(6,994,213)</b>   | <b>(5,797,998)</b>   | <b>(5,797,998)</b>   |
| <b>Non-current liabilities</b>              |                      |                      |                      |
| Trade and other payables                    | (3,081,869)          |                      |                      |
| Interest-bearing loans and borrowings       | (3,796,432)          | (4,770,000)          | (4,770,000)          |
| Provisions                                  | (3,706,065)          | (4,527,000)          | (4,527,000)          |
| <b>Total non-current liabilities</b>        | <b>(10,584,366)</b>  | <b>(9,297,000)</b>   | <b>(9,297,000)</b>   |
| <b>Total liabilities</b>                    | <b>(17,578,579)</b>  | <b>(15,094,998)</b>  | <b>(15,094,998)</b>  |
| <b>Net assets</b>                           | <b>264,237,319</b>   | <b>228,813,001</b>   | <b>228,813,001</b>   |
| <b>Equity</b>                               |                      |                      |                      |
| Accumulated surplus                         | (107,442,864)        | (101,496,001)        | (101,496,001)        |
| Asset revaluation reserve                   | (145,850,209)        | (122,205,000)        | (122,205,000)        |
| Other reserves                              | (10,944,246)         | (5,112,000)          | (5,112,000)          |
| <b>Total equity</b>                         | <b>(264,237,319)</b> | <b>(228,813,001)</b> | <b>(228,813,001)</b> |

## CAPITAL WORKS STATEMENT

The information below provides details on the capital works expenditure as at 30 September 2012.

### Capital Works

September 2012

| Category                      | Actual YTD       | Budget YTD       | Forecast Budget   | Original Budget   |
|-------------------------------|------------------|------------------|-------------------|-------------------|
| Bridge & Culvert              | 21,038           | -                | 1,368,000         | 1,368,000         |
| Building Habitable Structures | 80,287           | -                | 5,300,000         | 5,300,000         |
| Drainage                      | 4,204            | 23,230           | 895,000           | 895,000           |
| Footpath and Cycleways        | 92,806           | 69,692           | 300,000           | 300,000           |
| Internal Charges              | 195              | -                | -                 | -                 |
| Kerb & Channelling            | 69,264           | -                | 75,000            | 75,000            |
| Land Improvements - Parks     | 7,417            | -                | 255,000           | 255,000           |
| Off Street Car Parking        | 56,210           | -                | -                 | -                 |
| Other Structures              | 6,167            | 221,462          | 1,128,665         | 1,128,665         |
| Plant & Equipment             | 708,694          | 552,775          | 2,305,400         | 2,305,400         |
| Roads                         | 435,026          | 325,224          | 4,330,000         | 4,330,000         |
| <b>Capital Works Total</b>    | <b>1,481,309</b> | <b>1,192,383</b> | <b>15,957,065</b> | <b>15,957,065</b> |

## CAPITAL WORKS PROGRAM UPDATE

The capital works and major projects programme budget for the 2012-2013 financial year is \$16.277 million, of which \$15.957 million relates to capital asset works.

The emphasis of the budget allocation to capital asset works reflects Council's continued commitment to funding asset renewal and the enhancement and improvement of important community assets including the redevelopment of the Central Reserve, the upgrade to Blue Water Stadium and construction of a roof over the Colac Livestock Selling Centre.

Project planning is well underway for the 2012-2013 Capital Works and Major Projects Programme, with all large projects and programmes having been tendered and contracts awarded.

While expenditure to date is only approximately \$1.481 million, it is projected expenditure will significantly increase as we enter the construction period which is traditionally between November and March.

Projects that have commenced include the Central Reserve Resurfacing, gravel road renewal programme, and major patching programme. Projects and programmes that are due to commence in the immediate future include the reconstruction of Warrowie Road and Cape Otway Road and commencement of the reseal programme.

Overall the progress to date of the delivery of the Capital Works and Major Projects programme is in line with expectations for the period to date.

## SIGNIFICANT BUDGET VARIATIONS

A budget is an estimate or expectation of Council's performance over the course of the financial year. It is expected that as the year progresses the actual performance of Council will vary from the original budget. These changes are recognised as variations and are included as a forecast budget. As part of the first quarter review no significant variations have been identified, however the value of the carried forward projects (as a significant variation to the adopted budget) will be recognised in the forecast budget during October 2012.

### Carry Forward Projects

Those projects and activities that were incomplete at the end of the 2011-2012 financial year and where a commitment exists for the expenditure and/or income to be incurred/raised have been listed below.

In summary, the value of carried forward items from 2011-2012 is:

|              | Expenditure       | Income            | Net Result       |
|--------------|-------------------|-------------------|------------------|
| <b>Total</b> | <b>12,892,655</b> | <b>-9,628,561</b> | <b>3,264,094</b> |

| Project/Activity  | Carry-over Expense | Carry-over Income | Net Result       |
|---|--------------------|-------------------|------------------|
| <b>Major Projects</b>   | <b>1,789,713</b>   | <b>-758,300</b>   | <b>1,031,413</b> |
| Apollo Bay Harbour Master Plan Planning Scheme Amendment              | 255,000            | -9,500            | 245,500          |
| Apollo Bay Library project  | 487,500            | -177,800          | 309,700          |
| Birregurra Neighbourhood Character Study                              | 14,744             | 0                 | 14,743           |
| Birregurra Structure Plan Implementation                              | 34,071             | 0                 | 34,071           |
| Building condition audit and updated 10 year works program            | 10,734             | 0                 | 10,734           |
| Business Continuity   | 20,200             | 0                 | 20,200           |
| Climate Resilient Communities of the Barwon South West                | 746,000            | -537,500          | 208,500          |
| Colac High School Master Plan   | 59,691             | -18,000           | 41,691           |
| Colac Marketing Strategy  | 14,466             | 0                 | 14,466           |
| Heavy Vehicle Truck Study   | 58,817             | 0                 | 58,817           |
| Main Drainage Review - Apollo Bay                                     | 8,557              | 0                 | 8,557            |
| Resilience and Capacity Towards Adversity - Community Engagement DPCD | 4,221              | -3,000            | 1,221            |
| Review Kindergarten Action Plans - Year 2                             | 10,000             | -10,000           | 0                |
| Rural Living Strategy Implementation                                  | 26,405             | 0                 | 26,405           |
| Strategic Road Network Costing and Review                             | 35,000             | 0                 | 35,000           |
| Volunteering Portal Project   | 4,307              | -2,500            | 1,807            |
| <b>Additional Projects</b>  | <b>9,985,933</b>   | <b>-8,319,825</b> | <b>1,666,108</b> |
| Active Transport Strategy   | 50,000             | -30,000           | 20,000           |

| Project/Activity   | Carry-over<br>Expense | Carry-over<br>Income | Net Result       |
|--|-----------------------|----------------------|------------------|
| Advancing Country Towns Project  | 727,273               | -428,000             | 299,273          |
| Apollo Bay Recreation Reserve Change Room Upgrade - Country Football Netball Programme   | 4,000                 | -4,000               | 0                |
| Authority Implementation - Contracts Module loading  | 2,500                 | 0                    | 2,500            |
| Authority Implementation - Purchasing Requisitions Module loading  | 3,130                 | 0                    | 3,130            |
| BCLGRP - Rabbit Control Programme  | 7,668                 | -7,500               | 168              |
| Bluewater Fitness Centre Redevelopment   | 8,398,811             | -7,510,000           | 888,811          |
| Bush tender at Barongarook Covenant property   | 1,035                 | 0                    | 1,035            |
| Bushfire Local Planning Policy   | 119,960               | 0                    | 119,960          |
| Carbon Neutral Plan Project  | 45,000                | -25,000              | 20,000           |
| Municipal Fire and Emergency Management Resourcing Programme   | 9,134                 | 0                    | 9,134            |
| Otway Districts Netball Court Redevelopment  | 160,000               | -145,000             | 15,000           |
| Planned Activity Group (PAG)   | 16,505                | -16,505              | 0                |
| Risk Register & OH&S Gap Analysis  | 25,520                | 0                    | 25,520           |
| STIP Programme - Wye River Pathway   | 50,000                | -30,000              | 20,000           |
| Taskforce 23 - Stage One investigation and development of recommendation report for potential Neighbourhood Safer Places at Barwon Downs   | 23,772                | 0                    | 23,772           |
| Taskforce 23 - Stage One investigation and development of recommendation report for potential Neighbourhood Safer Places at Carlisle River | 36,736                | 0                    | 36,736           |
| Taskforce 23 - Stage One investigation and development of recommendation report for potential Neighbourhood Safer Places at Forrest        | 56,475                | 0                    | 56,475           |
| Tennis Court Reconstruction - Beeac  | 140,000               | -84,729              | 55,271           |
| Warncoort Tennis Club Shed construction  | 19,091                | -19,091              | 0                |
| Improving Liveability for Older People (ILOP)  | 89,323                | -20,000              | 69,323           |
| <b>Capital</b>   | <b>1,117,009</b>      | <b>-550,436</b>      | <b>566,573</b>   |
| Beeac Street Lighting  |                       | -3,236               | -3,236           |
| Birregurra Toilet Upgrade  | 90,086                | 0                    | 90,086           |
| Cressy Upgrade   | 14,573                | -20,000              | -5,427           |
| Hordern Vale Hall Upgrade  | 1,583                 | -30,000              | -28,417          |
| Lake Colac Redevelopment Stage 2   | 28,028                | -5,000               | 23,028           |
| Old Beechy Rail Trail  | 399,915               | -250,000             | 149,915          |
| Sealed Roads - Upgrade - Sinclair Street South Construction (special charge scheme)  |                       | -182,200             | -182,200         |
| Tennis Court Resurface Programme - Barwon Downs Tennis Court Reseal  | 16,055                | -30,000              | -13,945          |
| Tennis Court Resurface Programme - Forreest Tennis Court Reseal  | 13,682                | -30,000              | -16,318          |
| Pascoe Street car park   | 82,620                | 0                    | 82,620           |
| Bridge Renewal Programme - Country Roads & Bridges   | 470,467               | 0                    | 470,467          |
| <b>Grand Total</b>   | <b>12,892,655</b>     | <b>-9,628,561</b>    | <b>3,264,094</b> |

### Forecast Changes

In addition to the annual carry forward project process, adjustments to Council's budget (forecast changes), occur throughout the financial year. These changes include projects that are deferred or cancelled, projects that are adjusted due to additional funding (or reductions in funding), and projects that are new projects that were not known at the time of preparing the annual budget.

A number of projects that were budgeted for in 2011-2012 period have been brought forward to the 2012-2013 financial year to assist with the cash flow deficit from the 2011-2012 period. The value of these works equates to \$379,684, which has been balanced by the deferral of the following projects.

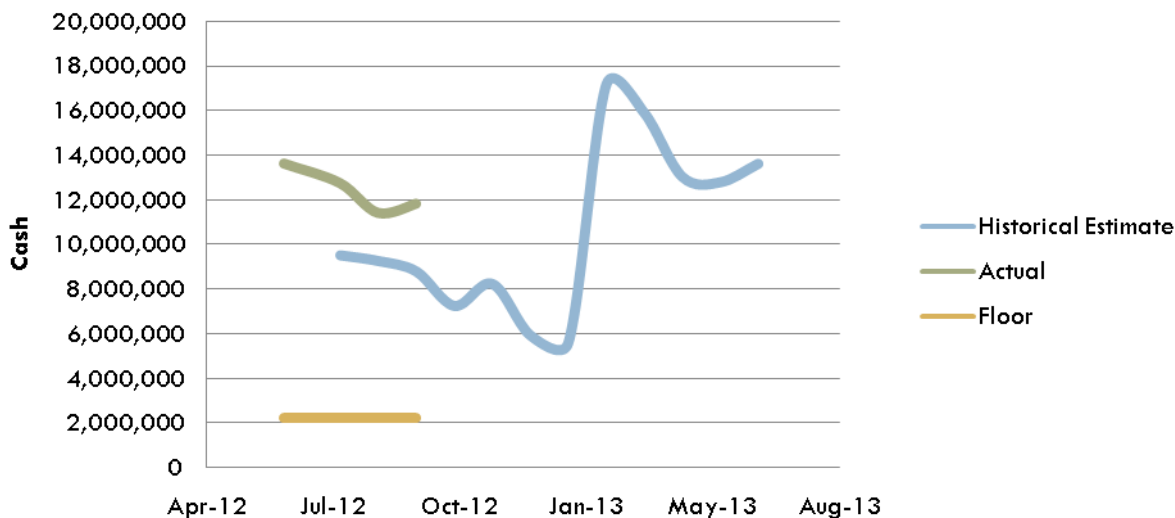
|   |  |                 |                       |
|---|--|-----------------|-----------------------|
| <b>Two way radio system replacement</b>   | The project has been deferred for consideration in future budgets as it is felt that additional project investigation is required to be undertaken in conjunction with neighbouring shires to ensure compatibility of the system during emergency events.  | Original<br>\$0 | Original<br>\$171,600 |
|   |  | Revised<br>\$0  | Revised<br>\$0        |
| <b>Thomson Street Outfall duplication</b> | Project scope has been adjusted and split across two (2) years with year one (2012-2013) involving the detailed design for stormwater outfall duplication with works to be undertaken in the future. Significant work is required for design which will impact on the ability of Council to deliver the construction component within budget and within this financial year. | Original<br>\$0 | Original<br>\$305,000 |
|   |  | Revised<br>\$0  | Revised<br>\$97,316   |

### CASH BALANCE

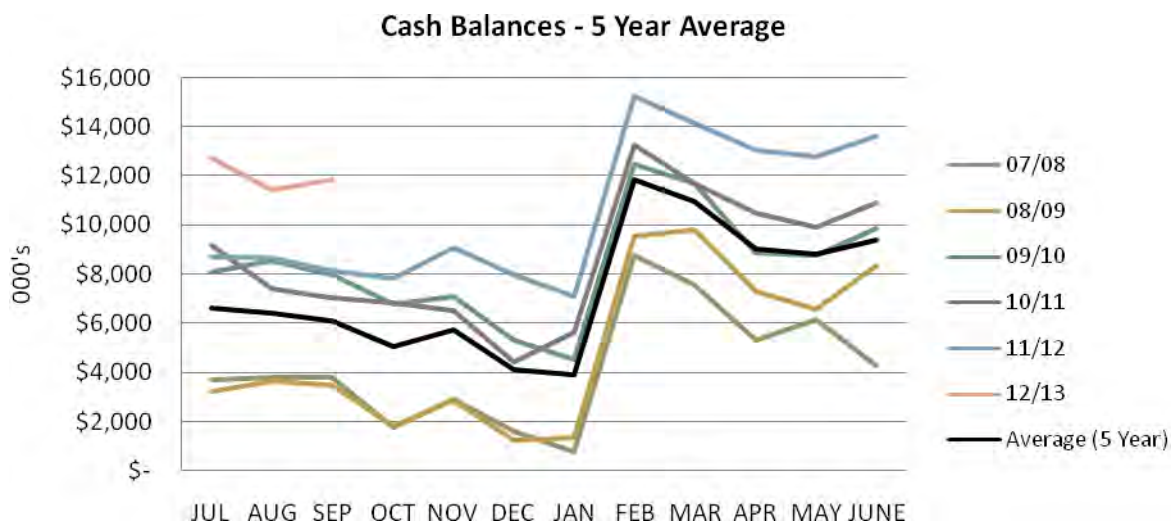
The charts below gives an indication of how the cash balances of Council may perform over the course of the 2012-2013 financial year. The first chart, Cash at Bank Balance, portrays:

- 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 2012.
- 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.

### Cash at Bank Balance



The following chart provides details on the cash balances at month end for the five (5) years prior to the 2012-2013 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 |
|--|--------------|--------------|---------|
| <b>TOTAL PORTFOLIO</b>                     |              |              |         |
| <b>Total</b>                               | 3.50%        | 4.50%        | 3.75%   |
| <b>GENERAL INVESTMENTS</b>                 |              |              |         |
| <b>At-Call Deposits</b>                    | 3.50%        | 3.50%        | 3.50%   |
| <b>Total</b>                               | 3.50%        | 3.50%        | 3.50%   |
| <b>LONG SERVICE LEAVE INVESTMENT</b>       |              |              |         |
| <b>Total</b>                               | 3.50%        | 4.50%        | 4.20%   |
| <b>PERFORMANCE BENCHMARK</b>               |              |              |         |
| <b>Reserve Bank of Australia Cash Rate</b> | 3.50%        | 3.50%        | 3.50%   |
| <b>90-Day Bank Bill Index</b>              | 3.55%        | 3.62%        | 3.49%   |

Funds have predominately been held At-Call for the duration of this quarter. This has had an impact on the performance of the portfolio compared to the first quarter of 2011-2012.

Subsequently the portfolio has performed at 25 basis points (0.25%) above the Reserve Bank of Australia (RBA) cash rate (3.50%) and 0.20% above the average 90-day bank bill index (3.55%). Total interest paid to council during Quarter 1 was \$54,079 with the next interest payable in October.

The balance of Council's Investment Portfolio at the end of the quarter was approximately \$10.79 million.

## UNDERLYING RESULT

The underlying operating result is a measure of the capacity of a municipality to finance recurrent services, pay debt interest and meet the cost of asset use (depreciation). Continuing deficits indicate that the asset base is being eroded and that insufficient resources are being allocated to meeting current service demands.

The model utilised by Colac Otway Shire to calculate the underlying operating result is to deduct from the operating surplus/deficit shown in the Income Statement: capital grants, cash contributions (e.g. developer contributions) contributed non-cash assets; asset revaluations and other "once off" adjustments.

The underlying result for the Colac Otway Shire is displayed below.

|  | September<br>Actual YTD | September<br>Budget YTD | Forecast<br>Budget | Original Budget |
|--|-------------------------|-------------------------|--------------------|-----------------|
| <b>Underlying result (surplus)/deficit</b> | (15,432,530)            | (2,379,654)             | 519,143            | 408,895         |

## **AUDIT COMMITTEE**

The purpose of the committee is to “assist the Council in its oversight responsibilities by monitoring, reviewing and advising accounting, auditing, compliance and risk management related matters as well as to provide a forum for communication between the Council, management and the internal and external auditors.

The audit committee meets four (4) times per annum and as at 30 September 2012 has met for the first time this financial year.

Council's internal audit function reports to the audit committee and conducts regular audits on activities such as those related to the purchasing of goods and services, various risks to Council and the quality and effectiveness of Council's services. In addition four (4) major audits are conducted by external auditors each year. Council has appointed Crowe Horwath as the external audit provider for the period July 2012 to June 2015. An audit plan for this period along with detailed audit plans for the five (5) audits to be conducted during the 2012-2013 financial year have been prepared. Two (2) audits are scheduled to be completed over the next quarter.



## **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 2012.

### Service Summary

| Department   | Business Unit  |         | September<br>Actual YTD | September<br>Budget YTD | Forecast Budget     |
|--|--|---------|-------------------------|-------------------------|---------------------|
| <b>Chief Executive Office</b>                        |  |         | <b>241,403</b>          | <b>223,882</b>          | <b>1,075,120</b>    |
| <b>CEO</b>   |  |         | <b>140,942</b>          | <b>142,043</b>          | <b>607,593</b>      |
|  | <i>Executive Office Section</i>                              |         | <b>117,904</b>          | <b>101,036</b>          | <b>435,633</b>      |
|  |  | Expense | 119,584                 | 101,036                 | 435,633             |
|  |  | Income  | (1,680)                 | 0                       | 0                   |
|  | <i>Public Relations &amp; Marketing Section</i>              |         | <b>23,038</b>           | <b>41,007</b>           | <b>171,960</b>      |
|  |  | Expense | 23,038                  | 41,007                  | 171,960             |
| <b>Council</b>                                       |  |         | <b>100,462</b>          | <b>81,839</b>           | <b>467,527</b>      |
|  | <i>Elected Members Section</i>                               |         | <b>100,462</b>          | <b>81,839</b>           | <b>467,527</b>      |
|  |  | Expense | 100,462                 | 81,839                  | 480,527             |
|  |  | Income  | 0                       | 0                       | (13,000)            |
| <b>Corporate &amp; Community Services</b>            |  |         | <b>(17,078,605)</b>     | <b>(2,692,778)</b>      | <b>(26,682,843)</b> |
| <b>Corporate &amp; Community Services Management</b> |  |         | <b>195,570</b>          | <b>223,744</b>          | <b>977,067</b>      |
|  | <i>Corporate &amp; Community Services Management Section</i> |         | <b>44,400</b>           | <b>75,606</b>           | <b>333,415</b>      |
|  |  | Expense | 69,200                  | 75,722                  | 357,915             |
|  |  | Income  | (24,800)                | (116)                   | (24,500)            |
|  | <i>Library Section</i>                                       |         | <b>151,171</b>          | <b>148,138</b>          | <b>643,652</b>      |
|  |  | Expense | 155,736                 | 149,648                 | 659,152             |
|  |  | Income  | (4,566)                 | (1,510)                 | (15,500)            |
| <b>Finance &amp; Customer Service</b>                |  |         | <b>(18,830,392)</b>     | <b>(4,154,319)</b>      | <b>(32,800,603)</b> |
|  | <i>Customer Service Section</i>                              |         | <b>95,347</b>           | <b>99,515</b>           | <b>428,392</b>      |
|  |  | Expense | 95,391                  | 99,863                  | 429,892             |
|  |  | Income  | (44)                    | (348)                   | (1,500)             |
|  | <i>Financial Services Section</i>                            |         | <b>(228,877)</b>        | <b>(1,010,572)</b>      | <b>(4,878,737)</b>  |
|  |  | Expense | 537,624                 | 638,303                 | 1,713,468           |
|  |  | Income  | (766,501)               | (1,648,875)             | (6,592,205)         |
|  | <i>Property &amp; Rates Section</i>                          |         | <b>(20,407,849)</b>     | <b>(5,119,790)</b>      | <b>(20,471,141)</b> |
|  |  | Expense | 114,036                 | 95,074                  | 484,988             |
|  |  | Income  | (20,521,885)            | (5,214,864)             | (20,956,129)        |
|  | <i>Vic Roads Section</i>                                     |         | <b>(1,128)</b>          | <b>(709)</b>            | <b>(3,052)</b>      |
|  |  | Expense | (1,128)                 | (709)                   | (3,052)             |
|  | <i>Accounting Adjustments Section</i>                        |         | <b>1,712,115</b>        | <b>1,877,237</b>        | <b>(7,876,065)</b>  |
|  |  |         | 1,548,716               | 1,877,237               | (7,876,065)         |
|  |  |         | 163,399                 | 0                       | 0                   |
| <b>Health &amp; Community Services</b>               |  |         | <b>122,151</b>          | <b>159,651</b>          | <b>594,177</b>      |
|  | <i>Aged &amp; Disability Services Section</i>                |         | <b>(42,104)</b>         | <b>(6,280)</b>          | <b>(27,012)</b>     |
|  |  | Expense | 446,878                 | 464,327                 | 1,998,830           |
|  |  | Income  | (488,982)               | (470,607)               | (2,025,842)         |
|  | <i>Children &amp; Family Services Section</i>                |         | <b>53,812</b>           | <b>50,421</b>           | <b>218,735</b>      |
|  |  | Expense | 173,153                 | 161,613                 | 695,735             |
|  |  | Income  | (119,342)               | (111,192)               | (477,000)           |
|  | <i>Health &amp; Community Service Management Section</i>     |         | <b>43,789</b>           | <b>53,812</b>           | <b>224,747</b>      |
|  |  | Expense | 43,789                  | 53,812                  | 224,747             |
|  | <i>Public Health Section</i>                                 |         | <b>55,354</b>           | <b>61,503</b>           | <b>176,865</b>      |
|  |  | Expense | 67,881                  | 75,402                  | 301,465             |
|  |  | Income  | (12,528)                | (13,899)                | (124,600)           |
|  | <i>Rural Access Section</i>                                  |         | <b>(3,773)</b>          | <b>197</b>              | <b>842</b>          |
|  |  | Expense | 13,744                  | 15,543                  | 66,901              |
|  |  | Income  | (17,517)                | (15,346)                | (66,059)            |
|  | <i>Transport Connections</i>                                 |         | <b>15,074</b>           | <b>(2)</b>              | <b>0</b>            |
|  |  | Expense | 15,074                  | 16,588                  | 71,413              |
|  |  | Income  | 0                       | (16,590)                | (71,413)            |

| Department                                    | Business Unit  |         | September<br>Actual YTD | September<br>Budget YTD | Forecast Budget  |
|---|--|---------|-------------------------|-------------------------|------------------|
| <b>Information Services</b>                   |  |         | <b>468,575</b>          | <b>391,719</b>          | <b>1,479,976</b> |
|   | <i>Information Management Section</i>                    |         | <b>67,874</b>           | <b>69,435</b>           | <b>302,529</b>   |
|   |  | Expense | 67,874                  | 69,435                  | 302,529          |
|   | <i>Information Services Unit Section</i>                 |         | <b>400,702</b>          | <b>322,284</b>          | <b>1,177,447</b> |
|   |  | Expense | 400,720                 | 322,516                 | 1,180,447        |
|   |  | Income  | (18)                    | (232)                   | (3,000)          |
| <b>Organisation Support &amp; Development</b> |  |         | <b>503,253</b>          | <b>180,269</b>          | <b>1,258,124</b> |
|   | <i>Human Resources Section</i>                           |         | <b>65,503</b>           | <b>82,583</b>           | <b>421,530</b>   |
|   |  | Expense | 67,321                  | 82,583                  | 421,530          |
|   |  | Income  | (1,818)                 | 0                       | 0                |
|   | <i>Organisational Development Section</i>                |         | <b>59,934</b>           | <b>64,608</b>           | <b>311,019</b>   |
|   |  | Expense | 59,934                  | 64,608                  | 311,019          |
|   | <i>Risk Management Section</i>                           |         | <b>377,816</b>          | <b>33,078</b>           | <b>525,575</b>   |
|   |  | Expense | 382,352                 | 40,048                  | 555,575          |
|   |  | Income  | (4,536)                 | (6,970)                 | (30,000)         |
| <b>Recreation Arts &amp; Culture</b>          |  |         | <b>462,237</b>          | <b>506,158</b>          | <b>1,808,416</b> |
|   | <i>Bluewater Fitness Centre Section</i>                  |         | <b>111,861</b>          | <b>89,257</b>           | <b>502,503</b>   |
|   |  | Expense | 289,295                 | 265,636                 | 1,246,003        |
|   |  | Income  | (177,434)               | (176,379)               | (743,500)        |
|   | <i>COPACC Section</i>                                    |         | <b>122,487</b>          | <b>83,323</b>           | <b>365,861</b>   |
|   |  | Expense | 231,461                 | 220,853                 | 950,726          |
|   |  | Income  | (108,974)               | (137,530)               | (584,865)        |
|   | <i>Other Leisure &amp; Fitness Centres Section</i>       |         | <b>412</b>              | <b>2,142</b>            | <b>45,110</b>    |
|   |  | Expense | 1,903                   | 3,881                   | 56,200           |
|   |  | Income  | (1,492)                 | (1,739)                 | (11,090)         |
|   | <i>Recreation &amp; Events Section</i>                   |         | <b>183,995</b>          | <b>268,544</b>          | <b>611,547</b>   |
|   |  | Expense | 195,366                 | 277,642                 | 646,122          |
|   |  | Income  | (11,371)                | (9,098)                 | (34,575)         |
|   | <i>Recreation, Arts &amp; Culture Management Section</i> |         | <b>43,482</b>           | <b>62,892</b>           | <b>283,395</b>   |
|   |  | Expense | 43,482                  | 62,892                  | 283,395          |
| <b>Infrastructure &amp; Services</b>          |  |         | <b>(887,060)</b>        | <b>(761,942)</b>        | <b>6,255,429</b> |
| <b>Capital Works Management</b>               |  |         | <b>156,487</b>          | <b>169,095</b>          | <b>783,913</b>   |
|   | <i>Capital Works Management Section</i>                  |         | <b>156,487</b>          | <b>169,095</b>          | <b>783,913</b>   |
|   |  | Expense | 159,400                 | 172,470                 | 797,413          |
|   |  | Income  | (2,913)                 | (3,375)                 | (13,500)         |
| <b>COSWORKS (Colac Otway Shire Works)</b>     |  |         | <b>1,006,015</b>        | <b>960,791</b>          | <b>4,374,256</b> |
|   | <i>COSWORKS Management Section</i>                       |         | <b>227,425</b>          | <b>212,301</b>          | <b>913,928</b>   |
|   |  | Expense | 239,954                 | 217,411                 | 935,928          |
|   |  | Income  | (12,528)                | (5,110)                 | (22,000)         |
|   | <i>Parks &amp; Reserves Maintenance Section</i>          |         | <b>324,169</b>          | <b>294,085</b>          | <b>1,350,042</b> |
|   |  | Expense | 324,169                 | 294,085                 | 1,350,042        |
|   |  | Income  | 0                       | 0                       | 0                |
|   | <i>Livestock Selling Centre Operations Section</i>       |         | <b>474,078</b>          | <b>524,170</b>          | <b>2,369,635</b> |
|   |  | Expense | 474,078                 | 524,170                 | 2,369,635        |
|   |  | Income  | (19,657)                | (69,765)                | (259,349)        |
|   | <i>Road Maintenance Section</i>                          |         | <b>85,718</b>           | <b>102,138</b>          | <b>480,651</b>   |
|   |  | Expense | (105,375)               | (171,903)               | (740,000)        |
| <b>Infrastructure Services Management</b>     |  |         | <b>45,645</b>           | <b>66,782</b>           | <b>287,477</b>   |
|   | <i>Infrastructure Services Management Section</i>        |         | <b>45,645</b>           | <b>66,782</b>           | <b>287,477</b>   |
|   |  | Expense | 45,645                  | 66,782                  | 287,477          |

| Department   | Business Unit  |         | September<br>Actual YTD | September<br>Budget YTD | Forecast Budget     |
|--|--|---------|-------------------------|-------------------------|---------------------|
| <b>Major Contracts</b>                                   |  |         | <b>(2,031,450)</b>      | <b>(2,007,222)</b>      | <b>815,250</b>      |
|  | <i>Aerodrome Section</i>   |         | 9,209                   | 4,381                   | 18,910              |
|  |  | Expense | 9,209                   | 4,997                   | 21,560              |
|  |  | Income  | 0                       | (616)                   | (2,650)             |
|  | <i>Contract Management Section</i>                               |         | 72,555                  | 57,843                  | 246,263             |
|  |  | Expense | 75,741                  | 63,827                  | 271,263             |
|  |  | Income  | (3,185)                 | (5,984)                 | (25,000)            |
|  | <i>Waste Management Section</i>                                  |         | (2,113,214)             | (2,069,446)             | 550,077             |
|  |  | Expense | 538,791                 | 618,274                 | 3,507,714           |
|  |  | Income  | (2,652,006)             | (2,687,720)             | (2,957,637)         |
| <b>Plant Operations</b>                                  |  |         | <b>(270,774)</b>        | <b>(221,767)</b>        | <b>(1,164,360)</b>  |
|  | <i>Heavy Plant</i>   |         | (219,677)               | (156,584)               | (873,500)           |
|  |  | Expense | (203,253)               | (143,084)               | (819,500)           |
|  |  | Income  | (16,424)                | (13,500)                | (54,000)            |
|  | <i>Light Plant</i>   |         | (51,097)                | (65,183)                | (290,860)           |
|  |  | Expense | (51,097)                | (65,183)                | (290,860)           |
| <b>Sustainable Assets</b>                                |  |         | <b>207,016</b>          | <b>270,379</b>          | <b>1,158,893</b>    |
|  | <i>Council Facilities Section</i>                                |         | 79,980                  | 114,325                 | 474,200             |
|  |  | Expense | 79,980                  | 114,325                 | 474,200             |
|  | <i>Sustainable Assets Management Section</i>                     |         | 127,036                 | 156,054                 | 684,693             |
|  |  | Expense | 127,036                 | 156,054                 | 684,693             |
| <b>Sustainable Planning &amp; Development Services</b>   |  |         | <b>730,845</b>          | <b>826,445</b>          | <b>3,592,872</b>    |
| <b>Economic Development</b>                              |  |         | <b>204,586</b>          | <b>257,254</b>          | <b>1,062,820</b>    |
|  | <i>Business Section</i>  |         | 82,440                  | 104,365                 | 396,788             |
|  |  | Expense | 85,377                  | 104,365                 | 398,788             |
|  |  | Income  | (2,936)                 | 0                       | (2,000)             |
|  | <i>Tourism Section</i>   |         | 122,146                 | 152,889                 | 666,032             |
|  |  | Expense | 185,137                 | 224,315                 | 962,777             |
|  |  | Income  | (62,991)                | (71,426)                | (296,745)           |
| <b>Environment &amp; Community Safety</b>                |  |         | <b>202,179</b>          | <b>240,613</b>          | <b>1,115,583</b>    |
|  | <i>Emergency Management Section</i>                              |         | 69,072                  | 69,543                  | 271,088             |
|  |  | Expense | 87,376                  | 75,350                  | 340,088             |
|  |  | Income  | (18,304)                | (5,807)                 | (69,000)            |
|  | <i>Environment Section</i>                                       |         | 83,489                  | 108,468                 | 534,359             |
|  |  | Expense | 83,489                  | 108,468                 | 534,359             |
|  | <i>Local Laws Section</i>  |         | 49,618                  | 62,602                  | 310,136             |
|  |  | Expense | 132,520                 | 139,806                 | 630,331             |
|  |  | Income  | (82,902)                | (77,204)                | (320,195)           |
| <b>Planning &amp; Building</b>                           |  |         | <b>264,792</b>          | <b>261,029</b>          | <b>1,123,683</b>    |
|  | <i>Building Control Section</i>                                  |         | 15,805                  | 21,824                  | 93,959              |
|  |  | Expense | 41,619                  | 54,763                  | 235,759             |
|  |  | Income  | (25,814)                | (32,939)                | (141,800)           |
|  | <i>Statutory Planning Section</i>                                |         | 196,489                 | 174,640                 | 751,771             |
|  |  | Expense | 232,109                 | 223,490                 | 962,071             |
|  |  | Income  | (35,620)                | (48,850)                | (210,300)           |
|  | <i>Strategic Planning Section</i>                                |         | 52,498                  | 64,565                  | 277,953             |
|  |  | Expense | 52,498                  | 64,565                  | 277,953             |
| <b>Sustainable Planning &amp; Development Management</b> |  |         | <b>59,288</b>           | <b>67,549</b>           | <b>290,786</b>      |
|  | <i>Sustainable Planning &amp; Development Management Section</i> |         | 59,288                  | 67,549                  | 290,786             |
|  |  | Expense | 59,288                  | 67,549                  | 290,786             |
| <b>Grand Total</b>                                       |  |         | <b>(16,993,416)</b>     | <b>(2,404,393)</b>      | <b>(15,759,422)</b> |

## CONTRACTS AWARDED AND TENDERS ADVERTISED

### JULY

#### Contracts Awarded

| Contract No. | Description  | Contractor              | Value \$<br>(excluding GST)                 |
|--------------|--|-------------------------|---|
| 1209         | External Plant Hire                                      | Panel                   | Rates                                       |
| 1210         | Annual Supply of Concrete Works                          | Panel                   | Rates                                       |
| 1211         | Supply & Deliver Bituminous Products                     | Fulton Hogan Industries | Rates                                       |
| 1215         | Special Employment Arrangement for Parks & Gardens Staff | WDEA                    | Rates                                       |
| 1217         | Planning Consultancy Services                            | Panel                   | Rates                                       |
| 1219         | Recruitment Services – Casual Employees                  | Panel                   | Rates                                       |
| 1222         | Supply & Deliver 3 Tonne Tip Truck                       | Winter & Taylor         | 81,559.60<br>(trade –<br>11,000 inc<br>GST) |
| 1226         | Building Maintenance Services                            | Panel                   | Rates                                       |

#### Tenders Advertised

| Tender No. | Description  | Closing Date |
|------------|--|--------------|
| 1237       | Bituminous Sealing Works   | 15/8/12      |
| 1239       | Active Transport Strategy & Plan                                   | 15/8/12      |
| 1231       | Apollo Bay Library Extension                                       | 22/8/12      |
| 1235       | Design & Construct – Barham River Rd & Upper Gellibrand Rd Bridges | 22/8/12      |
| 1236       | Design & Construct – Carlisle Valley Rd & Gants Access Bridges     | 22/8/12      |
| 1240       | Elliminyt Playspace – Design & Construct                           | 22/8/12      |

### AUGUST

**Contracts Awarded**

| <b>Contract No.</b> | <b>Description</b>                                  | <b>Contractor</b>                       | <b>Value \$<br/>(excluding GST)</b>    |
|---------------------|---|---|--|
| 1227                | Rae Street Office Refurbishment                     | Regent Construction & Building Services | 445,966                                |
| 1228                | Storage Area Network (SAN) & Virtualisation Upgrade | Thomas Duryea Consulting                | 220,840                                |
| 1229                | Supply & Deliver Tip Truck & Dog                    | Whitehorse Truck Centre                 | 274,195.45<br>(trade - 75,000 inc GST) |
| 1230                | Supply & Deliver 9 Cu M Tip Truck                   | CMV Truck & Bus                         | 184,926<br>Trade - \$75,000 inc GST    |

**Tenders Advertised**

| <b>Tender No.</b> | <b>Description</b>  | <b>Closing Date</b> |
|-------------------|---|---------------------|
| 1221              | Bushfire Planning Policy                                    | 12/09/12            |
| 1212              | Apollo Bay Harbour Dredge & Workboat – Design & Construct   | 03/10/12            |
| 1238              | Retail Energy & Associated Services (Procurement Australia) | 05/10/12            |

**SEPTEMBER**

**Contracts Awarded**

| <b>Contract No.</b> | <b>Description</b>   | <b>Contractor</b>         | <b>Value \$<br/>(excluding GST)</b> |
|---------------------|--|---------------------------|-------------------------------------|
| 1208                | Provision of Architectural Services – Bluewater Fitness Centre Redevelopment | Suters Architects         | 513,664.83                          |
| 1231                | Apollo Bay Library Extension   | Apollo Bay Building Group | 437,608.72                          |
| 1232                | Central Reserve Oval Redevelopment   | Pitchcraft                | 683,694.77                          |
| 1235                | Design & Construct – Barham River Rd & Upper Gellibrand Rd Bridges           | VEC Civil Engineering     | 980,954                             |

|      |  |                            |         |
|------|--|----------------------------|---------|
| 1236 | Design & Construct –<br>Carlisle Valley Rd & Gants<br>Access Bridges | VEC Civil<br>Engineering   | 725,236 |
| 1237 | Bituminous Sealing Works   | Fulton Hogan<br>Industries | Rates   |
| 1239 | Active Transport Strategy &<br>Plan                                  | GHD                        | 45,500  |
| 1240 | Eliminyt Playspace – Design<br>& Construct                           | Safe Play<br>Systems       | 150,409 |

**Tenders Advertised**

| <b>Tender<br/>No.</b> | <b>Description</b>                                      | <b>Closing<br/>Date</b> |
|-----------------------|---|-------------------------|
| 1241                  | Energy Efficient Street Lighting                        | 21/09/12                |
| 1242                  | Linemarking Services                                    | 24/10/12                |
| 1243                  | Supply & Deliver 3 Tonne Tip Truck – Apollo Bay Harbour | 24/10/12                |
| 1244                  | Supply & Deliver 4WD Out-Front Mower                    | 24/10/12                |
| 1245                  | Livestock Scanning Services                             | 31/10/12                |
| 1246                  | Supply & Deliver 5 Metre Tip Truck                      | 24/10/12                |
| 1247                  | Supply & Deliver Tandem Axle Float Trailer              | 24/10/12                |

| 2012/13 Project List | 2012/13 Budget | 2013 Estimated Budget | Remaining Budget | % Spent | Start | End | Progress | Comments |
|----------------------|----------------|-----------------------|------------------|---------|-------|-----|----------|----------|
| 101                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 102                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 103                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 104                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 105                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 106                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 107                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 108                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 109                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 110                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 111                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 112                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 113                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 114                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 115                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 116                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 117                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 118                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 119                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 120                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 121                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 122                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 123                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 124                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 125                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 126                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 127                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 128                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 129                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 130                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 131                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 132                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 133                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 134                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 135                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 136                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 137                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 138                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 139                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 140                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 141                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 142                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 143                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 144                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 145                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 146                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 147                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 148                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 149                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 150                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 151                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 152                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 153                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 154                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 155                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 156                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 157                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 158                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 159                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 160                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 161                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 162                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 163                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 164                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 165                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 166                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 167                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 168                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 169                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 170                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 171                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 172                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 173                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 174                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 175                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 176                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 177                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 178                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 179                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 180                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 181                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 182                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 183                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 184                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 185                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 186                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 187                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 188                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 189                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 190                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 191                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 192                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 193                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 194                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 195                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 196                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 197                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 198                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 199                  | 2013           | 2013                  |                  |         |       |     |          |          |
| 200                  | 2013           | 2013                  |                  |         |       |     |          |          |



# Colac Otway Shire Annual Report 2011 – 2012



## Contents

|  |            |
|--|------------|
| Our Vision, Mission and Values         | 2          |
| In Brief                               | 3          |
| About this Annual Report               | 4          |
| Colac Otway Shire Profile              | 4          |
| The Year in Review                     | 6          |
| Mayor and CEO Message                  | 8          |
| Our Council                            | 10         |
| Chief Financial Officer's Report       | 11         |
| Sustainability Report                  | 13         |
| Calendar of Events                     | 17         |
| Our Organisation                       | 19         |
| Our Executive Management Team          | 19         |
| Our Organisation Structure             | 21         |
| Our People                             | 21         |
| Leadership and Governance              | 25         |
| Physical Infrastructure and Assets     | 32         |
| Land Use and Development               | 36         |
| Environmental Management               | 41         |
| Economic Development                   | 46         |
| Community Health and Wellbeing         | 50         |
| Corporate Governance                   | 55         |
| Our Finances                           | 74         |
| Financial Performance                  | 74         |
| Financial Indicators                   | 76         |
| Understanding the Financial Statements | 80         |
| Standard Statements                    | 84         |
| Financial Statements                   | 96         |
| Performance Statement                  | 150        |
| Acronyms and Definitions               | 156        |
| Sustainability Index                   | 157        |
| General Index                          | 158        |
| Contacting Council                     | Back Cover |

## 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

In Brief

- ✓ *New electronic document management system provides long-term management capability and ease of use (p 26).*
- ✓ *Major upgrade to the telecommunications network will support new capabilities (p 26).*
- ✓ *Sustainability features included in new Council offices (p 42).*
- ✓ *Community support for the business development program (p 47).*
- ✓ *Achieved \$6.89 million in government grants to ease the burden on the community of providing key services (p 47).*
- ✓ *'Lungs in Action' program at the Bluewater Fitness Centre assists people with respiratory diseases to live fuller lives (p 52).*
- × *\$3.18 million unfunded superannuation liability far greater than expected (p 27).*
- × *Environmental contaminant affects disposal of organic waste (p 42).*

## About this Annual Report

This report documents Colac Otway Shire Council's performance during 2011/12 against the Council Plan and the 2011/12 Budget and is the third report against the Council Plan 2009-2013. Our Council Plan has six Key Result Areas guiding the growth and development of our municipality:

- Leadership and Governance
- Physical Infrastructure and Assets
- Land Use and Development
- Environmental Management
- Economic Development
- Community Health and Wellbeing

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 at 2-6 Rae Street, Colac or view a copy online at: [www.colacotway.vic.gov.au](http://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: [inq@colacotway.vic.gov.au](mailto:inq@colacotway.vic.gov.au) or by letter to:

Chief Executive Officer  
PO Box 283  
Colac Vic 3250

## Our Shire Profile

### Our Location

As the gateway to the Great South Coast region 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 Warrambool to the west.

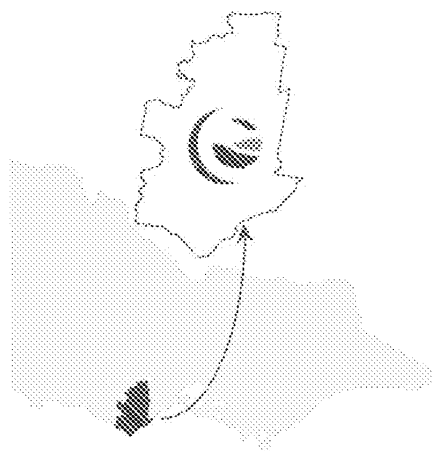
Colac Otway Shire has some of the most picturesque scenery in the State. A large proportion is State Forest and National Park, but it also includes beaches, rugged coastline, rainforests, waterfalls, volcanic lakes and craters.

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 20,578; remaining fairly steady over the past decade. We expect an increase in our population once the Princes Highway becomes a dual highway (the Geelong to Winchelsea section is progressing well) 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 Care and Social Assistance and these employ 46.6% 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 sawmills were established. The Apollo Bay township was established in the 1860s, with other coastal villages being settled by the 1880s.

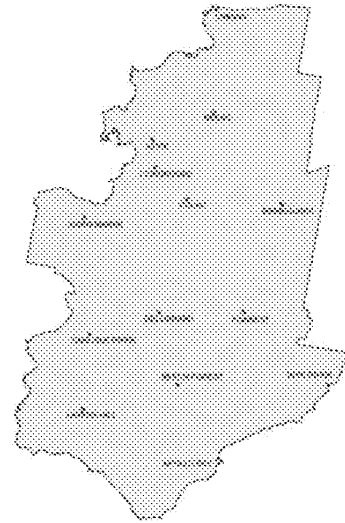
The opening of the Great Ocean Road in 1932 gave greater access to coastal townships, with tourism spurring growth in the 1950s. Since the 1970s rural residential living has steadily increased in popularity.

**Our Name**

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

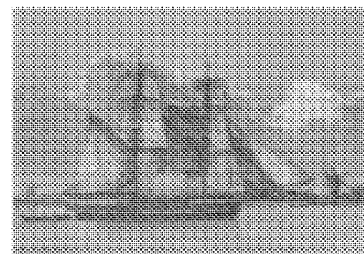
Historically, Colac is thought to be named after the local Coladjin Aboriginal tribe that once lived in the area. The origin of Otway is revealed in the logbooks of The Lady Nelson, 1800, captained by Lieutenant James Grant:

*'December 7<sup>th</sup>. At daylight we saw the land making a cape ahead ... I named it Cape Albany Otway (now Cape Otway) in honour of William Albany Otway, Esquire, Captain in the Royal Navy. I never saw a finer country, the valleys appeared to have plenty of fresh water meandering through them.'*



Area: 3,427 sq kilometres  
 Length of Local Roads: 1,632 kilometres  
 Estimated Population: 20,578  
 0 – 4 years 6.0%  
 5 – 14 years 12.9%  
 15 – 24 years 11.5%  
 25 – 34 years 9.8%  
 35 – 59 years 34.0%  
 over 60 years 25.7%  
 Population born overseas: 5.7%  
 Population growth rate: 0.2%  
 Employment rate: 97% (full time, 61%)  
 Rateable properties: 14,685  
 Coastline: 95 kilometres  
 Forest and National Park: 110,000 hectares

**Sources**  
 Australian Bureau of Statistics Census 2011  
 id Consulting, Melbourne 2012



ABOVE: The Lady Nelson, 1800, Rare/Special Collections, Morris Miller Library, University of Tasmania, <http://eprints.utas.edu.au/6395/>

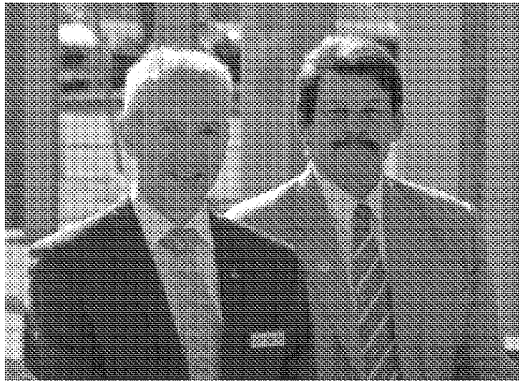
### Year in Review

| Key Result Area  | Achievements  | Disappointments   |
|--|---|---|
| <b>Leadership and Governance</b><br><i>For more information see page 26</i>              | <ul style="list-style-type: none"> <li>■ Advancing Country Towns plan completed.</li> <li>■ New electronic document management system implemented.</li> <li>■ Major upgrade to telecommunications</li> </ul>  | <ul style="list-style-type: none"> <li>■ \$3.18 million unfunded superannuation liability.</li> </ul>   |
| <b>Physical Infrastructure and Assets</b><br><i>For more information see page 32</i>     | <ul style="list-style-type: none"> <li>■ Completion of Capital Works. New bridge constructed.</li> <li>■ 100% increase in footpath replacement.</li> </ul>  | <ul style="list-style-type: none"> <li>■ Completion of off-road trail postponed due to difficulty in finalising trail alignment.</li> <li>■ Delays to tennis court project due to unforeseen pavement problems.</li> </ul>  |
| <b>Land Use and Development</b><br><i>For more information see page 36</i>               | <ul style="list-style-type: none"> <li>■ Adoption of Rural Living Strategy.</li> <li>■ Completion of Coliac CBD and Entrances Project Plan.</li> <li>■ Completion of Coliac and Apollo Bay Car Parking Strategy.</li> <li>■ Completion of the Birregurra Neighbourhood Character Study.</li> </ul>  | <ul style="list-style-type: none"> <li>■ Delays to implementation of the Apollo Bay Harbour Master Plan due to the emergence of community concerns.</li> </ul>  |
| <b>Environmental Management</b><br><i>For more information see pages 13 and 41</i>       | <ul style="list-style-type: none"> <li>■ New Sustainability Policy</li> <li>■ Sustainability features included in new Council offices.</li> <li>■ Land management plans developed for eight of Council's high conservation value reserves.</li> <li>■ Landfill environmental risk assessment and development of management plan.</li> </ul> | <ul style="list-style-type: none"> <li>■ Roadside Environmental Management Plan not completed due to unexpected complications with all activities on roadsides.</li> <li>■ Environmental contaminant affects waste disposal.</li> <li>■ Marine pest continues to spread in Apollo Bay Harbour.</li> </ul> |
| <b>Economic Development</b><br><i>For more information see pages 15 and 46</i>           | <ul style="list-style-type: none"> <li>■ Completion of Community Infrastructure Plans.</li> <li>■ Community Support for the Business Development Program.</li> <li>■ Redevelopment of historic Lions Park</li> <li>■ Significant Increase in Grant Funding.</li> </ul>  | <ul style="list-style-type: none"> <li>■ New brand for Coliac still to be finalised.</li> <li>■ Further delays on the regional tourism action plan.</li> </ul>  |
| <b>Community Health and Wellbeing</b><br><i>For more information see pages 15 and 50</i> | <ul style="list-style-type: none"> <li>■ Completion of significant strategic plans.</li> <li>■ Upgrades to community facilities.</li> <li>■ Smooth transition to the National and Victorian Early Years Framework.</li> <li>■ Celebrating arts and culture.</li> </ul>  | <ul style="list-style-type: none"> <li>■ Tennis court upgrades unable to be completed.</li> <li>■ Failure of ongoing State funding for the Active Service Model for older people and people of all abilities.</li> </ul>  |

| Challenges  | The Year Ahead   | Community Satisfaction Results  |
|---|--|---|
| <ul style="list-style-type: none"> <li>■ Bushfire Royal Commission recommendation requiring removal of vegetation in the new Bushfire Management Overlay conflicts with vegetation protection required in the existing Significant Landscape Overlays.</li> </ul> | <ul style="list-style-type: none"> <li>■ Develop the 2013-2017 Council Plan.</li> <li>■ Review General Local Laws No's 1, 2 and 3.</li> <li>■ Complete the Municipal Fire Management Plan.</li> <li>■ Finalise and implement Business Continuity Plans.</li> </ul>   | <p><b>Overall Performance</b></p> <p>Large Rural Shires 56<br/>Colac Otway Shire 54<br/>Indexed Mean</p>                |
| <ul style="list-style-type: none"> <li>■ Ageing bridge infrastructure replacement program.</li> </ul>   | <ul style="list-style-type: none"> <li>■ Colac Livestock selling Centre roof construction.</li> <li>■ Redevelopment works at Colac Central Reserve Oval.</li> <li>■ Rehabilitation of Gellibrand Landfill.</li> <li>■ Library redevelopment at Apollo Bay.</li> </ul>  | <p><b>Local Roads and Footpaths</b></p> <p>Large Rural Shires 51<br/>Colac Otway Shire 48<br/>Indexed Mean</p>          |
| <ul style="list-style-type: none"> <li>■ Difficulties in the proactive monitoring of Essential Safety Measures requirements under the Building Act, due to a lack of suitably qualified surveyors in the region available for recruitment.</li> </ul>             | <ul style="list-style-type: none"> <li>■ Finalising planning scheme amendments that implement key projects such as the Rural Living Strategy, Colac and Apollo Bay Car Parking Strategy and Colac CBD and Entrances Project.</li> <li>■ Preparation and exhibition of the Apollo Bay Harbour Master Plan Planning Scheme Amendment.</li> </ul> | <p><b>Town Planning Policy and Approvals</b></p> <p>Large Rural Shires 50<br/>Colac Otway Shire 48<br/>Indexed Mean</p> |
| <ul style="list-style-type: none"> <li>■ Upgrading street lighting to reduce our carbon footprint.</li> <li>■ Managing the legal removal of native vegetation.</li> <li>■ Disposal of recyclable materials in an environmentally friendly manner.</li> </ul>      | <ul style="list-style-type: none"> <li>■ Coordinate the planning and scoping phase of the \$600,000 grant funded project, Climate Resilient Communities of the Barwon South West.</li> <li>■ Develop the Achieving Carbon Neutrality in Colac Otway Shire Operations plan.</li> </ul>  | <p><b>Waste Management</b></p> <p>Large Rural Shires 69<br/>Colac Otway Shire 69<br/>Indexed Mean</p>                   |
| <ul style="list-style-type: none"> <li>■ Facilitating the transition to a new tourism committee for the Otways.</li> <li>■ Great Ocean Road strategic plan and funding model to be completed.</li> <li>■ Attracting young professionals and families.</li> </ul>  | <ul style="list-style-type: none"> <li>■ Facilitate the development of the Colac High School Master Plan.</li> <li>■ Delivery of new HTML newsletter to key stakeholders.</li> <li>■ Seek funding to implement the Colac CBD and Entrances Project.</li> </ul>   | <p><b>Economic Development</b></p> <p>Large Rural Shires 61<br/>Colac Otway Shire 61<br/>Indexed Mean</p>               |
| <ul style="list-style-type: none"> <li>■ Family Day Care placement shortage.</li> <li>■ Increasing patronage at recreation and arts programs during uncertain economic times.</li> </ul>  | <ul style="list-style-type: none"> <li>■ Complete detailed design for the Bluewater Fitness Centre Redevelopment Project and commence construction.</li> <li>■ Develop an accessible children's playground at Elliminyt.</li> <li>■ Finalise the Gellibrand, Forrest and Wye River/Separation Creek community plans.</li> </ul>                | <p><b>Health and Human Services</b></p> <p>Large Rural Shires 66<br/>Colac Otway Shire 65<br/>Indexed Mean</p>          |

Source: Local government Community Satisfaction Survey 2012, Department of Planning and Community Development, prepared by JWS Research.  
NOTE: New methodology and format makes comparisons with previous years' data invalid.

## Mayor and CEO's Message



Mayor Cr Stephen Hart (left) and CEO Rob Small (right)

*It is our pleasure to present the 2011/12 annual report for the Colac Otway Shire Council. This is the third year of reporting against the Council Plan 2009-2013.*

### Government partnerships

Council's effectiveness in lobbying for major projects in our shire achieved significant funding commitments in 2011/12. Colac's education and recreation hub, the Beechy Precinct, attracted more than \$8.4 million in funding commitments, which is a testament to the success of this innovative shared-use precinct.

The Federal Government pledged \$2.8 million for a hydrotherapy pool which will provide a much-needed warm water environment for recovery, rehabilitation and post-operative therapies. The State Government pledged about \$1.58 million to a major upgrade of the Bluewater Fitness Centre stadium, which matched with a pre-election Federal Government commitment of \$3.73 million, \$100,000 from the Colac Basketball Association and \$200,000 from Council, will deliver a show court, new spectator seating, gymnasium extension and improved player, official and spectator amenities (p 47).

The State Government also contributed \$350,000 towards an upgrade of the Central Reserve's playing surface which, matched with \$400,000 from Council, will deliver a premier surface capable of hosting AFL practice matches, VFL games and TAC Cup matches, as well as a host of local sports.

### We made strategic decisions

Council decided to proceed with a planning scheme amendment for the Apollo Bay Harbour that did not include provisions for a hotel on the harbour edge, in response to community opposition to large commercial development in the harbour precinct. Tourism Victoria and the Department of Planning and Community

Development have allowed Council to retain \$255,000 of funding to carry out a planning scheme amendment process that pursues a lower-profile vision for the long-term upgrade of the harbour precinct (p 38).

During the financial year we sold the former Shire of Colac building in Murray Street and purchased the former Civic Home Hardware site, across the road from Council's Rae Street headquarters. While we are yet to prepare detailed designs for the building, our ultimate aim is to deliver all of Council's Colac services from the one campus and create a lively civic and arts precinct in the area.

Council supported Otways Tourism's decision to wind up its operations ahead of a planned restructure of the region's tourism industry, and made strong representations to Tourism Victoria to ensure that the final model for regional tourism considered the needs of local tourism. There is still some way to go on this restructure, but we are working proactively with an interim tourism board while the government finalises the model for our region (p 48).

We unveiled a vision for Colac to build its reputation as a Botanic Garden City as part of the Colac Central Business District and City Entrances Project. This new plan to reinvigorate our city has received strong community support and we look forward to delivering on its recommendations over the next 20 to 30 years (p 37).

This financial year Council completed a range of strategic plans. They include a Rural Living Strategy, which will help Council manage growing demand for rural living opportunities in the municipality, as well as important agricultural land to be protected from development; the Colac Marketing Strategy, which aims to attract young working professionals and families to our shire; the Open Space Strategy, which will protect and enhance public open space in the municipality; the Birregurra Neighbourhood Character Study, which outlines design guidelines and planning controls to manage future development in Birregurra; and the Apollo Bay Settlement Boundary and Urban Design Review, which fulfilled Council's responsibilities to ensure there is adequate land available for future development in Apollo Bay.

### We tackled big issues

At its final meeting of the 2011/12 financial year, Council narrowed options for a heavy vehicle bypass around Colac down to three - a route north of Lake Colac, across Lake Colac, and an outer southern route. Importantly, none of these routes will effect residential streets or pass schools. The issue of identifying a bypass route is possibly the most difficult, and certainly one of the most important strategic issues facing our community. Investigations into each route will



take place between now and Council elections, with community consultation to take place later this year. Council wants to be in a position to start lobbying state and federal governments for the funding for a bypass, so that construction can start as soon as possible after the highway duplication to Colac is complete in 2016/17.

When a mining company announced plans to search for coal in the Forrest, Gellibrand and Barongarook area in September 2011, Council joined the chorus of community members opposing the move. At the time of writing, Colac Otway was one of five Victorian councils calling for a moratorium on coal-seam gas exploration until the Victorian Government fully investigates the social, environmental and economic impact of this form of mining on local communities.

#### We celebrated with our community

The Colac Otway Performing Arts and Cultural Centre officially celebrated its 10th birthday with a photographic exhibition. COPAOC has proudly established itself as the heart of the arts in Colac Otway Shire, and supports a growing network of creative talent throughout the shire (p 51).

The replanting of three elms in the Eurack Avenue of Honour - the first avenue of its kind in Victoria - attracted people from across Victoria and interstate. The special community ceremony took place on the anniversary of the avenue's establishment in 1916. It was a poignant event for locals and descendants of soldiers honoured in the avenue and was a strong reminder of the sacrifices our servicemen and women made for the liberties we enjoy today.

#### We delivered major projects

As part of our increased focus on renewing bridge infrastructure, Council replaced J Barry's Road Bridge, at a cost of \$355,000, with funding from the Victorian Government's Country Roads and Bridges program. Council has allocated a further \$1.37 towards upgrades for four bridges in the southern part of our shire for the 2012/13 financial year (p 33).

Council installed a white picket fence around Colac's Lake Oval, putting the finishing touches on a \$100,000 resurfacing project. The 900mm high fence protects the upgraded surface and complements the heritage architecture in the area (p 51).

The completion of a shared-use pathway from Ross' Point to the Stodart Street playground created a 3 kilometre path extending from the bird sanctuary on Colac's Esplanade to Stodart Street. The pathway, funded under the Neighbourhood Renewal Project, creates an extended loop and enables residents from the west area of Colac to access the lake foreshore (p 33).

#### Financial performance

Council's financial performance for the year is broadly consistent with the targets set in the annual budget for 2011/12 in that we have again achieved an operating surplus.

- The operating result for the year is \$1.2 million.
- The value of total assets has grown by \$33.3 million to \$287.3 million.
- Total income has diminished by 23% to \$43.6 million as a result of the once off recognition of the Port of Apollo Bay assets in 2010/11.
- Total expenses have grown by 12% to \$42.4million.

This is a solid result, given the growing demands for the diverse range of services provided by Council (p 11).

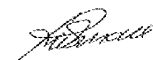
#### Exciting times ahead

Local government elections in October will result in a new council with new perspectives on our shire's future direction. Deciding on the ultimate Colac bypass route, and lobbying for government funding for the project will be the next Council's single-biggest challenge.

G21's Regional Growth Plan tells us there will be more people living, working and visiting our region during the next 40 years, and we believe Colac Otway's unique mix of city, country and coast, as well as its proximity to larger regional centres, will make us an attractive proposition for people wanting to make a sea or tree change. Our task is to strategically plan to ensure our community is well positioned to accommodate this growth.

The year ahead will be a time of intense capital works activity, with scheduled projects including the roofing of Colac's saleyards, the major upgrade of the Bluewater Fitness Centre stadium and construction of a new hydrotherapy pool, the resurfacing of the Central Reserve, upgrades to Beeac's tennis courts, and the renewal of four bridges in the south of our shire.

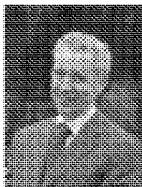
Thank you to all the people who contributed to civic life during 2011/12 and during this Council's term. We value your contribution to Colac Otway Shire and look forward to working with you in 2012/13.



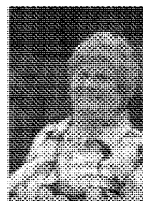
Cr Stephen Hart  
Mayor

Rob Small  
Chief Executive Officer

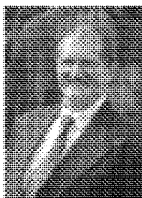
## Our Council



**Cr Stephen Hart**  
Mayor  
(from Dec 2011)  
First elected 2002-04  
Re-elected 2008



**Cr Lyn Russell**  
Deputy Mayor  
(from Dec 2011)  
First elected 2008



**Cr Frank Buchanan**  
First elected 2008



**Cr Brian Crook**  
First elected 2002  
Re-elected 2004-07, 2008  
Mayor: Dec 2010- Dec 2011



**Cr Stuart Hart**  
First elected 2002  
Re-elected 2004-07,  
2008



**Cr Geoff Higgins**  
First elected 2004-07  
Re-elected 2008



**Cr Chris Smith**  
First elected 2004  
Re-elected 2008

## Chief Financial Officer's Report

In 2011/12 we continued to manage the balance of the expectations and desires of our community with the need to assure that the foundations of our services to the community and care of their assets remain strong and capable.

This balance, although challenging to achieve, has been aided in 2011/12 with improved financial systems that better deliver information for decision making, improved internal controls and the application of consistent financial practices that have helped reduce the potential for waste and fraud. The continued development of the Long Term Financial Plan, coupled with a commitment to cost restraint and provision of value-for-money services to our community, remains imperative and continues to drive financial decisions.

While this report focuses on the 2011/12 financial results, it is important to see this result in light of the long-term financial objectives developed by Council. 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 governments.
- Ensure adequate rate increases to maintain a sustainable level of funding.
- Ensure critical infrastructure renewal is funded annually over the timeframe of the Long Term Financial Plan.

The following is a snapshot of the 2011/12 financial position:

- \$43.6 million revenue.
- \$11.46 million Capital Works program delivered.
- Rates and Charges comprised \$21.8 million (50%) of the total operating revenue.
- Operating surplus of \$1.2 million.
- Cash holdings increased by \$2.9 million to \$13.6 million as a result of grants received in advance and works to be carried forward.
- Debt decreased from \$4.8 million in 2010/11 to \$4.2 million in 2011/12.

## Operating Result

We achieved an operating surplus of \$1.2 million for 2011/12. Compared with an \$16.9 million surplus for 2010/11, this appears to be a very significant decrease; however the 2010/11 result included a once off recognition of assets for the Port of Apollo Bay. By excluding the effect of the Port, a more comparable result for 2010/11 is a \$2.8 million surplus, which is \$1.6 million greater than the result for 2011/12.

There were several large contributing one-off occurrences during 2011/12. Of these, Council was advised during the year by Vision Super that we will be required to contribute \$3.18 million towards the Local Government Defined Benefits Superannuation Plan. We are currently investigating ways to reduce the impact of this call as it will have a significant effect on our ability to maintain the balance between community need and maintenance of assets. In addition, we have received \$3.01 million in Grants Commission funding a year in advance. Although having a positive impact on our cash flow in the interim, this will have a significant negative impact at some future date when, as has been indicated by the Federal Government, the decision is made not to maintain forward payments.

Although challenged by one-off items, we have maintained a surplus position for 2011/12. This surplus maintains our longer-term trend towards increasing financial sustainability.

A key measure of financial sustainability is the Underlying Result. This identifies whether we are 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 our ability to remain sustainable and to continue with normal day-to-day operations.

Our underlying deficit for 2011/12 was \$1.49 million. This is \$0.06 million greater than the budgeted underlying deficit of \$1.43 million.

## Sustainable Capital Expenditure

We aim to ensure that our assets can be maintained at the expected levels, while at the same time continue to deliver services needed by our community.

During 2011/12, we spent a total of \$11.46 million on capital works (capital expenditure/investment) across the shire. This included a total of \$7.27 million (63.44%) on renewal works/activities and \$4.19 million (36.56%) on new and upgrade works/activities. The majority, \$6.36 million (55.47%), of the capital works/activities were undertaken on our infrastructure assets.

In 2011/12 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 realistic levels, albeit challenged by one-off occurrences.

**Cash Holdings**

In total, our cash holdings have increased to \$13.6 million during 2011/12; however, included in this amount are funds required for works carried forward from 2011/12 to 2012/13 and significant amounts received in advance from the Federal Government Grants Commission, of \$3.01 million, and the State Government Country Roads and Bridges Program, of \$1 million.

Our aim is to continue to moderately build up cash holdings. This will allow Council the flexibility to respond to future opportunities or unexpected events. This may include the potential to strategically acquire an asset or to respond to natural disasters such as flooding events.

**Financial Sustainability**

We have 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 our 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 continued development of the Long Term Financial Plan enables longer-term conversations with our community and this makes possible long-term goals that assist in creating engaged and vibrant communities.

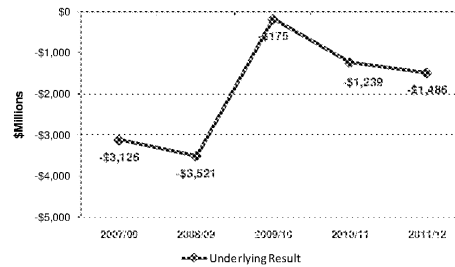
The financial snapshot as at 2011/12 gives a brief overview of our financial performance and the significant factors that impacted on our financial resources used to support the achievement of long-term community service and asset management objectives.

For further information on Council's financial performance see page 74.



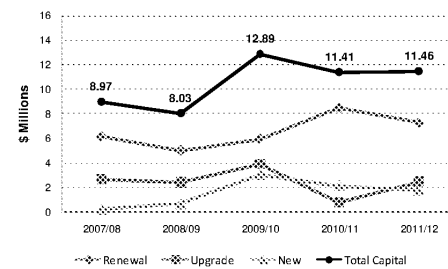
**Brett Exelby**  
Manager Finance and Customer Services

**Underlying Result**



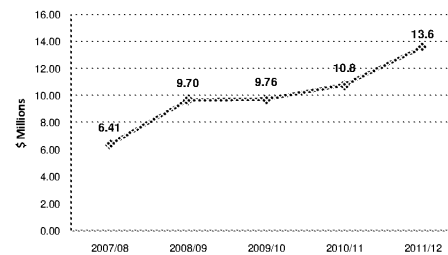
The underlying result reflects our capacity to replace existing assets and to provide existing services without a reliance on capital grants. Improving this position is a significant long-term issue (p 80).

**Sustainable Capital Expenditure**



Ongoing commitment to renewal of our assets, which includes buildings and the road network, remained strong in 2011/12. This was complimented by an increase in spending towards improving our assets.

**Cash Holdings**



## Sustainability Report

Our sustainability report addresses the three key areas internationally deemed crucial to responsible, sustainable development in our rapidly changing world: the environment, social (human needs) and economic development. By reporting on sustainability our intention is to provide a concise overview of the way we address these three key areas in the management of our responsibilities.

### Environmental Strategies

#### New Environmental Sustainability Policy

Council endorsed an Environmental Sustainability Policy in June 2012. It documents an organisational commitment to addressing sustainability in all council operations and services. It is a 'Statement of Intent' that can be used to communicate to staff and the community a commitment to continually improving environmental sustainability over time.  
[http://www.colacotway.vic.gov.au/Files/Environmental\\_Sustainability\\_Policy\\_2012.pdf](http://www.colacotway.vic.gov.au/Files/Environmental_Sustainability_Policy_2012.pdf)

#### Towards Climate Resilience and Carbon Neutrality

In a landmark partnership agreement to build better relationships between the local government sector and the State Government to progress local sustainability, we received two grants from the State Government's Victorian Local Sustainability Accord.

The first was a \$600,000 regional grant received on behalf of 10 municipalities, with partner organisations committing \$275,000 in matching contributions. The aim of the three year project is to assist 10 South West Victorian municipalities and partners to:

- build capacity to manage risks
- to build community resilience to extreme climate events, and
- embrace any opportunities from future climate variability.

The second grant, of \$45,000, was for Colac Otway Shire to develop and adopt a carbon management plan. The aim is to achieve carbon neutrality by 2016, as set out in our Environment Strategy 2010-2018  
[http://www.colacotway.vic.gov.au/Page/page.aspx?Page\\_Id=4568&h=0](http://www.colacotway.vic.gov.au/Page/page.aspx?Page_Id=4568&h=0)

A carbon neutral approach is an ambitious goal. It can only be achieved through understanding our current carbon footprint and by outlining costed options for development of an implementation response.

These two Sustainability Accord funded projects will assist us develop a long-term, strategic response to mitigate the impacts of climate change. It will also ensure that our services and operations are adaptive and sustainable in an increasingly carbon constrained economy and environment.

#### Lighting the way with Energy Efficient Street Lights

The project to improve the energy efficiency of street lights in residential streets has the potential to be one of the largest regional infrastructure projects and will be one of the first to be delivered through the Great South Coast Group.

In the latter part of 2011/12 we, along with the shires of Corangamite, Moyné, Southern Grampians, Glenelg and Warrnambool City Council, were successful in a bid for \$1.4 million to improve the energy efficiency of street lights in residential streets.

Financial and environmental savings from a bulk change are significant. In total, the project is expected to cost \$3.04 million before potential subsidies. The net cost savings to 2030 (after project costs) are projected to be approximately \$9.8 million. Changing street lights to energy efficient alternatives will reduce our shire's electricity costs by up to \$70,000 a year.

This example of regional collaboration by local government sustainability officers demonstrates the power of bulk procurement of energy efficient technologies and infrastructure. The project is funded through the Federal Government's Community Energy Efficiency Program.

In addition to offering lower costs, energy consumption and greenhouse emissions, the new lights provide better lighting outcomes for the community, including:

- greater uniformity of light across and along the street,
- better colour rendering and visibility,
- less depreciation of the light output over time, and
- lowering glare.

#### Solar Hot Water Upgrades at Council Facilities

Seven council facilities were upgraded in 2011/12 to solar hot water to reduce energy consumption and greenhouse emissions. The upgrades will also assist local sporting clubs to reduce their energy bills. Facilities upgraded include Central Reserve, Lake Oval, Western Oval and South Colac Football Grounds. These projects were funded using \$50,000 received from the Regional and Local Community Infrastructure Program.

A commercial sized system, costing \$17,000, was installed at Central Reserve in February 2012. In 2010/11 the cost of gas for February to June was \$622.33. Following the installation of the solar hot water system, the cost of gas for the same period in 2012 was \$240.81, a 61.2% decrease.

A variety of solar hot water systems with instantaneous gas boosters, LPG and natural gas systems, were installed at the other sites. Where possible, existing components of the hot water supply systems were reused or adapted to fit the new systems. The upgrades provide a valuable demonstration to the community of the improved reliability and adaptability of solar hot water technologies (p 44).

#### Colac-Otway Community Solar Hot Water Bulk Buy

In 2011 the Colac Otway Sustainability Group (community) successfully implemented a \$1.4 million photovoltaic (PV) bulk buy project for Colac Otway residents. As a result, 300kW of local solar power generation capacity was installed.

Spurred by the success of the solar photovoltaic (PV) bulk buy, the group has commenced a bulk buy program for solar hot water and heat pump systems. This will support Colac Otway residents to improve energy efficiency and reduce their bills and greenhouse gas emissions.

We support the group 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 and activities to promote Earth Hour 2012 and World Environment Day 2012. Both programs were full to capacity and provided great inspiration to the local community to live more sustainably (p 51).

#### 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. In May 2011/12 we commenced a comprehensive review of our EEO, antidiscrimination and unacceptable workforce behaviour framework including policies, guidelines and support training. Our objective is to ensure that we are at best practice.

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 21, 22).

##### Human Resources

We have a stable workforce, with a staff turnover of 11.7%, down from 12.4% in 2010/11. We continue to have an ageing workforce and while the figure for staff over 51 years of age remains at 37%, the number of staff aged over 65 has increased, from 2% to 4%. However, we have also had an increase in staff less than 21 years of age, from 6% to 11% (p 24).

The flexible work arrangements in our Enterprise Agreement have been highly successful in enabling staff to take up options to support their work/life balance, with 15% taking up flexible working arrangements. This is more than double for all other councils in the South West region of Victoria.

##### Occupational Health and Safety

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 2011/12 (p 22)

##### Learning and Development

We have a strong performance review framework, a component of which is the identification of training needs to support employees in their current roles and takes into consideration future career aspirations. In 2011/12 we spent \$271,498, including oncosts, in growing the capability of our workforce

through a structured training program. In addition to in-house training, attending shorter courses, seminars and conferences, our staff are encouraged to participate in further education through the provision of a tertiary study assistance program. We currently have seven staff accessing tertiary assistance (p 21).

*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 & Inclusion and Early Years plans have been developed. Added to these in 2011/12 is the adoption by Council of the Public Open Space Strategy. [http://www.colacotway.vic.gov.au/Files/ColacOtwayPublicOpenSpaceFinalReport\\_.PDF](http://www.colacotway.vic.gov.au/Files/ColacOtwayPublicOpenSpaceFinalReport_.PDF) Redevelopment also continues on key recreational facilities (p 51).

**Community Development**

A number of projects commenced in 2011/12 to support communities to increase their capacity to participate in and collectively influence issues and activities that are important to them.

Funding from the Department of Planning and Community Development enabled us to commence the following projects:

- Develop a Community Plan for our small communities of Geilbrand, Forrest and Wye River/Separation Creek, which will be used to develop community capacity and resilience in the face of adversity.
- Support organisations and the community to access the Colac page of the Volunteering Portal.
- Develop a range of communication and marketing strategies to promote the theme 'Access, Connect Belong' as part of the Transport Connection Phase Three project.

We have also commenced a major project to work with organisations and the community to improve liveability for older people within small communities (p 52).

**Community Grants**

In 2012 we gifted a total of \$504,156 to our community groups and organisations to undertake cultural, recreational, environmental and community support projects and activities. Aggregated over the last 5 years this is a \$1.94 million investment in the social fabric of our community (p 71).

**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 live in Colac:

- The Colac Marketing Strategy articulates the strengths of Colac as a place to live. It expresses the vibrancy of the local community by drawing on local industry, employment, recreation, health, education, housing, arts and culture, research and the anticipated local passion and energy generated through community engagement. 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. The strategy will be placed on our website in late 2012 once branding has been finalised.
- 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. [http://www.colacotway.vic.gov.au/Page/page.asp?Page\\_Id=3797&h=0](http://www.colacotway.vic.gov.au/Page/page.asp?Page_Id=3797&h=0)

**Business Development**

The annual Powercor 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 where improvements can be made.

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'. This has been strengthened with a proposal to introduce a special sustainability category in 2013.

Business sustainability and growth is also encouraged through professional development and networking opportunities. The Annual ANZ Business Breakfast brings high profile business speakers to inform and inspire local business. Other events include information on topical issues such as the impending carbon economy and business and farm succession planning. We also provide updates on government changes such as taxation and business charges.

A successful business initiative is the Working Women's Network that encourages women throughout the local workforce to be involved in professional development activities (p 47).

#### 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, creating a relatively stable workforce with a focus on equal opportunity (p 22, 69).

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), which 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. An additional benefit of the project will be a reduction in the amount of travel required by local employees for vocational and skills training in centres outside Colac.

To further assist with workforce development we 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 also participate on the steering committee of the Great South Coast Industry Workforce Development Committee.

Another critical factor in supporting local business sustainability is the annual Colac Otway Shire Careers Expo, which provides the

opportunity for young people to explore education and career options and to see that many of the careers they aspire to are available in Colac (p 22, 47).

#### 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.  
[http://www.colacotway.vic.gov.au/Files/Procurement\\_Policy\\_Review\\_SEP\\_2011\\_-\\_Final.pdf](http://www.colacotway.vic.gov.au/Files/Procurement_Policy_Review_SEP_2011_-_Final.pdf)

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. Benefits of buying local include:

- 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 in the Local Government Act 1989 and the National Competition Policy (Trade Practices Act).

#### Long-Term Financial Plan

The Long term Financial Plan (LTFP), first developed in 2011, provides a long-term focus on the prospects and ambitions of the Colac Otway Shire Council and our 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.



## Calendar of Events

### July, August, September

New interpretive signs encouraged children to discover the sensory delights of the playground area and a bush tucker garden at the Colac Botanic Gardens.

People from across Victoria and interstate converged on Eurack for the replanting of three elms in the Avenue of Honour – the first of its kind in Victoria. The elms replaced honoured Trooper AW Fyffe, Gunner W Adams and Private J. Inman.

COPACC celebrates its 10<sup>th</sup> birthday with the launch of a photographic exhibition *A Year in the Life of COPACC* (p 51).

The purchase of the former Civic Home Hardware building in Railway Street, Colac will allow for the future development of Colac's civic and cultural precinct.

Talented young netballers benefit from a partnership between Bluewater Fitness Centre and Barwon Sports Academy. The tailored strength and conditioning training program reduces the need to travel to Geelong.

Council launched Volunteering Central Colac, an online resource that connects community groups who need volunteers with people wanting to volunteer.

Ten townships shared in \$80,000 funding as part of Council's 2011-12 Small Towns Improvement Program (STIP).

### October, November, December

A vision for Colac to build its reputation as a Botanic Garden City was unveiled as part of the Colac Central Business District and City Entrances Project (p 37).

Council provides services to the local tourism industry in the wake of the announcement by Otways Tourism that it would cease operation on 31 December 2011 (p 48).

Public visits to Colac's new library increased almost 20 per cent in the first nine months of the centre opening. Popular demand, led to the Colac Community Library and Learning Centre doubling the number of children's programs.

Colac hosted the regional final of the FFreeZA Battle of the Bands, with four bands competing for a place at the FFreeZA state showcase. Colac band Erepato came second.

Pupils from Colac Specialist School helped Council rejuvenate fire post markers, sanding, painting them and adding new reflectors. The post markers help authorities identify water hydrants throughout the shire.

Council takes the lead in announcing the development of a strategic plan for the Forrest mountain bike trails. More than 22,000 riders use the 66 kilometre network of trails annually.

Colac's FFreeZA committee hosted a tribute concert to celebrate the life of Trinity College student Patrick Tibbits. Patrick, who died in August after celebrating with students at the Trinity senior ball, was passionate about music and was a guitarist in Colac band Jumping Rooftops.

In response to a user survey, Colac library annexe is to be kept open. Operations will be reviewed in 12 months by a newly elected council.

**January, February, March**

Council confirmed its membership of regional alliances G21 and the Great South Coast for the next four years. The alliances lobby the state and federal governments on major regional issues.

Birregurra residents and Council worked together to tackle an elm leaf beetle outbreak in the town.

In response to public opposition, Council proceeded with a planning scheme amendment for the Apollo Bay Harbour that did not include provisions for a hotel (p 36).

A new spa hoist for people with mobility issues promotes easy access to the therapeutic benefits of Bluewater Fitness Centre spa thanks to funding by Colanda Residential Services.

Colac Visitor Information Centre volunteer Marg Facey retired after 29 years of dedicated service welcoming visitors to the region.

Six new signs unveiled to help raise awareness of threatened species in the district

New footpath strategy for Colac and Elliminyt maps out a five year plan for the 130 kilometre footpath network (p 33).

Apollo Bay library will almost double in size. The new library will feature a separate children's area and program space, as well as a multimedia and study area. This results from an agreement between Council and Otway Health and Community Services.

**April, May, June**

\$8.4 million redevelopment announced for the Bluewater Fitness Centre sports complex. It will include a show court and hydrotherapy pool.

6 Murray Street, Colac sold. Council's health and community services staff will move to the main Rae Street building in late 2012.

Lake Colac's new shared-use pathway extended more than three kilometres from the bird sanctuary on Colac's Esplanade to Stodart Street.

Hard waste collections commenced in the shire's rural townships. Rural residents outside these small towns received a hard waste voucher (p 42).

The new \$370,000 J Barry's Road Bridge was unveiled by Member for Polwarth, Terry Mulder (p 33).

A draft masterplan for the Colac Botanic Gardens recommends that vehicle access is restricted to vehicles with disability permits.

A new \$150,000 children's play space will be built in Elliminyt.

The Colac Central Business District and Entrances Plan endorsed by Council. About \$50 million of improvement projects will occur during the next 20 years (p 37).

A \$750,000 major upgrade to Colac's Central Reserve was finalised, which will provide a premier surface, enabling AFL practice matches, VFL games and TAC Cup matches.

## Our Organisation

### 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 36 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.



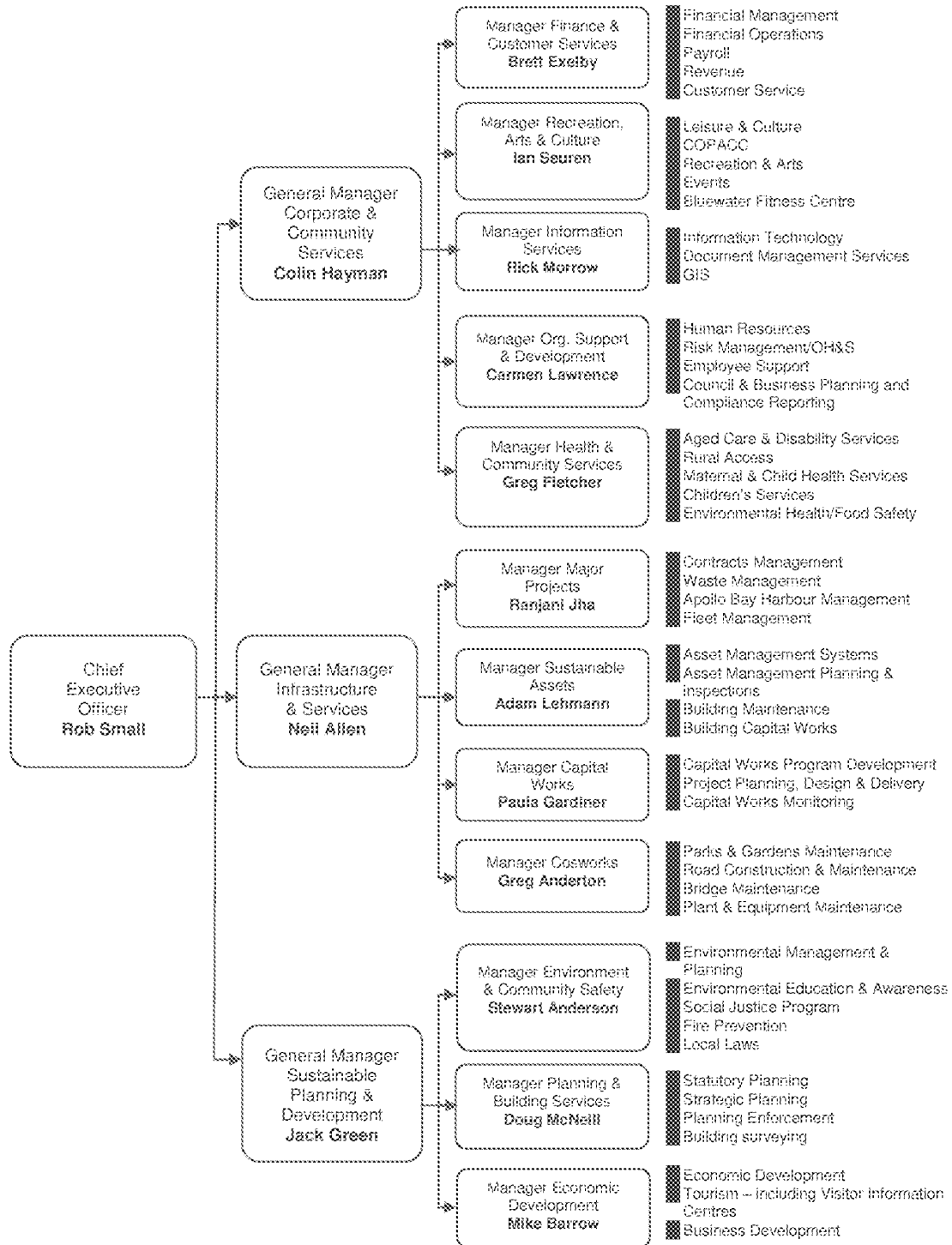
**Neil Allen, General Manager Infrastructure & Services**

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 undertaking the position of Director City Infrastructure at Warrnambool City Council.

Our Organisation Structure



Our people are our greatest asset

Learning and Development

Our employees play a vital role in ensuring we meet our business objectives. We ensure employees have access to targeted professional and personal development opportunities aimed at enhancing their skills, knowledge and effectiveness in their current and future roles.

Whilst professional development programs were a focus in 2011/12, we also ensured the delivery of required compliance training. Honing managers' skills in leadership, interpersonal skills, report and business writing were key objectives. The suite of development programs are listed below:

| Training                                   | Attendees |
|--|-----------|
| Assertiveness in the Workplace             | 10        |
| Emotional Intelligence                     | 6         |
| First Aid/CPR                              | 39        |
| Health and Safety Representative Refresher | 11        |
| Leadership                                 | 12        |
| Manual Handling                            | 6         |
| Microsoft Excel                            | 27        |
| Microsoft PowerPoint                       | 10        |
| Microsoft Word                             | 12        |
| OH&S Supervisor Awareness                  | 67        |
| Report/Business Writing                    | 9         |
| Time and Workload Management               | 6         |

A fundamental principle of good governance is to ensure that we comply with the law. In 2011/12 staff participated in compliance training covering customer service and trade practices. Our target was 100% attendance. We achieved an excellent participation rate of 98%.

We invested significant time and resources ensuring all new staff completed a comprehensive induction program. The extensive program provides an overview of the role and objectives of Council, key human resources policies and procedures, training in internal systems and processes, risk management and workplace safety.

Tertiary Study Support

We encourage and support employees to participate in further education. Our Tertiary Study Assistance Program provides financial assistance towards the cost of tertiary study in recognised courses that will benefit employees in their current role and future career aspirations within our organisation. In 2011/12 seven staff received tertiary study assistance of \$18,563, excluding travel and oncosts.

Health and Wellbeing

The objective of our Health and Wellbeing Program is to promote a safe and productive workplace and encourage healthy lifestyle choices. This program contributes to a healthy, positive workplace culture and contributes to staff engagement and retention.

Programs conducted this year included:

- Skills in basic health and wellbeing management.
- Financial planning consultations.
- Depression awareness information sessions.
- Flu vaccinations.
- Subsidised membership to Council's Bluewater Fitness Centre.
- MAV Local Government Employees Health Plan consultations.

Staff also participated in a number of health awareness 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, Footy Colours Day (Fight Cancer Foundation), raising over \$2,000 for these well recognised health organisations.

### Occupational Health and Safety

Colac Otway Shire is totally committed to providing a safe and healthy workplace for our staff, contractors, volunteers and visitors. Our OH&S Consultative Committee meets quarterly, with representation from all areas of our organisation. Ongoing OH&S training is a key element in our continuous improvement approach to health and safety performance. In 2011/12 staff participated in:

- OH&S representative refresher training
- CPR updates and First Aid refreshers
- Home Care and Personal Care training
- Targeted refreshers on occupational health and safety responsibilities for supervising staff.

The 'Training' table on page 23 shows attendance figures for these sessions.

### Supporting our Employees

In 2012 we partnered with one of the world's largest employee assistance providers, PPC Worldwide. Our new program offers an extensive range of emotional, physical and social support services to our staff and their immediate families including:

- 24/7 face-to-face and telephone counselling
- manager hotline
- health and wellbeing services
- extensive online resources
  - mortgage assist
  - health risk assessment
  - finance assist
  - legal assist

At the launch of the program the PPC representative commented, "It was the largest turn out of staff and managers that I have ever seen."

### Disability Employment Initiative

Colac Otway Shire and Western District Employment Access partnered to provide job and work experience opportunities to people with disabilities. The highly successful program provided 'real work' for 26 participants of all ages who worked with our parks and gardens team maintaining local parks, gardens and reserves. Participants learned new skills, gained valuable experience and, importantly, had the opportunity to obtain a Certificate 2 in Conservation and Land Management, which will significantly improve their chances of securing future employment. The first intake of 10 participants completed the program with

all 10 gaining their formal qualification. The second group of 16 participants is due to complete the program in September 2012.

Program participants were highly motivated and enjoyed the opportunity to connect with our city's open spaces, proud of their contribution towards maintaining community assets.

### Recruitment Success

In 2011/12, 62 positions were advertised (10 more than in 2010/11), attracting 498 applications. Vacancies ranged across Statutory and Strategic Planning, Information Technology, Tourism, Family & Children Services, Finance, Customer Service, Administration and Recreation and Arts. Initiatives promoting Colac Otway Shire as an 'employer of choice' to the local, regional, national and international employment market paid dividends, with Council attracting multiple applicants for positions that have traditionally been hard to fill.

### Promoting Local Government Employment Opportunities

#### Careers in Local Government

We participated in the Colac 'It's Your Career' expo, which provided young people with the opportunity to explore and consider their future role in the community. It was a fantastic opportunity to expose students and their families to the range of job opportunities and career pathways that exist at Council and local government generally. More than 220 students attended our stall and participated in activities specifically designed to highlight careers available to them at Colac Otway Shire (p 47).

#### Student Work Placements

The objective of the secondary school work placement program is to provide students with opportunities to get workplace experience and knowledge. Students gain valuable industry experience in a friendly and supportive environment. Nine students from local schools participated in placements in Information Technology, Engineering & Planning, Tourism, Recreation and Horticulture.

We also provided opportunities to university students to enhance their discipline specific skills and "employability". A total of seven students were placed in Maternal & Child Health, Finance and Engineering, where they were integrated into the workplace teams and engaged in specific projects and given opportunities to "shadow" management.

### Appreciating our Staff

Our staff are critical to our success. We strive to continually strengthen a culture that recognises, encourages and celebrates our employees' achievements. We do this through our monthly and annual recognition awards and functions. This year 25 employees were recognised for key service milestones:

#### 35 Years:

Brian Dyson

#### 30 Years:

Kevin O'Gorman and Wayne Roberts

#### 25 Years:

Marjorie Lucas

#### 20 Years:

Janet Melville

#### 15 Years:

Ann Gray

#### 10 Years:

Melissa Garner, Garry O'Connor and Charlie Tucker

#### 5 Years:

Anne Coles, Dora Novak, Elijah Harrowfield, Irene Kenneady, Jack Green, Janole Cass, John Postma, Julie Schapendonk, Lisa Loughnane, Margaret Giudice, Melinda Allen, Mike Barrow, Ranjani Jha, Robyn Edwards, Sandra Piera and Susan Austin.

### Our Return to Work Hero

Lorraine is one of our Community Care Workers and is a highly dedicated, long-term employee.

On the day that Lorraine was due to be presented with an award recognising 25 years of service, she suffered a serious workplace injury. Lorraine required surgery and many weeks of recovery before she could attempt to return to any form of modified or alternative duties.

After two months recuperating, Lorraine was absolutely determined to return to work and came back on reduced hours and modified duties that were very different to her regular role of providing personal and home care to our shire's older residents and people with disabilities.

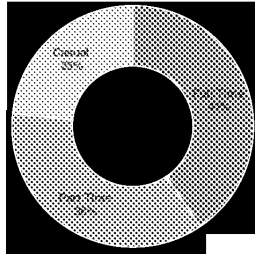
Lorraine initially worked providing administrative support to our Aged and Disability Services unit. After a few months Lorraine was able to resume some of the personal care components of her role, including limited duties working with clients, which is a part of her role she loves.

Lorraine has now recovered from a second surgery and is well on the way to a full recovery and resuming her pre-injury duties. This is testament to Lorraine's tenacity and total commitment to returning to her pre-injury role.

We have worked with Lorraine on every step of her journey to support and encourage her at every stage of the return to work process.

Speaking of her experience Lorraine said, "I never wanted to be on WorkCover, but the support I have received has been second to none."

Staff by Employment Status

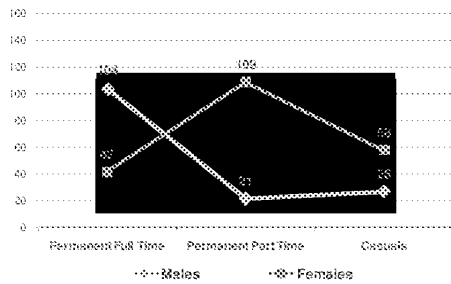


Equivalent Full Time Staff (EFT)

| Business Unit                          | EFT          |
|--|--------------|
| Apollo Bay Harbour Operations          | 5.2          |
| Capital Works                          | 5.0          |
| Corporate and Community Services       | 2.0          |
| Cosworks                               | 53.1         |
| Economic Development                   | 11.8         |
| Environment and Community Safety       | 15.3         |
| Executive                              | 4.1          |
| Finance                                | 16.8         |
| Health and Community Services          | 39.8         |
| Information Services                   | 8.5          |
| Infrastructure and Services            | 2.2          |
| Major Contracts                        | 4.0          |
| Organisational Support and Development | 5.5          |
| Planning and Building                  | 11.8         |
| Recreation, Arts and Culture           | 27.0         |
| Sustainable Assets                     | 4.2          |
| Sustainable Planning and Development   | 2.0          |
| <b>TOTAL</b>                           | <b>219.2</b> |

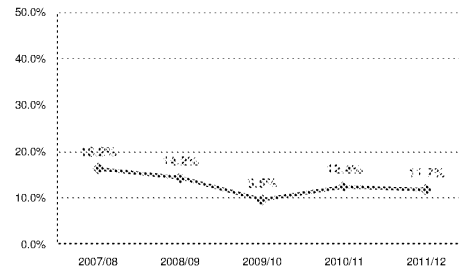
Note: EFT is based on annual hours worked in each business unit

Staff by Gender and Employment Category

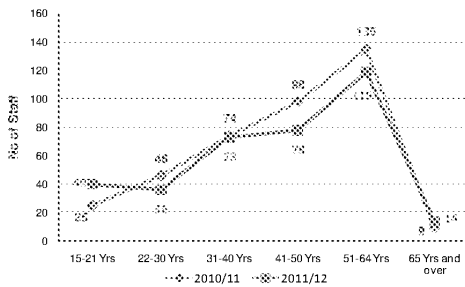


The pattern represented is typical of the contemporary workforce, where permanent full-time work is predominantly male and part-time work is predominantly female. Our anecdotal evidence supports the findings of formal studies that the main reason women form the greater number of the part-time workforce is that it fits better with balancing work and other responsibilities.

Annual Staff Turnover Rate

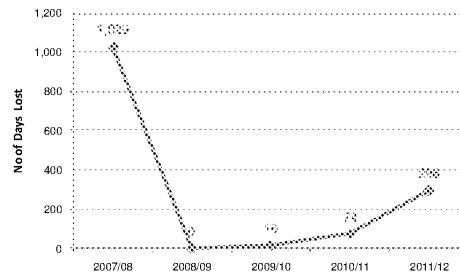


Workforce Age Spread



Our workplace has a multigenerational profile. 37% of Colac Otway Shire's workforce is 51+ years old, with our staff over 65 years increasing from 2% to 4% in 2011/12. We also had a significant increase in our staff less than 21 years, from 6% to 11%, bringing our workplace the benefits of both youth and experience.

Days Lost Due to Injury



The nature of the injuries in 2007/08 made return to work programs extremely difficult to achieve. N.B. Any day involving a partial loss of hours is calculated as a full day by the Victorian WorkCover Authority.



# Leadership and Governance

## Fast Facts

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

### Key Achievements

- Advancing Country Towns plan completed.
- New electronic document management system implemented.
- Major upgrade to telecommunications.

Net Expenditure  
 (\$17,882,152)

Equivalent Full – time Positions  
 48.6

### 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 (compared with 2010/11)

- ± 95.5% Rates collected by year end.
- ↑ 14,672 Property assessments
- ↓ 1,363 Non-rateable property assessments.
- ↑ 2,326 Pension rebates.
- ↓ 858 Land information certificates issued.
- ↓ 33,835 Debtor invoices issued.
- ↑ 10,956 Supplier payments processed.
- ↑ 71,076 Receipts issued.
- ↑ 4,821 Dogs and 1,521 cats registered.
- ↓ 229 Dogs returned to their owners.
- ↑ 20 cats returned to their owners.
- ↑ 848 Permits (various) issued.
- ↑ 135 new properties mapped.
- ↓ 73,918 items of both inwards and outwards correspondence processed.

## Highlights

### Towards Liveable Communities

The work of the 'Towards Liveable Communities Coordinating Committee' has led to a multi-disciplinary approach to working with the State Government on the plight of the disadvantaged in our community. We have successfully gained funding for a State Government project called 'Advancing Country Towns'. This project has provided \$800,000 towards a 4-year program aimed at a comprehensive approach. The overall plan is complete and work will focus on three key areas:

- early years cognitive development and health,
- keeping young adults engaged in education that is relevant to their needs while supporting business occupational needs training, and
- providing a more comprehensible approach to gaining access to public services.

For the disadvantaged this means understanding their problems more clearly and removing barriers so that they can access these opportunities. Projects will be rolled out over the next three years. This is an exciting and refreshing new approach to providing whole of government and community based solutions.

### Municipal Emergency Management Planning

An updated Municipal Emergency Management Plan and a new Municipal Relief and Recovery Plan were endorsed by Council in June 2012. In addition, a draft Municipal Fire Management Plan was developed. The finalisation of these plans is critical for effective implementation of our statutory responsibilities in the event of an emergency.

### New Electronic Document Management System

We completed the implementation of a new electronic document management system in September 2011. The new system provides for long-term management and control of our electronic documentation and is compliant with State Government requirements. It has also been well received by our organisation for both its capabilities and ease of use.

### Major Upgrade to Telecommunications Network

The information system infrastructure (network) was upgraded in preparation for the replacement of our very old digital telephone systems. The network design, implementation and management of the upgrade was completed by our technical staff. The network infrastructure now supports a range of technical capabilities that meet the requirements to pass both data and voice information simultaneously. The implementation and scheduled activation of the new telephone system, in August 2012, has been made possible as a result of the network upgrade.

### Financial Performance

Our financial performance for the year is broadly consistent with the targets set in the annual budget for 2011/12 in that we have again achieved an operating surplus.

- Operating result for the year is \$1.2 million.
- Value of total assets has grown by \$33.3 million to \$267.3 million.
- Total income has diminished by 23% to \$43.6 million, as a result of the once off recognition of the Port of Apollo Bay assets in the prior year.
- Total expenses have grown by 12% to \$42.4 million.

Excluding the abnormal items that have encroached upon the 2011/12 underlying result, we have maintained a minor surplus from operating activities. However, there remains an ongoing challenge to raise sufficient funds from the community and other sources to deliver the services increasing demanded by our community.

The next decade will be challenging as the Local Government Defined Benefits Superannuation shortfall is addressed and as the Federal and State Governments manipulate funding of Local Government to address their own needs (p 130, Note 5).

#### Glowing Report for Customer Service

The customer service and display areas at Colac's Visitor Information Centre shone in a review performed by a mystery shopper, who said the Colac centre "far exceeded others" in the areas of friendliness and customer service, and items on display and for sale.

#### Management of the Port of Apollo Bay

A new draft Port Management Agreement was received from the Department of Transport for continued management of the Port of Apollo Bay, with Colac Otway Shire acting as the Committee of Management. The current Port Agreement expired on 30 June 2012 and a new draft agreement has been proposed for five years from 1 July 2012 to 30 June 2017. It has been given 'in principle' support by Council. Ongoing management of Port of Apollo Bay will result in the following benefits:

- Greater ownership in local Port Operation.
- Integration of future Port development and town planning issues.
- Assist with implementation of the Apollo Bay Harbour Masterplan.
- Maintain the Port of Apollo Bay as a working harbour.
- Boost tourism and the local economy.

#### New Dredge and Work Boat at the Harbour

We have been successful in securing a State Government grant for a dredging vessel and work boat at Apollo Bay Harbour to replace the ageing dredge that has been in operation for more than 50 years. We have commenced the procurement process and anticipate that the new dredge and work boat will be commissioned by Christmas 2013 at an estimated cost of approximately \$2.9 million.

#### Awards

##### Excellence in Information, Communication and Technology

Our Information Services team won a State award from the Local Government Information, Communications and Technology (ICT) committee representing the Municipal Association of Victoria. The Local Government Excellence in ICT award for Project Management recognises that projects are the main way we implement

positive change and that the people in project teams are often the unsung heroes, demonstrating dedication, commitment, teamwork and leadership qualities whilst remaining focused on a successful implementation outcome. Included in the award criteria are the benefits of a project being realised and the use of best practice methodologies in the management of the project.

#### Annual Report Wins

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 2010/11 annual report. Within the report, wins were recorded for best reporting on the following sections: summary, sustainability, performance and financial overview. We were also proud winners of a Silver Award from the Australasian Reporting Awards. The awards are an acknowledgement of our commitment to communicate our business practices and obligations in a clear and informative way.

#### Disappointments

##### Unfunded Superannuation Liability

An account for \$3.18 million has been received from Vision Super, which is far greater than expected and will have significant financial implications in the future. Payment of the account will be considered in the preparation of the 2013/14 budget.

#### Challenges

##### Implementing the Recommendations of Bushfire Royal Commission

The introduction of the new Bushfire Management Overlay, part of the recommendations from the Bushfire Royal Commission, introduces stronger requirements for planning permit applicants to undertake vegetation removal to protect their new dwellings. This approach comes into conflict with the existing Significant Landscape Overlay, which requires applicants to promote environmental values through revegetation actions identified in landscape plans. We will continue to work with external authorities to ensure that an appropriate balance can be reached for managing this issue.

#### The Year Ahead

- Develop the 2013-2017 Council Plan.
- Review General Local Laws No's 1, 2 and 3.
- Complete the Municipal Fire Management Plan.
- Finalise and implement Business Continuity Plans.
- Replace the Storage Area Network (SAN) hardware, to cater for the growing demand for electronic storage capacity and increase the capacity to deal with disaster events caused by computer system failures.
- Replace the very old digital telephone system with a new Voice Over Internet Protocol (VOIP).
- Review the Safety and Environment Management Plan in readiness for an external audit mid 2013.

#### Civic Events

##### Australia Day Awards

Colac's Norm Sell, whose attitude to volunteering is "do what you can, while you can", was Colac Otway Shire's Australia Day Citizen of the Year for 2012. Mr Sell, 85, has an impressive volunteering portfolio which spans more than 10 community groups.

##### Young Ambassador of the Year

Colac Secondary College student, Brittnee Colbourne was the winner of the Colac Otway Shire's Young Ambassador Award for 2011. Brittnee was the College's school captain, a year 12 leader, a house captain, and chairperson of Colac Otway Shire Council's Youth Council in 2011. Brittnee hopes to study nursing and midwifery. The Young Ambassador Award acknowledges young people's community involvement and levels of achievement, and provides an award of \$1,000 to assist winners to continue to study or to develop other areas of interest.

##### "COOL" Awards

Trinity College student Grace McBride won the top prize in the Colac Otway Outstanding Leadership Awards -- otherwise known as the COOL Awards. Grace won the Great Mate award for her leadership in the school community, and passion for social justice.

#### Youth Council

The aim of the Youth Council is to:

- Provide a forum for the Colac Otway Shire Council to consult with and receive advice from youth in order to ensure the provision of a high quality, affordable and flexible youth program.
- Promote and encourage the involvement of youth in the planning, development and implementation of matters associated directly with young people in the community.
- Ensure that the views of youth are canvassed and conveyed to Council.
- Provide advice to Council on appropriate youth programs.

The Youth Council meets twice each month during school terms.

#### 2012 Youth Council

- Lucy Vesey
- Rebecca Whittaker
- Nara Langdon
- Tim Smith
- Tegan McNamara
- Jessi Kerri
- Shane Richardson
- Audrey McQuillon
- Josh Smith
- Amy Brauer
- Darcy Evans
- Tegan Braid

Additional members of the Youth Council in 2012 include:

- Councillor Chris Smith, appointed Council representative and is a mentor to the group.
- Cayley Robinson, Colac Otway Shire, administrative support.

Three additional adult mentors provide support and guidance to the youth councillors:

- Kerri Bauer, Otway Business Inc.
- Terry Woodcroft, Co-PYLIT (Colac Otway Police Youth Liaison Team).
- Emma Warton, Colac Area Health.

Major achievements in 2012

- Participated in ANZAC Day ceremonies in Colac.
- Participated in marketing research activities with Colac Otway Shire to help develop new branding to promote the region.

Two major events are planned for the remainder of the 2012 Youth Council term:

- July: the Youth Council will host the Youth Expo "Linking Life and Leisure", highlighting the various leisure activities, clubs and groups on offer in the shire. More than 1,000 students from Grade 5 to Year 8 are expected to attend the expo at Bluewater Fitness Centre in Colac.
- August: the Youth Council will visit Government House in Melbourne where they will view parliamentary sittings and tour the building.

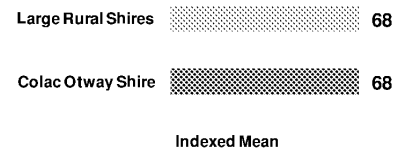
Advocating for Our Community



Engaging with Our Community



Customer Contact with Our Community

















Source: Local government Community Satisfaction Survey 2012 Department of Planning and Community Development, prepared by JWS Research.

Note: The Community Satisfaction Survey, under the auspices of the Department of Planning and Community Development, was revised resulting in significant changes to content and methodology for 2012. Councils have been advised that the data is not directly comparable to previous years. As current targets were arrived at based on trending data from the previous survey's content and methodology, these need to be revisited so that targets and results have some genuine comparability.

Progress on Council Plan Actions

 Completed  
 In progress, continuing in 2012/2013
  Completed in 2011/2012/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.   | Review Council's Community Engagement Policy, Procedure and Toolkit to improve current processes of direct engagement with the community.  |    |
|  | 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 to reduce Council's matching contribution from other rate revenue.  |  |
|  | Introduce the revised Procurement Policy and Council's Tendering and Contracting Procedures to ensure cost efficiency and transparency.  |  |
|  | Ensure Council's asset and financial systems meet the National Financial Reporting Framework standards required by the Federal Government by June 2012.  |  |
| 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. Actively support the Australian Rural Roads Group.  |  |
|  | 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.  | 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

## Key Achievements

- Completion of Capital Works.
- New bridge constructed.
- 100% increase in footpath replacement.

## Fast Facts

### Net Expenditure

\$11,847,462

### Equivalent Full-time Positions

71.6

### Infrastructure and Assets

1,632 km of Roads
 

- 558 km Sealed
- 1,074 km Unsealed

 134 Bridges maintained  
 130 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 has the available resources to complete projects.
- 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 (compared with 2010/11)

- ↑ 2,513 metres of Footpaths reconstructed.
- ◆ 42,000 animals through the Colac Livestock Selling Centre.
- ◆ 33 km of sealed roads resealed.
- ↓ 94 km of gravel roads resheeted.
- ↑ 86% capital works completed.



## Highlights

### Completion of Capital Works

With the completion of 86% of the 2011/12 Capital Works Program, we met our key performance indicator of 85%. This is a major improvement as we have not reached this target since 2008/09. Achievement of the target is due to significant improvements in project management and reporting across the organisation, including:

- development of the 10 Year Capital Works and Major Projects Program,
- implementation of monthly project reporting to our Executive Management Team, and
- improvements to the project management system.

### Increased Investment in Bridge Maintenance and Replacement

J Barrys Road bridge was replaced at a cost of \$370,000 in 2011/12, with a further \$148,000 spent on the maintenance of our ageing bridges. As part of our commitment to improving our bridge network we have allocated \$1.37 million in our 2012/13 budget for upgrades to the Barham River Road bridge at Apollo Bay, the Carlisle Valley Road bridge at Carlisle River, the Upper Gellibrand Road at Barramunga and Gane's Access bridge at Carlisle River.

### Maintaining Our Extensive Gravel Roads

We spent \$2.03 million on maintaining our unsealed roads during 2011/12:

- \$1.57 million went into resheeting the shire's unsealed roads. This translates to a length of 94 kilometres, or 9% of the 1,074 kilometres of gravel road network for which we are responsible.
- \$455,000 was spent on our routine grading program. The impacts of prolonged rainfall, heavy vehicles and the costs of transporting quality gravel materials, which generally involves large haulage distances, are some of the challenges we faced in maintaining the extensive length of our unsealed roads.

### Significant Increase in Footpath Replacement

A significant increase, to \$325,000, in the 2011/12 budget for the annual footpath replacement program meant we were able to double the replacement of key sections of our concrete footpath network to 2,513 metres.

Works included replacement of areas of pathway along Stodart Street, Robertson Street, and Caris Road in Colac. This programme also extended to replacing sections of footpath in the townships of Apollo Bay and Birregurra (p 9).

### Electronic Tendering a Success

The electronic contract tendering system introduced in 2010/11 has been successful in reaching a wider supplier market, with a marked increase in tenders received, especially for consultancy services. The new system aids Council in achieving best practice in tendering.

### Commitment to Roofing the Colac Livestock Selling Centre

Our commitment to including \$1.5 million in the 2012/13 Capital Works budget provides the first step in developing the Colac Livestock Selling Centre as a high profile facility. Weather proofing the saleyards will transform it into one of the premier selling facilities in the region. The viability of the Livestock Selling Centre is important in maintaining a vibrant community and local economy. A new roof will mean that the Centre remains competitive in the region.

### Disappointments

#### Completion of Off-Road Trail Postponed

Construction of three kilometres of an off-road trail section of the old Beechy Rail Trail, between the Dinmont Station and Ditchley Station (near Beech Forest), had to be postponed until the summer construction period in 2012/13. A key reason for this was difficulty in finalising the trail alignment through an existing gully containing endangered vegetation. Alignment has been modified to ensure that no removal of endangered vegetation is necessary.

#### Delays to Tennis Court Project

Unforeseen pavement problems on the Barwon Downs tennis court overlay project have delayed completion of works until 2012/13.

Challenges

Ageing Bridge Infrastructure

Maintaining ageing road and bridge infrastructure is a challenge facing many rural councils. We have been required to impose load limits on 14 of our ageing timber bridges. This is aimed at both protecting the safety of the public and extending the useful life of these structures until such time as major repairs or replacement can be undertaken. We are committed to addressing this problem and have allocated significant funding to the annual bridge replacement program.

Major Drainage Infrastructure

Providing major drainage infrastructure to support demands for future growth in Colac, Birregurra and a number of smaller townships including the coastal areas is a key challenge. In response we are undertaking a strategic review of drainage infrastructure needs.

The study of Apollo Bay has identified that required drainage works are estimated to cost \$3.8 million. The challenge confronting Council is to determine a funding methodology.

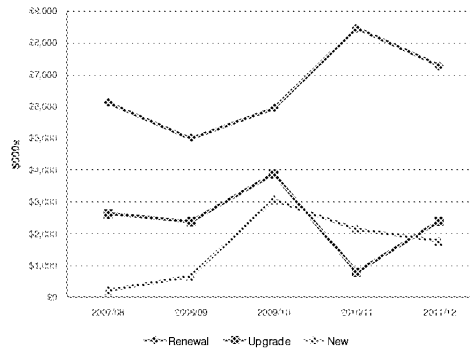
The Year Ahead

- Continue preparation for the implementation of Prince 2™ project management methodology in readiness for broad roll out to the organisation in 2013/14.
- Completion of the Old Beechy Rail Trail improvements including the construction of 8km of off-road trail.
- Colac Livestock selling Centre roof construction.
- Replacement of four rural bridges.
- Redevelopment works at Colac Central Reserve Oval.
- Rehabilitation of Gellibrand Landfill.
- Library redevelopment at Apollo Bay.
- Review of Safety and Environment Management Plan in readiness for an external audit mid 2013.

Capital Works

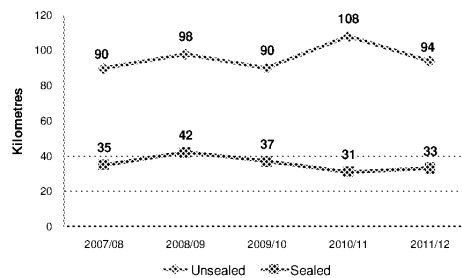
In '000s

|         | Renewal | Upgrade | New     | Total    |
|---------|---------|---------|---------|----------|
| 2007/08 | \$6,137 | \$2,626 | \$205   | \$8,968  |
| 2008/09 | \$4,996 | \$2,386 | \$647   | \$8,029  |
| 2009/10 | \$5,954 | \$3,875 | \$3,063 | \$12,892 |
| 2010/11 | \$6,464 | \$792   | \$2,150 | \$11,406 |
| 2011/12 | \$7,273 | \$2,397 | \$1,764 | \$11,434 |

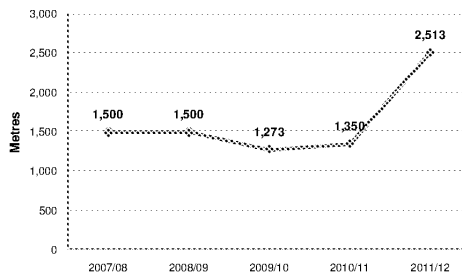


Ongoing commitment to renewal of our assets, which includes buildings and the road network, remained strong in 2011/12. This was complimented by an increase in spending towards improving our assets.

Road Network Renewal






















Footpath Repairs



Progress on Council Plan Actions

 Completed  
 In progress, continuing in 2012/2013  
 Completed in 2011/2012/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.  |    |
|  | Develop a Strategic Footpath Plan for Colac.   |    |
|  | Review and implement the Strategic Footpath Plan for Apollo Bay.   |   |
| Manage Council's buildings and facilities in a responsible, safe and sustainable manner.                                   | Develop a Building Assets Management Plan and implement according to adopted priorities.   |  |
|  | Develop a Building Rationalisation Program for buildings surplus to Council needs  |  |
| 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  |  |
|  | In partnership with regional councils and VicRoads develop and implement a Road Safety Plan and Council approved road safety initiatives.  |  |
|  | 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. | Implement sound procedures to ensure that environmental constraints are adequately considered in the planning and implementation of Council's infrastructure maintenance activities. |  |
|  | Develop a proposed long-term management response to sea level rise for Council assets.   |  |

# 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

## Key Achievements

- Adoption of Rural Living Strategy.
- Completion of Colac CBD and Entrances Project Plan.
- Completion of Colac and Apollo Bay Car Parking Strategy.
- Completion of the Birregurra Neighbourhood Character Study.

## Fast Facts

### Net Expenditure

\$1,115,871

### Equivalent Full Time Positions

12.3

### 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 and building advice and property information.
- Processing subdivision plans under the *Subdivision Act 1988*.
- Assessment and decisions on planning permit applications and related matters under the *Planning and Environment Act 1987*.
- Representation of Council at Victorian Civil and Administrative Tribunal (VCAT) hearings.
- Enforcement of planning permit conditions and planning scheme provisions.
- 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 to acceptable standards by enforcing compliance with building legislation and safety standards.
- Determining 'report and consents' for variations to siting requirements.
- Approval of applications for Places of Public Entertainment (POPEs).
- Processing of building permit applications.
- Mandatory inspections during building construction.

### Service Statistics (compared with 2010/11)

#### Planning Appeals to VCAT (11)

- ↑ 7 Council decisions upheld
- ↓ 3 Overturned
- 1 Pending

#### Buildings

- ↓ 70 Report and Consent applications
- ↑ 115 Notices and Orders
- ↑ 27 Resolution of Work Applications

## Highlights

### New Rural Living Strategy

Council adopted a Rural Living Strategy late in 2011 which recommended areas suitable for rural living development and potential expansion of small towns. We are now implementing the strategy by a planning scheme amendment (Amendment C69), which was placed on public exhibition in April 2012. The amendment proposes to update the Municipal Strategic Statement and rezone a number of properties identified in the strategy. The strategy and subsequent amendment provide certainty for many rural land owners about potential development of their land, and ensures the protection of valuable agricultural land whilst avoiding intensification of development in areas with environmental risks, such as bushfire and water quality.

[http://www.colacotway.vic.gov.au/Page/page.aspx?Page\\_Id=3841&h=0](http://www.colacotway.vic.gov.au/Page/page.aspx?Page_Id=3841&h=0)

### Completion of Colac CBD and Entrances Project Plan

Council adopted the Colac CBD and Entrances Project Plan in May 2012 following an extensive period of consultation with the local community. The plan establishes a strong vision for the future appearance and liveability of Colac, which is to be developed as a 'Botanic Gardens City'. The plan identifies a series of streetscape improvements for priority areas of the Colac CBD and entrance corridors into Colac from the east and west along the Princes Highway, which will significantly enhance the visual attractiveness of the town as well as improve public safety. The plan also contains guidelines for incorporation into the Planning Scheme in relation to development on private land. The plan provides a strong basis for Council to seek funds for infrastructure improvements over time, particularly in the form of grants from state and federal governments.

[http://www.colacotway.vic.gov.au/Page/page.aspx?Page\\_Id=3797&h=0](http://www.colacotway.vic.gov.au/Page/page.aspx?Page_Id=3797&h=0)

### Completion of Colac and Apollo Bay Car Parking Strategy

Council adopted a Car Parking Strategy for Colac and Apollo Bay late in 2011 which establishes clear policies for consideration of car parking requirements at the planning permit stage in each of these towns. The strategy recommends parking rates for a range of land uses that are lower than State standard rates, reflecting local circumstances, and in the case of Apollo Bay, recommends the collection of cash-in-lieu contributions for car spaces that cannot be provided on-site, for use in funding public car parking provision. The strategy will be implemented into the Planning Scheme and provide greater direction for making decisions on future planning applications.

[http://www.colacotway.vic.gov.au/Page/page.aspx?Page\\_Id=3842&h=0](http://www.colacotway.vic.gov.au/Page/page.aspx?Page_Id=3842&h=0)

### Completion of the G21 Regional Growth Plan

We played a key role in developing and finalising the G21 Regional Growth Plan in conjunction with other municipalities in the G21 region. The plan nominates the appropriate locations for growth across the region over a 40 year time frame, and identifies supporting infrastructure required to achieve that growth. The plan targets higher than planned growth for Colac, lifting its potential population to 20,000. This project gives firm direction to Council when we review the Colac Structure Plan over the next few years.

<http://g21regionalgrowthplan.com.au/g21-regional-growth-plan>

### Completion of the Birregurra Neighbourhood Character Study

Council adopted a Neighbourhood Character Study for Birregurra in June 2012. The study identifies differences in character across Birregurra and establishes controls to be applied to new housing development to ensure that it is sympathetic to the preferred character sought by residents. This study was undertaken in response to residents' concerns about the draft Birregurra Structure Plan in 2010 and will now form an important input to our finalisation of the structure plan in 2012/13. It will ultimately form part of a planning scheme amendment that introduces the development guidelines into statutory controls.

[http://www.colacotway.vic.gov.au/Page/page.aspx?Page\\_Id=4010&h=0](http://www.colacotway.vic.gov.au/Page/page.aspx?Page_Id=4010&h=0)

#### Completion of Apollo Bay Settlement Boundary and Urban Design Review

Council adopted the final report for the Apollo Bay Settlement Boundary and Urban Design Review in June 2012. The study reviewed five potential sites for expansion of the settlement boundary of Apollo Bay. Whilst ruling out four of these sites, a site to the north-east of the town has been identified for future growth, providing certainty about future growth potential of the town. The project also identified a range of opportunities for urban improvements around the central part of Apollo Bay. The project will be reflected in an amendment to the planning scheme.

[http://www.colacotway.vic.gov.au/Page/page.aspx?Page\\_id=4008&h=0](http://www.colacotway.vic.gov.au/Page/page.aspx?Page_id=4008&h=0)

#### New Planning Information Sheets/Brochures

A range of new themed information sheets/brochures has been developed to assist customers with information requirements for planning permit applications. The brochures provide much greater guidance on what needs to be submitted with an application, which planning officers hope will improve the standard of applications being lodged and reduce the need for Council to request further information.

[http://www.colacotway.vic.gov.au/Page/Page.aspx?Page\\_id=44&h=1&p=1](http://www.colacotway.vic.gov.au/Page/Page.aspx?Page_id=44&h=1&p=1)

#### Disappointments

##### Delay to implementing the Apollo Bay Harbour Master Plan

We have experienced some delay in commencing the planning scheme amendment process to implement the Apollo Bay Harbour Master Plan. Having received \$255,000 from State Government and Tourism Victoria in 2010 to undertake the amendment, concerns had been expressed in the community about the private hotel element. Council undertook additional community engagement to increase awareness of the proposal, including an independent telephone survey of residents. Council later resolved to remove the hotel component from the plan, which required officers to check that the external funding would still be available. These processes have delayed the project by eighteen months, but we are now in a position to commence the amendment late in 2012.

<http://www.colacotway.vic.gov.au/Files/ApolloBayEBDOOutcomesFinalAnnotatedPPT.ppt.pdf>

#### Challenges

##### Auditing Essential Safety Measures

We have experienced difficulties in the proactive monitoring of Essential Safety Measures requirements under the Building Act, due to a lack of suitably qualified surveyors in the region available for recruitment since 2010. We have relied upon a part time contract surveyor and inspector over that period; however this has meant our service has been reactive rather than proactive, focusing more on complaints rather than a program of audits of commercial premises. Our challenge over the next twelve months will be to find a creative solution so that proactive audits can occur.

#### The Year Ahead

- Finalising planning scheme amendments that implement key projects such as the Rural Living Strategy, the Colac and Apollo Bay Car Parking Strategy and the Colac CBD and Entrances Project.
- Preparation and exhibition of the Apollo Bay Harbour Master Plan Planning Scheme Amendment.
- Developing local planning policy relating to bushfire risk using a State Government grant which will determine the growth potential of Forrest, Gellibrand, Beech Forest and Lavers Hill, and potentially lead to standardised bushfire provisions for land in Wye River, Kennett River and Separation Creek.
- Development of a Heritage Strategy that identifies past achievements and maps out actions and strategies for Council to undertake in the future concerning the preservation of the Shire's heritage assets.

Planning Applications

|         | Number of Applications | Average days to process | Planning Application Appeals to VCAT * |
|---------|------------------------|-------------------------|--|
| 2007/08 | 422                    | 43                      | 7                                      |
| 2008/09 | 506                    | 63                      | 12                                     |
| 2009/10 | 404                    | 54                      | 19                                     |
| 2010/11 | 409                    | 55                      | 12                                     |
| 2011/12 | 382                    | 57                      | 11                                     |

\* Victorian Civil and Administrative Tribunal

Planning Applications Completed within the 60-Day Statutory Timeframe

|         | Colac Otway Shire | Rural Councils |
|---------|-------------------|----------------|
| 2007/08 | 89%               | 71%            |
| 2008/09 | 60%               | 67%            |
| 2009/10 | 90%               | 71%            |
| 2010/11 | 92%               | 71%            |
| 2011/12 | *71%              | *Unavailable   |

\* Based on information available at the time of this report as PPAR data (State government Planning Permit Activity Report) not available until October 2012.

Building Applications

|         | Number of Applications | Average Days to Assess Applications | Average Days to Issue Permit |
|---------|------------------------|-------------------------------------|------------------------------|
| 2007/08 | 111                    | Unavailable                         | 52                           |
| 2008/09 | 105                    | 20                                  | 60                           |
| 2009/10 | 75                     | 17                                  | 47                           |
| 2010/11 | 126                    | 17                                  | 45                           |
| 2011/12 | 95                     | 18                                  | 36                           |

Progress on Council Plan Actions

 Completed  
 In progress, continuing in 2012/2013
  Completed in 2011/2012/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.   |    |
|  | 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.   |    |
|  | 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. |   |
| Ensure all Council land use plans and strategies are current and responsive.   | 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   | Undertake a Neighbourhood Character Study for Birregurra.   |  |
|  | Implement comprehensive monitoring of the Essential Safety legislative requirements.  |  |
| Ensure consistent and timely decision making for building and planning applications that meet Council's policy framework.    | Implement mechanisms to improve knowledge of building and planning requirements/responsibilities.   |  |
|  | 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.   |  |
| Ensure that environmental risks are adequately addressed for new development and land use.                                   | Provide improved access to building and planning information on Council's website.  |  |
|  | 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
- Environmental Planning
- Natural Resource Management
- Sustainability Management
- Transfer Stations/Recycling
- Waste Management

## Key Achievements

- New Sustainability Policy. Sustainability features included in new Council offices.
- Land management plans developed for eight of Council's high conservation value reserves.
- Landfill environmental risk assessment and development of management plan.

## Fast Facts

### Net Expenditure

\$948,371

### Equivalent Full Time Positions

8.3

### 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 environmental 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 (compared with 2010/11)

- ♣ 11,030 trees, grasses and shrubs planted
- ♣ 3,767 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, Earth Hour, National Tree Day, School Tree day, Threatened Species Day and Recreational Fishing Workshops.

## Highlights

### New Council Office Incorporates Sustainability Features

We successfully incorporated a range of Ecologically Sustainable Design principles into the refurbishment of the new Sustainable Planning and Development office. With an objective to economise the building's energy and water consumption we were able to include a number of efficiency measures including:

- double glazed windows
- occupancy sensors
- zoned lighting
- skylights
- water tank
- four star water fittings
- a 6.08kW photo voltaic solar panel system, and
- a solar hot water system.

These measures are expected to reduce the electricity and water consumption of the new office by between 20-30%.

### Management Plans Developed for Our Reserves

Land Management Plans were developed for eight of our high conservation value reserves. These reserves are spread throughout the shire, from the Beeac Grassland in the north through to the Heathfield Estate in the south. An assessment of the environmental values and threats was undertaken to develop the plans that include site specific management recommendations to help improve their condition.

[http://www.colacotway.vic.gov.au/Page/page.asp?Page\\_id=458&h=0](http://www.colacotway.vic.gov.au/Page/page.asp?Page_id=458&h=0)

### Alvie Landfill Environmental Monitoring

An environmental risk assessment for Alvie landfill site was carried out and risk and environmental management plans were prepared incorporating the requirements of the Environmental Protection Authority landfill licensing reform, which included the plans being approved by an independent auditor. An environmental monitoring program was required to be included in the risk assessment. We are currently working towards implementation of the recommendations, which include installation and monitoring of gas, leachate and ground water bores.

## Hard Waste Collection

Between March and June 2012 a hard waste collection was carried out for our rural and coastal townships. A hard waste drop off service was organised for the townships of Kennet River, Wye River and Separation Creek. Rural residents outside these towns were given vouchers to enable them to take hard waste to a Council transfer station at no cost.

## Recycling Week Education Program

315 students from five primary schools attended an education program on 8 November 2011 during Recycling Week. The program, held at the Colac Otway Performing Arts and Cultural Centre, featured a performance by the Green Crusaders highlighting the importance of recycling (p 52).

## Expansion of Recyclable Items

The kerbside recycling collection has been expanded to include items such as pots and pans, rigid plastics including containers and plastic toys, which has resulted in increased recycling and less waste going to landfills. This has been an initiative of the Barwon Region Waste Management Group in consultation with SKM regional recyclers.

## Disappointments

### Roadside Environmental Management Plan

The development of the Roadside Environmental Management Plan, which will replace the existing Roadside Vegetation Management Plan with more robust strategies to protect environmental values, was not completed in the 2011/12 financial year due to unexpected complexities associated with its implementation across all Council activities on roadsides. This project has been rescheduled for completion in the 2012/13 financial year.

### Environmental Contaminant Affects Waste Disposal

Fungi Myrtle Rust has been found in several locations within Victoria, affecting disposal of organic waste product. From 2006 the shire's green waste had been transported via backload to Mount Gambier, South Australia, where it had been converted into compost. Since discovery of the rust, transport of all green waste has ceased. Until an alternative solution can be found, green waste has been diverted to landfill.

### Marine Pest Continues to Spread in Apollo Bay Harbour

The marine pest, commonly known as Japanese Kelp (*Urdaria Pinnatitida*), continues to spread in local Port waters due to a lack of effective State Government policy and action for tackling this serious marine pest.

#### Challenges

#### Street Lighting Upgrade

Our bold target to be carbon neutral by 2016 will become more attainable if we can improve the efficiency of our street lights. We were successful in securing funding from the Federal Government to improve street light efficiency. The implementation of this project will reduce our street light bills by approximately 70% and reduce carbon output by approximately 20%. Our intention had been to combine the Federal Government funding with funds committed by the State Government for their parallel program, the Green Light Plan, to deliver this major project. Unfortunately, the State Government recently decided not to fund the plan, leaving Council with a \$280,000 shortfall. We are now exploring opportunities to obtain the funds required to implement this important project in full.

#### Managing the Legal Removal of Native Vegetation

We will be taking a closer look at opportunities to develop a local vegetation 'offset' register, to assist planning permit applicants and to track vegetation losses within the shire. When vegetation removal is required to allow development (e.g. construction of a dwelling), the vegetation needs to be offset either through revegetation or the protection of existing vegetation. Finding appropriate local sites to fulfill this requirement is difficult and access to a local register of identified sites would help to resolve this issue. This would also assist Council in tracking what losses and gains are happening across the shire.

#### Disposal of Materials Diverted from Landfill

There is a glut of recyclable materials on the market and the challenge is to find an environmentally friendly recycling processor. We are currently exploring this issue through our regional waste management group, Sustainability Victoria and industry contacts.

### Waste Management in the Coastal Townships

The risk management of kerbside collection along the coastal areas presents an ongoing challenge for Council to manage due to the steepness of the terrain and limited opportunities for the waste vehicle to turn around. Council has commissioned a study reviewing collection in these areas and will need to work with the community to ensure that both the needs of the community and Council's responsibilities are effectively managed. An implementation plan has been developed and will need to be progressively monitored and reviewed.

#### The Year Ahead

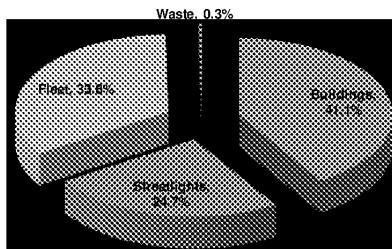
- Coordinate the planning and scoping phase of the \$600,000 grant funded project, Climate Resilient Communities of the Barwon South West.
- Develop a Carbon Neutral Plan for Colac Otway Shire operations.
- Continue the Weed Control Programme on our high conservation reserves and roadsides.
- Deliver community education events, including World Environment Day and School Fishing Days.
- Find a solution to Council's green waste disposal.
- Risk assessment of certain waste collection routes.
- Work with regional waste group for waste to energy projects.
- Continue with closed landfill rehabilitation works.

**Total CO2 Greenhouse Emissions (CO2-e tonnes)**

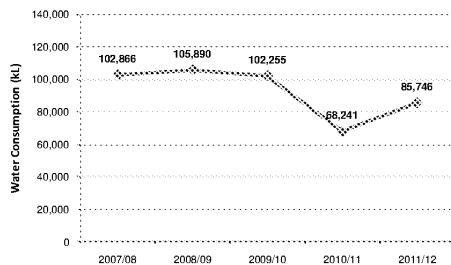
|              | 2007/08      | 2008/09      | 2009/10      | 2010/11      | 2011/12      |
|--------------|--------------|--------------|--------------|--------------|--------------|
| Buildings    | 2,056        | 2,076        | 2,091        | 2,057        | 2,010        |
| Streetlights | 1,166        | 1,172        | 1,172        | 1,172        | 1,208        |
| Fleet        | 1,652        | 1,653        | 1,642        | 1,647        | 1,652        |
| Waste        | 17           | 17           | 17           | 17           | 17           |
| <b>Total</b> | <b>4,891</b> | <b>4,918</b> | <b>4,922</b> | <b>4,893</b> | <b>4,887</b> |

All figures for Buildings have been increased by between 5 - 5.7% by Planet Footprint due to improved data collection; however proportionally, our overall consumption of energy has still reduced, given that during the 5 year period shown, organisational changes include an 11% extension of office space for Council staff.

Proportion of CO2 Emissions for 2011/12



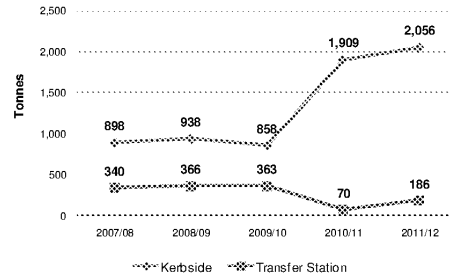
**Total Water Usage for Council Facilities**



The significant reduction in water use in 2010/11 was due to a particularly wet summer, which reduced our need for irrigation. However, this also generated a growth in 'fuel' across the shire, which necessitated additional water use for back burning controls in 2011/12 to reduce the risk of fire. Nevertheless, our consumption continues to trend downwards as we implement water saving measures.

Source: 2011 Planet Footprint Report

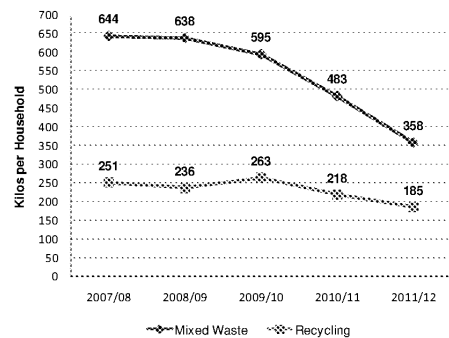
**Organic Waste Diverted from Landfill (tonnes)**



The introduction of the three bin system in September 2010/11 has resulted in a large increase in the kerbside collection of green waste for composting. It is unknown at this stage whether this is solely an effect of a return to the average rainfall pattern increasing seasonal growth or whether the capacity of the 240 litre bin is more suited to green waste collection.

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
















|             | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 |
|-------------|---------|---------|---------|---------|---------|
| Mixed Waste | 5,816   | 5,845   | 5,452   | 4,463   | 3,320   |
| Recycling   | 2,267   | 2,158   | 2,410   | 2,013   | 1,711   |



The reduction in mixed waste since the introduction of the 3-bin system is significant. It has made it easier for households to sort their waste, resulting in less organic material going to landfill as a result of contamination.

Progress on Council Plan Actions

 Completed  
 In progress, continuing in 2012/2013
  Completed in 2011/2012/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.                                       |  |
|  | Develop and implement an Environmental Sustainability Policy.   |  |
| 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.   |  |
|  | 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

## Key Achievements

- Completion of Community Infrastructure Plans
- Community Support for the Business Development Program
- Redevelopment of historic Lions Park
- Significant Increase in Grant Funding

## Fast Facts

Net Expenditure  
\$1,194,746

Equivalent Full-time Positions  
12.3

## 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 Community Infrastructure Plans and implementing local priorities through the Small Town Improvement Program.

## Service Statistics (compared with 2010/11)

- ↓ 190,501 walk-in visitor enquiries serviced and answered 13,662 phone enquiries at the Colac and Great Ocean Road Visitor Information Centres.
- ↑ Maintained Level 2 accreditation at Colac and Great Ocean Road Visitor Information Centres.
- = 6 Small Town Improvement Program projects undertaken, with Council contributing \$80,000.
- ↑ 550 people attended local business development forums.

## Highlights

### Completed Community Infrastructure Plans will Guide Future Development

Completion of the Birregurra and Forrest Community Infrastructure Plans will help guide our investment in new and existing facilities in the two townships. Both of these townships are growing in importance for our community and as centres for tourism development. Community infrastructure plans develop a social landscape map and match community expectations with key infrastructure investment to support local community and tourism growth.  
[http://www.colacotway.vic.gov.au/Files/Report\\_Birregurra\\_and\\_Forrest\\_CIP\\_Capire\\_FINAL\\_20120419.PDF](http://www.colacotway.vic.gov.au/Files/Report_Birregurra_and_Forrest_CIP_Capire_FINAL_20120419.PDF)

### Community Support for the Business Development Program

More than 550 local business people, farmers and members of our community attended the annual series of business development events. These events provide knowledge, inspiration and ideas to our local businesses, promote business excellence, and provide opportunity for business and community. The events included:

- The ANZ Business Breakfast
- Powercor Colac Otway Shire Business Awards Launch and Awards Event
- Otway Business Inc. Website Optimisation Event
- WHK Carbon Tax Seminar
- Small Business Victoria Mentoring
- Working Women's Network events
- Young Business Leaders breakfast events (p 15).

### Redevelopment of Historic Park

Redevelopment of the historic Lions Park on the banks of the Barongarook Creek has enhanced the eastern entrance to Colac. The redevelopment, costing \$105,000, included new barbeque and shelter facilities, landscaping, plantings, pathway extension, resurfacing of the car park as well as an upgrade to the toilet facility. The enhanced and beautified park provides a welcoming arrival for newcomers and tourists to the area and is an asset to our community.

### Promoting the Region

900 information packs on the Colac region were distributed at the Regional Living Expo, held in Melbourne during 27-29 April 2012. Future plans include developing a montage of employment opportunities and identifying pathways for people to move out of Melbourne to this area.

### Significant Increase in Grant Funding

\$6.89 million was received by Colac Otway Shire during 2011/12 through external grants from the State and Federal governments, a \$2.2 million increase from 2010/11. These grants enable us to deliver community infrastructure and services without increasing rates. Two significant projects at the Bluewater Fitness Centre are able to proceed as a result of the grant monies:

- \$2.8 million was received from the Federal Government to develop a warm water pool.
- \$1.58 million was received from the State Government to contribute to the redevelopment of the stadium. This funding will be combined with the \$3.78 million received from the Federal Government in 2010/11 for this project (p 8).

### Successful Careers Expo

More than 550 students from local secondary schools benefited from the Colac Otway Shire Careers Expo. There were 20 businesses exhibiting and 12 forums to give young people an understanding of careers available in all kinds of local industry. The Expo aims to assist students with career choice but also to remind young people that there are great careers available in our shire (p 22).

### Managing Tourism Growth in Forrest Township

The growth in tourism in Forrest over the past five years has been stimulated by the growing popularity of mountain biking on the adventure trails built on local Crown Land by the Department of Sustainability Environment. We facilitated the creation of an interdepartmental and community steering group to develop a strategic plan for the development of the Forrest mountain bike trails. This will help manage the growth and impact of tourism on the environment and local township, as well as maximising tourism development opportunities.

Disappointments

**New Brand for Colac Still to be Finalised**

The Colac Marketing Strategy was developed to attract young professionals and families to settle and live in Colac and local small townships. The strategy was competed but without agreement on a new Colac brand. Further work is being done on this and a new brand should be able to be launched by the end of 2012.

**Further Delays on the Regional Tourism Action Plan**

The restructure of regional tourism is still not complete, however regional councils have agreed on an Interim Great Ocean Road Tourism Board that will complete a strategic plan and sustainable funding model by 30 June 2013.

Challenges

**Facilitating the Transition to a New Tourism Committee for the Otways**

Otways Tourism Inc. folded in December 2011. We have invested significant resources into assisting with the wind down and the forming and supporting of a new local tourism representative group, to be called Otways Tourism Advisory Committee. A key challenge will be to provide support and encouragement and to facilitate outcomes for tourism operators and the local industry through this group during 2012/13.

**Tourism Strategic Plan to be Developed**

Although the Interim Great Ocean Road Tourism Board has been formed there is a major challenge still to complete a strategic plan and funding model on which we and the following councils can agree: City of Greater Geelong, Borough of Queenscliff, City of Warrnambool, and the Shires of Surf Coast, Corangamite, Golden Plains, Moyne and Glenelg.

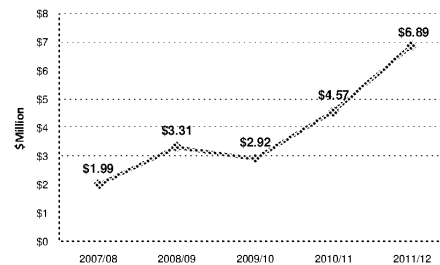
**Attracting Young Professionals and Families**

All rural municipalities aim to attract young professionals and families to settle and live in their towns. A key challenge will be for Council to develop a distinctive brand that will enable effective implementation of the Marketing Strategy.

The Year Ahead

- Facilitate development of the Colac High School Master Plan. This plan will help the State Government and Council to plan for the future of the former high school site.
- New on-line HTML newsletter providing information on new and emerging issues and trends to be delivered by email to the business data base and other key stakeholders.
- Support for the tourism industry is more vital than ever and Council will commit significant resources to this industry through the Otways Tourism Advisory Committee, the Interim Great Ocean Road Tourism Board and Geelong Otway Tourism.
- Attract funding from state and federal governments to implement the Colac CBD and Entrances Project and other key planning projects for infrastructure delivery.

Grants Received from Government Sources





Progress on Council Plan Actions

| Council Plan Strategy   | Council Plan 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.   | Completed                                |
|   | Participate in local and regional task groups to improve access to vocational education and training and post compulsory education and training.  | Completed in 2011/2012/repeated annually |
| Work with business to recognise growth potential from climate change and renewable energy initiatives.      | Encourage and promote climate change sustainability initiatives for business and renewable and alternative energy opportunities for the Colac Otway Shire.  | Completed                                |
| Support local business to develop and succeed.  | Implement new business support and facilitation services that make it easy to do business in the Shire.   | Completed                                |
|   | Enhance Colac's regional service centre status through the development of a Marketing strategy.   | Completed                                |
|   | Develop a Master Plan to support the redevelopment of the Colac Central Business District streetscape and city entrances.   | Completed                                |
|   | Continue to provide world standard tourism support services including Visitor Information Services, and support for local and regional tourism organisations.   | Completed                                |
|   | Implement Business Development training programs, networking events and Business Awards.  | Completed                                |
|   | Provide on line information for customers and potential investors to access businesses in the Shire.  | Completed                                |
| 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.                                    | Completed                                |
|   | Promote and encourage the development of infrastructure to support Lake Colac tourism and community use.  | Completed                                |
|   | Support local business associations such as Otway Business Inc, Apollo Bay Chamber of Commerce and Tourism, Otway Coast Tourism, Otway Scenic Circle Association, and Otway Hinterland Tourism Association. | Completed                                |
| Participate in regional and Shire based marketing and promotion initiatives designed to promote.            | Promote the Shire's strengths and competitive advantages to attract new investment.   | Completed                                |
|   | Identify the capacity, demand and rating of accommodation in Colac including the attraction of a high end quality star hotel.   | Completed                                |
|   | 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.         | Completed                                |
|   | 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.                                    | Completed                                |
| Facilitate the development of infrastructure for business investment, growth and liveability.               | Support the Apollo Bay Harbor Precinct development.   | Completed                                |
|   | Undertake streetscape planning for Apollo Bay to integrate with the proposed harbour development.   | Completed                                |
|   | Develop small town / community capability by providing infrastructure and resources, including continued support for the Small Town Improvement Program.  | Completed                                |
| Work in partnership with business, industry groups, government and agencies on sustainable economic growth. | Lobby for improved telecommunications in the Colac Otway Shire in consideration of Federal Government and telecommunication owners' initiatives.  | Completed                                |
|   | Develop improved educative material on Council policy and practices to assist business with development proposals.<br>Review business attraction and local business development policies.                   | Completed                                |

# 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  
 Bluewater Fitness Centre  
 Colac Otway Performing Arts and Cultural Centre  
 Community Transport  
 Economic Development (part)  
 Environmental Health Services  
 Family and Children's Services  
 Festivals and Events  
 Immunisation Services  
 Maternal and Child Health Services  
 Older Persons and Ability Support Services  
 Public Health and Wellbeing planning  
 Recreation, Arts and Culture  
 Rural Access  
 Transport Connections  
 Youth Services

## Key Achievements

- Celebrating arts and culture.
- Completion of significant strategic plans.
- Upgrades to community facilities.
- Smooth transition to the National and Victorian Early Years Framework.

## Fast Facts

Net Expenditure  
\$2,553,763

Equivalent Full Time Positions  
66.2

### Key Activities

- Provision of services and facilities that promote and support a broad range of options for recreation, arts, events, health and fitness.
- 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.
- Immunisation services.
- Inspection of food premises.
- Investigation of health related issues such as septic tanks and water discharge.
- Enforcement of EPA guidelines.
- Investigation of reports of infectious disease outbreaks for the origin of the disease and to reduce their impact.
- Emergency planning for a public health response.
- Public health promotion and education.

### Service Statistics (compared with 2010/11)

- ⬇ 5,595 community transports provided for older people and people with a disability.
- ⬆ 1,263 hours of property maintenance provided.
- ⬇ 354 children registered for Family Day Care.
- ⬆ 272 birth notifications.
- ⬆ 2,692 immunisations given *(more on page 54)*

Highlights

Strategic Planning Achievements

We completed a number of significant strategic planning works including:

- Public Open Space Strategy
- Apollo Bay Trails Feasibility Study
- Tennis Facility Audit and Development Plan
- G21 Regional Football (Soccer) Strategy

These documents will guide both current and future planning and development to ensure strong networks of open space and recreational facilities for our community.

Improving Our Facilities

A total of \$765,000 went into improving these socially important community facilities:

- *Colac Youth and Recreation Centre:* the \$550,000 redevelopment project included replacing the asbestos roof, new toilets, showers and change rooms, new timber flooring in the main hall, plastering, painting and improved access.
- *Lighting up the Eagles Nest:* the \$120,000 redevelopment of the netball facilities at the Irrewillipe Recreation Reserve included two new netball courts, lighting and fencing. We partnered with the Western Eagles Football Netball Club and the State Government to achieve this project.
- *Forrest and Barwon Downs Tennis Courts:* court upgrades were completed on the two tennis facilities as a result of receiving \$60,000 from the State Government.
- *Lake Oval Fence:* a \$35,000 picket fence was installed around the perimeter of the Lake Oval Cricket Ground to protect the recently redeveloped oval. While practically safeguarding against vandalism, the attractive fence has further enhanced the facility as a high quality and extremely picturesque country cricket ground.

Engaging our Community in Arts and Cultural Events

- *COPACC Celebrates 10<sup>th</sup> Birthday:* COPACC (Colac Otway Performing Arts and Cultural Centre) celebrated its 10<sup>th</sup> birthday with the launch of a photographic exhibition 'A Year in the Life of COPACC'. The exhibition

spanned 10 great years of COPACC and included many locals from hundreds of events held at Colac Otway's cultural hub. COPACC Trust Chairman Jim Ryan said the centre had fulfilled the community's aspirations by establishing itself as the home of performing arts and culture for the Shire.

- *Saturdays at COPACC:* The introduction of the "Saturdays at COPACC" programme has been an outstanding success. The seven week workshops provide opportunities for people to learn to sing, play ukulele, and participate in drama workshops and visual art lessons. Up to 60 people, predominantly children, access these classes on a weekly basis. Families have reported strong outcomes for children, particularly for drama students who have used new-found skills to develop friendships, overcome bullying and better respond to challenges.
- *Children celebrate World Environment Day at COPACC:* up to 400 children were given the chance to participate in a day-long range of educational based workshops, performance and visual arts activities. More than 140 children participated in designing a 3D eco-cubby using recyclables. An environmental artist was commissioned to create a wetland in the COPACC foyer. The programme of 72 workshops was fully subscribed by Colac Otway Shire primary schools. The event was organised in partnership with Corangamite Catchment Management Authority (p 14).

Recreation Activities a Success

- *The Hunt for the Golden Gumboot:* This exciting new month-long event encouraged hundreds of locals and visitors to walk and cycle the Old Beechey Rail Trail. The search was on for "Golden Gumboots", with discoverers redeeming their find for a prize. Over one hundred people attended the celebratory BBQ at Gellibrand to announce the major prize winners.
- *Amy's Gran Fondo:* The inaugural Amy's Gran Fondo attracted 3,000 bike riders to compete on a route along the Great Ocean Road and through the Otways. Given the success of the event, it is expected that the cap for the 2012 event will be increased to 5,000 riders. Local and interstate promotion profiled the region

as a tourist destination. The Amy Gillett Foundation promotes a safe, competitive, mass participation event that provides a challenge for both recreational and competitive riders.

- **Lungs in Action:** People with respiratory diseases say the new Lungs in Action program at Bluewater Fitness Centre is life changing. Weekly exercise classes are held for people who have finished a pulmonary rehabilitation course at Colac Area Health. The Lungs in Action classes help people with breathing difficulties stay active and healthy. Member Mrs Judy Tann said, "There's been a big difference in how we're all feeling. It helps with day-to-day things, like vacuuming or walking to the car or socialising with family, it means we don't have to stop and rest as often because we can breathe easier."

Member Mrs Kay Daniels said "It's not just how we're improving physically, but you also feel better -- I feel better than I have in a long time."

#### Family Day Care Early Years Framework

We achieved a smooth transition to the National and Victorian Early Years Framework in January 2012, which completes a substantive body of work. We are now preparing for an external assessment of our Quality Improvement Plan. Continuing assessments of our plan will ensure best practice and continuous improvements in our service delivery.

#### Improving Liveability for Older Persons

As a result of grants totalling \$100,000 received from the Department of Health, a major focus has been the commencement of a project to work with organisations and the community to improve liveability for older people within small communities. We are working with 12 Community Ambassadors to identify local needs and how to support and address these.

#### Celebrating People of All Abilities

The 2011 'International Day of People with Disability', included community awareness activities such as Auslan (Australian sign language) a celebration dance and story time for parents and children at the Colac Community Library and Learning Centre. The event organised by people of all abilities was a huge success.

#### Future of Planned Activities for Our Older Community Members

Our success in achieving social support funding through the Planned Activity Group. Wellbeing activities, including gentle exercise, weight bearing, falls prevention and healthy eating will be provided. Key results will be an increase in lung capacity, muscle strengthening, better balance control and potential slowing of the process of memory loss and/or dementia.

#### Disappointments

##### Tennis Court Upgrades Unable to be Completed

Upgrades to Cororooke and Swan Marsh tennis courts were unable to be completed as further investigations revealed they required complete reconstruction. Funds committed to the project were insufficient to complete the unexpected additional works. We will continue to work with the clubs and the State Government to determine other avenues of funding to complete the court improvements.

##### Failure of Ongoing State Funding for the Active Service Model

Funding cessation for the model will result in slowing our introduction of the processes to support older people and people of all abilities with the inclusion of more physical and social activities within their care plans.

##### Wye River and Separation Creek Sewerage Schemes

We have been unsuccessful in resolving the ongoing issues relating to the lack of a dedicated sewerage system in Wye River and Separation Creek. We will continue to work with The Department of Sustainability and Environment and other State Government Agencies to resolve the issues.

#### Challenges

##### Family Day Care Placement Shortage

This service requires more home based educators to work within our family Day Care service as we are not meeting the needs of the community for full day placements. Our Family Day Care Quality Improvement Plan will be assessed in early 2012/13.

**Rising Cost of Living**

Uncertain economic times and the rising cost of living pose a real challenge to continue to increase patronage at the Bluewater Fitness Centre and COPACC. We regularly engage with our community to ensure that the programs we offer meet their needs and to promote the quality of life benefits of participation in recreation and the arts.

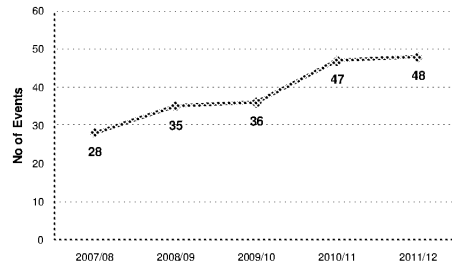
**The Year Ahead**

- Complete detailed design for the Bluewater Fitness Centre Redevelopment Project and commence construction.
- Complete the Central Reserve Oval Redevelopment project.
- Commence an Active Transport Strategy and Action Plan.
- Develop new Business Plans for COPACC and the Bluewater Fitness Centre.
- Preparation of the Public Health and Wellbeing Plan for 2013 – 2017.
- Finalise the Gellibrand, Forrest and Wye River/Separation Creek community plans.
- Continue development of the Improving Liveability for Older People project.
- Develop an accessible children's playground at Elliminyt.

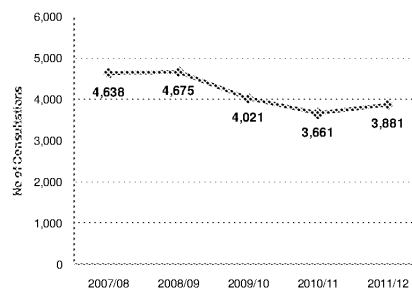
**Service Statistics (compared with 2010/11)**

- ▲ 39 community events delivered.
- ◆ 55,350 attended community events
- ◆ 5 FReeZA events delivered
- ◆ 1,700 attended FReeZA events
- ◆ 816 events were held at COPACC
- ▲ 51,217 attended events at COPACC
- ◆ 16 exhibitions conducted in the COPACC foyer.
- ◆ 323 multi-passes were sold at Bluewater Fitness Centre.
- ◆ 1,067 attended the Learn to Swim program
- ◆ 385 premises and other outlets selling food
- ◆ 813 food safety inspections undertaken

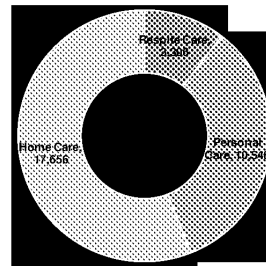
**Events Undergoing Risk Management**



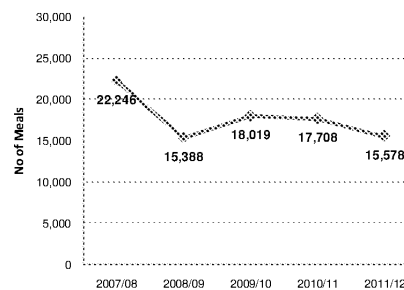
**Maternal and Child Health Consultations**



**Hours of Support for Older People**
























**Meals on Wheels Delivered**



Progress on Council Plan Actions

 Completed  
 In progress, continuing in 2012/2013
  Completed in 2011/2012/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".   |    |
|  | Review and implement the Council Community Grants Program guidelines.   |    |
|  | Implement Council's Recreation Strategy.  |  |
|  | Develop an Open Space Strategy.   |  |
|  | Develop a Bicycle Strategy  |  |
|  | Implement strategies in the Drug Action Plan.   |  |
| Develop a Civic and Cultural Precinct Plan for Colac.  |    |   |
| Promote and facilitate cultural and community events throughout the municipality.                              | Implement the Arts and Cultural Strategy.   |  |
|  | Implement the Festival and Events Strategy.   |  |
|  | Work with event organisers and community groups to develop a broad range of community festivals and events.   |  |
| Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community. | 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.  |  |

# Corporate Governance

## The Value of Good Governance

Good governance is vital in ensuring accountability, fairness and transparency for all of our stakeholders: management, employees, State and Federal governments and their authorised bodies, and our community.

It encompasses making clear the legislation and regulations under which we operate, along with those local laws we are authorised to make, our decision-making processes, delegations of authority, effective risk management systems and processes, establishing effective frameworks for planning, monitoring operational effectiveness, and performance management.

## What is the Role of a Council?

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 s3D of 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.

## How are Decisions Made?

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.

## Dealing with Conflict of Interest

During the course of dealing with matters that come before Council for decision, individual councillors and members of staff may find that they, or their immediate family, have either a financial or some other advantage that could be interpreted as having undue influence on the outcome.

To ensure transparency in the decision-making processes of Council, both councillors and staff are required to declare and document their interest in a matter. Where councillors have declared an

interest they take no part in the decision-making process. During 2011/12 six Conflicts of Interest were registered by councillors.

Copies of the following publications, published by the Department of Planning and Community Development Victoria, have been provided to councillors and staff for information:

- *Conflict of Interest: A Guide for Councillors*, June 2011.
- *Conflict of Interest: A Guide for Council Staff*, October 2011.

#### Local Laws and their Purpose

Council has adopted a series of local laws that aim to protect and enhance the community's general way of life and well-being. They provide for peace, order and good government. We have the following local laws in place:

##### No. 1 Consumption of Liquor in Public Places

Date Adopted by Council: 24 August 2005  
Date Operational: 24 September 2005

###### *Purpose:*

- To regulate and control the public consumption of alcohol other than in sealed containers. Prevent behaviour that may be considered as nuisance, detrimental to health or safety, or affects other members of the community's enjoyment of public and other places.

##### No. 2 General Local Law

Date Adopted by Council: 23 September 2005  
Date Operational: 24 September 2005

###### *Purpose:*

- Promotion of a safe and healthy physical and social environment in our municipality so that our community can enjoy quality of life.
- Regulating and controlling dangerous and unsafe behaviours that are detrimental to the quality of people's lives or to the environment.

##### No. 3 Livestock Local Law

Date Adopted by Council: 21 November 2007  
Date Operational: 22 November 2007

###### *Purpose:*

- To regulate the movement, droving and grazing of livestock in the municipality to ensure the welfare of the animals and the public.
- Minimise any damage to roads, pavements, drainage and vegetation when livestock are being moved.
- Prevent the spread of livestock disease and noxious weeds in the municipality.

##### No. 4 Council Meeting Procedures and Common Seal

Date Adopted by Council: 24 February 2010  
Date Operational: 1 March 2010

###### *Purpose:*

- Provide a procedure for the election of the Mayor, Deputy Mayor and the chair of any special committees.
- Govern the conduct of Council meetings and special committee meetings.
- Regulate and control the use of the common seal.
- Prohibit unauthorised use of the common seal or any device resembling the common seal.



**No. 5 Colac Livestock Selling Centre**

Date Adopted by Council: 24 August 2005

Date Operational: 24 September 2005

*Purpose:*

- Provide for efficient operation and management of the facility.
- Minimise stress in all livestock by encouraging considerate treatment and handling.
- Regulate and control the selling of livestock from premises other than the Colac Livestock selling Centre.

We have commenced a process of reviewing Local Laws No. 1, 2 and 3, with the intent to complete the reviews by early 2013, including Gazettal and implementation.

**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](http://www.colacotway.vic.gov.au/Page/page.asp?Page_Id=457&h=0)

**Policies, Strategies and Plans**

The following policies, strategies and key plans were reviewed and or adopted by Council during 2011/2012:

| Document   | Date Endorsed/Adopted |
|--|-----------------------|
| Fencing for Events Policy                                  | 27 July 2011          |
| Community Reference Group Membership Policy                | 27 July 2011          |
| Investment Policy  | 27 July 2011          |
| Forrest Structure Plan                                     | 24 August 2011        |
| Procurement Policy   | 28 September 2011     |
| Colac Otway Public Open Space Strategy                     | 29 November 2011      |
| Rural Living Strategy                                      | 21 December 2011      |
| Colac and Apollo Bay Car Parking Strategy                  | 21 December 2011      |
| Council Support to Neighbourhood Houses Policy             | 25 January 2012       |
| Pre-Election Caretaker Policy                              | 28 March 2012         |
| Apollo Bay Trails Feasibility Study                        | 28 March 2012         |
| Colac-Elliminyt Commuter Footpath Strategy                 | 28 March 2012         |
| Colac Marketing Strategy                                   | 28 March 2012         |
| Long Term Financial Plan                                   | 18 April 2012         |
| Colac CBD and Entrances Project                            | 23 May 2012           |
| Risk Management Policy                                     | 27 June 2012          |
| Internal Audit Policy                                      | 27 June 2012          |
| Revised Council Plan 2009/2013                             | 27 June 2012          |
| Apollo Bay Settlement Boundary & Urban Design Review       | 27 June 2012          |
| Birregurra Neighbourhood Character Study                   | 27 June 2012          |
| Colac Otway Shire Environmental Sustainability Policy 2012 | 27 June 2012          |
| Colac Otway Municipal Relief and Recovery Plan             | 27 June 2012          |
| Colac Otway Shire Municipal Emergency Management Plan      | 27 June 2012          |

## Elected Representatives

### Preparation for Councillor Elections

All Victorian Local Government councils will hold councillor elections on Saturday, 27 October 2012. Development of an induction program for the new Council is in progress. To facilitate the subsequent creation of a new 4-year Council Plan, background research is being undertaken on a broad range of factors currently affecting our municipality and to identify emerging trends. Discussion has commenced on the proposed consultation program to be conducted with staff and the community in developing the new Council Plan.

### 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](http://www.colacotway.vic.gov.au/Page/page.asp?Page_Id=457&h=0).

### Council Meetings

Council conducts its business in open and publicly advertised meetings. Ordinary Council Meetings are usually held on the fourth 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:

*Apollo Bay:* November 2011 and February 2012  
*Birregurra:* June 2012

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](http://www.colacotway.vic.gov.au/Page/page.asp?Page_Id=265&h=0).

Council provides the opportunity for members of the public to ask questions on issues in which Council has a direct interest or responsibility. Question time is held at the start of each Council meeting. Meetings are conducted in accordance with the meetings procedure provisions of Local Law 4. Reports are prepared independently by staff for both the decision and information of the Council.

Councillors are required to disclose any conflict of interest in any item to be discussed at Council meetings, and are subsequently precluded from 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 Stephen Hart (Mayor)       | 13                                       | 13       | 8                          | 8        |
| Cr Lyn Russell (Deputy Mayor) | 13                                       | 13       | 8                          | 8        |
| Cr Brian Crock                | 13                                       | 13       | 8                          | 8        |
| Cr Frank Buchanan             | 13                                       | 13       | 8                          | 5        |
| Cr Stuart Hart                | 13                                       | 13       | 8                          | 8        |
| Cr Geoff Higgins              | 13                                       | 12       | 8                          | 7        |
| Cr Chris Smith                | 13                                       | 13       | 8                          | 8        |

The statutory meeting, including election of the mayor, was held on Wednesday, 14 December 2011.

**Councillor Support and Remuneration**

The Councillor Support 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](http://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 Stephen Hart (Mayor)     |                 | ✓            | ✓               | ✓                          |             |
| Cr L Russell (Deputy Mayor) | ✓               | ✓            | ✓               | ✓                          | ✓           |
| Cr F Buchanan               |                 | ✓*           |                 |                            |             |
| Cr B Crook                  | ✓               | ✓            | ✓               | ✓                          | ✓           |
| Cr Stuart Hart              | ✓               | ✓            |                 |                            |             |
| Cr G Higgins                |                 | ✓            |                 |                            |             |
| Cr C Smith                  | ✓               |              |                 |                            | ✓           |

\* Mobile phone returned to Council in February 2012. Council contributed to Council business related calls on Cr Buchanan's personal mobile and for wireless internet connection to Cr Buchanan's personal laptop computer.

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 <sup>2</sup> | Total            |
|------------------------------|--------------------------------------|---------------------|------------------|
| Cr Stephen Hart <sup>1</sup> | \$44,510                             | \$6,131             | \$50,644         |
| Cr Brian Crook <sup>1</sup>  | \$44,302                             | -                   | \$47,302         |
| Cr Frank Buchanan            | \$22,954                             | \$7,033             | \$29,987         |
| Cr Stuart Hart               | \$22,954                             | \$19,605            | \$42,559         |
| Cr Geoff Higgins             | \$22,954                             | -                   | \$22,954         |
| Cr Lyn Russell               | \$22,954                             | \$2,640             | \$25,595         |
| Cr Chris Smith               | \$22,954                             | \$6,618             | \$29,572         |
| <b>Total</b>                 | <b>\$206,587</b>                     | <b>\$42,027</b>     | <b>\$248,613</b> |

**Notes:**

1. Cr Stephen Hart was elected as Mayor on 14 December 2011, taking over from Cr Crook. A councillor vehicle, currently a Ford Focus Diesel, 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 2011 to 30 June 2012.

Committees of Council

The Local Government Act 1989 acknowledges the need for Advisory and Special Committees of Council. These committees may include 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<br>Cr Stuart Hart<br>(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 Frank Buchanan<br>Cr Brian Crook<br>Cr Lyn Russell<br>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 Frank Buchanan<br>Cr Brian Crook<br>Cr Stuart Hart<br>Cr Lyn Russell   | Once a year in May/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 Stephen Hart<br>Cr Brian Crook<br>Cr Stuart Hart<br>Cr Chris Smith     | Once a year in June/July  | To consider the applications received for the Community Funding programs 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<br>Cr Lyn Russell<br>Cr Stuart Hart<br>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 voluntary projects and to act as an advisory committee for Council  |
| Lake Colac Coordinating Committee (Advisory Committee)              | Cr Geoff Higgins<br>Cr Chris Smith | Quarterly  | To be a forum to assist Council in the implementation of the Lake Colac Management Plan and the Lake Colac Master Plan and to advise Council on the revitalisation and development of Lake Colac |
| 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 other committees and groups:

**Cr Stephen Hart, Mayor**

Apollo Bay Indoor Pool Business Development Plan Project Committee  
Barwon Regional Waste Management Committee  
Colac Community Library & Learning Centre Joint Use Advisory Committee  
Community Hub  
Corangamite Regional Library Corporation  
G21 Board  
G21 Environment Pillar  
G21 Planning & Services Pillar  
Great South Coast Municipalities Group  
GSC Sustain Our Natural Assets Group  
Heathfield Estate Reserve Community Reference Group  
Lavers Hill Swimming Pool Committee of Management  
Local Laws Review Steering Committee  
Municipal Association of Victoria

**Cr Lyn Russell, Deputy Mayor**

Australian Local Government Association  
Australian Rural Roads Group  
Colac Affordable Housing Strategy  
Colac Otway Network of Community Centres  
Geelong Otway Tourism Board  
G21 Health & Wellbeing Pillar  
GSC Strengthen Our Communities Group  
Otways Tourism Inc.  
Rural Financial Counselling Service

**Cr Brian Crook**

Barnard Trust Committee  
Colac CBD and City Entrances Community Reference Group  
Colac Road Hierarchy & Heavy Vehicle Truck Route for Colac Township Community Reference Group  
Birregurra Structure Plan and Neighbourhood Character Study Community Reference Group  
Community Hub  
COPACC Trust  
G21 Education & Training Pillar  
Industry Advisory Group  
Great South Coast Municipalities Group  
Rural Councils Network (Vic)

**Cr Frank Buchanan**

Apollo Bay Harbour Redevelopment Community Reference Group  
Apollo Bay Indoor Pool Business Development Plan Project Committee  
Apollo Bay Leisure Centre Liaison Group  
Colac Road Hierarchy & Heavy Vehicle Truck Route for Colac Township Community Reference Group  
G21 Economic Development Pillar  
GSC Economic Growth Group  
Heathfield Estate Reserve Community Reference Group  
Port of Apollo Bay Consultative Group  
Public Open Space Strategy Steering Committee

**Cr Stuart Hart**

Australian Local Government Association  
Forrest Mountain Bike Trails Strategy Steering Group  
G21 Transportation Pillar  
GSC Improve Our Connections Group  
Municipal Emergency Management Planning Committee  
Municipal Fire Prevention Committee  
Transport Connections Local Advisory Group

**Cr Geoff Higgins**

Colac Road Hierarchy & Heavy Vehicle Truck Route for Colac Township Community Reference Group  
Municipal Aerodrome Committee – Colac  
Ondit Quarry Consultative Committee  
Timber Towns Committee  
Tirrengower Drainage Scheme Committee of Management  
Weeds Consultative Committee

**Cr Chris Smith**

COPACC Trust  
Dairy Industry Training Committee  
Old Beechy Line Committee  
Youth Council

**Audit Committee**

This is an advisory committee of the Council and its main function is to provide an internal control framework 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 2012.

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. Other council officers attend as required.

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 2010/11 Financial Statements, Standard Statements, Performance Statement and Audit Management Letters
- Review End of Year Management Report 2010/11
- Review of various Victorian Auditor General's Reports to Parliament applicable to Local Government including Performance Reporting by Local Government
- Review of the 2011/12 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 Debtor Management (rates), Maternal & Child Health, Tendering Review and Accounting for Non Infrastructure Assets
- Review of Waste Management results
- Review of Fraud Prevention/Control Policy
- Review of updates on Tendering and Contracting

Council's External Auditor is the Victorian Auditor General (agent Coffey Hunt).

Council's Internal Auditor is Crowe Horwarth.



## Risk Management

We actively manage risk through targeted strategies and procedures to reduce the possibility of adverse effects from future anticipated events, such as climate change impacts and property development complications. Mitigation mechanisms are in place for the key focus areas of assets, workers, liability and financial sustainability.

### Strategic Risk Management

In May 2012 Council endorsed a revised Risk Management Policy. The Policy articulates a systematic approach to identifying, analysing and mitigating risks.

Reviews of policies, internal controls and standards supporting the Risk Management Strategy are monitored by the Risk Audit Committee. Identified risks have been added to our risk register within Interplan®, Council's electronic integrated management system, and allocated to appropriate officers for action. Risk mitigation strategies are integrated with business planning and reporting functions.

### Occupational Health and Safety

Our annual SafetyMap surveillance audit was conducted in October 2011. There were two Corrective Actions Required (CARs) following the audit, these were:

- In-service electrical inspections not conducted at all locations
- Workplace inspections were not conducted at all locations within the past 12 months.

We took immediate action to address these issues and they were rectified prior to the deadline. Council was deemed compliant with the criteria and we maintained our SafetyMap certification.

### Insuring our Risks

#### *Public & Professional Liability*

The biennial Liability Mutual Insurance (LMI), formerly Civic Mutual Plus/CMP, audit was conducted in December 2011. The audit covered:

- Town Planning & Building
- Risk Management
- Food Safety
- Road & Footpath management
- Tree Management
- Written Agreements and Recreation.

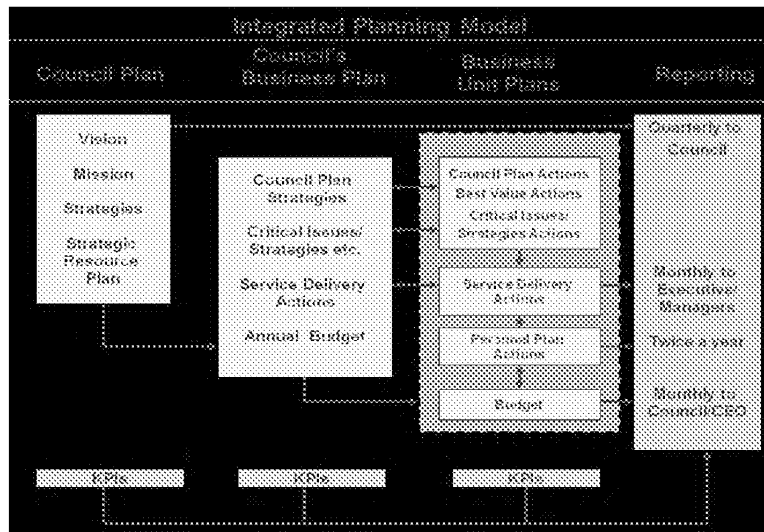
A new, more comprehensive questionnaire placed emphasis on Council having undertaken a more comprehensive range of actions to satisfy each criterion, as opposed to previous 'yes' or 'no' responses. The preliminary score was 67%, down from the previous year's result of 89% with a final score of 68% following the provision of additional information. This score positioned Council at 10<sup>th</sup> (out of 14) in the South West Rural Councils, whose average score was 73%. This result was disappointing and we have swiftly responded by developing a comprehensive action plan to address the low performance areas and ensure we have a significant performance improvement in the 2013/14 audit.

#### *Asset Insurance/ Fidelity Insurance*

JLT Municipal Asset Protection Plan Discretionary Trust (JMAPP) provide Council's asset insurance and conduct audits every second year, alternating with the Liability Mutual Insurance audit. The Municipal Officers Fidelity Guarantee Fund (Fidelity) audit is conducted concurrently with the JMAPP Audit. Disappointingly, our JMAPP audit result dropped this year from 84.8% to 76%. A lack of resources to conduct the necessary proactive inspections on Council's assets was a major contributing factor. Council has engaged an additional resource in the Sustainable Assets Unit to respond to this requirement. Council's Fidelity audit score improved from 57% 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<br>Achievement in line with Council Plan strategies<br>Victorian Local Government Indicators<br>Legislative compliance<br>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 2011/12 our major focus continued on improvements to some of the larger key systems and processes that impact the functioning of the organisation.

A large undertaking has been the replacement of our outdated electronic records management system. Early in the financial year a comprehensive training program was undertaken to skill the organisation in the use of the new system, with intensive support provided during the first three months of operation. This has proven to be a highly successful strategy as the organisation has experienced a very smooth transition, with regular audits showing effective use of the new system. Benefits of the new system also include more efficient and effective organisation and management of Council's data.

Progress continues on the second major system improvement, implementation of the *Prince2* project management methodology, with Stage 1 nearing completion as scheduled. In partnership with consultants, the *Prince2* framework is being tailored to fit our organisation. It will result in a process that delivers well considered and viable projects, close up the weakness in evaluation of completed projects and improve future planning.

The planning of the third major system improvement, a significant upgrade to our telecommunication systems, has been completed, with training and implementation to occur in mid August 2012.

The following service improvements have also been implemented during 2011/12:

- A detailed work program has been developed for Strategic Planning that assists the planning and tracking of progress for individual projects over time.
- Themed planning information sheets/brochures have been developed and introduced to assist customers in understanding information requirements for planning applications, and to reduce the need for further information requests.
- New application assessment and reporting templates have been developed to ensure a more thorough and consistent preliminary assessment of planning permit applications.
- Our Economic Development Unit has implemented two new initiatives to better engage the business community:
  - A series of Young Leaders business breakfasts has commenced to provide a development and networking opportunity for the next generation of business leaders.
  - A HTML online newsletter has been developed to replace the quarterly economic development bulletins in the print media.
- The Community Grants Program guidelines and application forms have been revised to make the program more accessible and user-friendly for our community groups. This included a new, much simplified version of the Small Equipment application form, which has been very well received by our community.
- Accessibility has been improved for people who are hard of hearing by providing our customer service staff with awareness training and with the installation of a hearing loop within Council's Rae Street Customer Service Centre.

## 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](http://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. No complaints were received during 2011/12.

### 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](http://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

|         |    |
|---------|----|
| 2011-12 | 6  |
| 2010-11 | 17 |
| 2009-10 | 9  |
| 2008-09 | 22 |
| 2007-08 | 15 |

#### Whistleblowers Protection Act 2001

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

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

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

Disclosures may be made either to the Council or directly to the Ombudsman. Disclosures may be made by members of the public, other organisations or council employees. No disclosures were received in 2011/12.

#### Equal Opportunity

Colac Otway Shire is committed to the principles of Equal Opportunity and anti-discrimination legislation. Our staff, volunteers and clients are entitled to work in an environment free from unacceptable workplace behaviour. Access to employment, promotion, training and other work related opportunities are underpinned by the principles of merit and equity. In 2011/2012 our Higher Duties policy was reviewed to enshrine the principles of merit and equity, acknowledging that Higher Duties represented a major development opportunity. All higher duties assignments of greater than one week must be advertised across the organisation.

#### 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 2011/12.

#### 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 the annual report. The plan was prepared in accordance with the requirements and responsibilities under the *Domestic (Feral & Nuisance) Animals Act 1994*, the *Impounding of Livestock Act 1994*, the Colac Otway Shire Council's General Local Laws and relevant policies. The plan 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 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 Municipal Pound facility and general service delivery throughout the municipality.

The Domestic Animal Management Plan has been followed since adoption in 2009. All Officers are trained to the required standard with Certificate IV in Statutory Compliance and Certificate IV in Animal Management. The plan is due for review and will be completed by 30 June 2013.

Commitment to animal welfare is showing results, with the numbers of animals registered continuing to increase. A contributing factor is the continued effort by Local Laws Officers to deliver a professional and efficient service where animal welfare is the focus.

As at 30 June 2012 there were 6,431 domestic animals registered; 4,910 dogs and 1,521 cats.

- Of the 390 dogs impounded, 229 were returned to their owner, 63 were rehoused and 75 were euthanased. The increase in the dog euthanasia rate is disappointing (up from 21 in 2010/11). Despite our best efforts to rehouse animals there was little demand, along with an increase in the number of dogs not suitable for rehousing.
- Of the 193 cats impounded, 20 were returned to their owner, 97 were rehoused (up from 18 in 2010/11) and 76 were euthanased. Of the 97 cats rehoused, 27 found new homes directly from the Pound. The remaining 70 were rehoused through a local vet who is running a cat adoption program.

Overall, of the 523 animals impounded, 78% were returned to their owner or re-housed, up from 65% in 2010/11. 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 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.

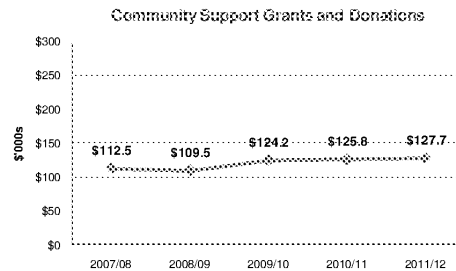
Council's 2011/12 Annual Fire Prevention Inspection Program has been undertaken, in line with the 2009 Victorian Bushfire Royal Commission Recommendations. Strategic fire breaks identified in the plan have been maintained and fire prevention inspections undertaken during the fire danger period. In total 763 properties were issued with a Schedule 15 Fire Prevention Notice (FPN), with 58 properties failing to comply. Although this is disappointing, it is a small fraction of the 9,000 properties that were inspected and shows that the vast majority of the community is committed to undertaking fire prevention activities.

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 2012 we gifted a total of \$504,156 to our community; \$127,686 was granted as a result of applications for funding by community groups and organisations for a variety of projects ranging from minor maintenance to sporting clubs and arts and theatre groups, and \$376,470 was allocated by Council to provide support for community events and organisations. Aggregated over the last 5 years this is a \$1.94 million investment in the social fabric of our community.

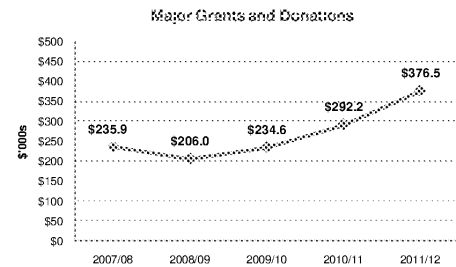
Community support grants and donations

A five year view of the Community Support Grants and Donations reveals Council has provided a total of \$599,687 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 \$1,345,162 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                             | \$89,902         |
| G21 - Geelong Regional Alliance                   | \$45,650         |
| Barwon Regional Waste Management Group            | \$13,277         |
| Municipal Association of Victoria                 | \$10,674         |
| Livestock Saleyards Association of Victoria       | \$3,052          |
| Timber Towns Victoria                             | \$2,750          |
| Local Government Professionals                    | \$2,349          |
| Eco Buy   | \$1,485          |
| National Sea Change Taskforce                     | \$1,250          |
| TaxEd   | \$995            |
| Victorian Association of Performing Arts Centres  | \$990            |
| ICLEI   | \$660            |
| Local Government Finance Professionals            | \$575            |
| Australian Performing Arts Centres Association    | \$540            |
| Family Day Care Victoria Incorporated             | \$288            |
| Victorian Community Transport Association         | \$242            |
| National Family Day Care Council (Aus)            | \$201            |
| Cemeteries and Crematoria Association of Victoria | \$150            |
| <b>Total</b>                                      | <b>\$175,230</b> |

### 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 1989*.
- 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](http://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):

|   | 2007/08          | 2008/09          | 2009/10          | 2010/11          | 2011/12            |
|---|------------------|------------------|------------------|------------------|--------------------|
| <b>Affordability</b>  |                  |                  |                  |                  |                    |
| Average rates and charges per assessment  | \$1,151          | \$1,228          | \$1,288          | \$1,400          | \$1,474            |
| Average rates and charges per Residential assessment  | \$1,090          | \$1,000          | \$1,031          | \$1,151          | \$1,222            |
| <b>Sustainability</b>   |                  |                  |                  |                  |                    |
| Average liabilities per assessment  | \$619            | \$695            | \$887            | \$977            | \$1,169            |
| Operating result per assessment -- surplus/(deficit)  | \$48             | \$129            | \$213            | \$222            | \$64               |
| <b>Services</b>   |                  |                  |                  |                  |                    |
| Average operating expenditure per assessment  | \$2,246          | \$2,437          | \$2,528          | \$2,580          | \$2,794            |
| Community Satisfaction Survey for overall performance generally of the Council                        | Index Mean<br>51 | Index Mean<br>57 | Index Mean<br>55 | Index Mean<br>58 | Index Mean<br>N/A* |
| <b>Infrastructure</b>   |                  |                  |                  |                  |                    |
| Average capital expenditure per assessment  | \$550            | \$564            | \$695            | \$780            | \$774              |
| <b>Renewal</b>  |                  |                  |                  |                  |                    |
| Current spending on renewal to Asset base consumed during the year                                    | 97%              | 70%              | 71%              | 109%             | 84%                |
| <b>Renewal and Maintenance</b>  |                  |                  |                  |                  |                    |
| Current spending on renewal plus maintenance to Asset base consumed during the year, plus maintenance | 98%              | 105%             | 82%              | 105%             | 94%                |
| <b>Governance</b>   |                  |                  |                  |                  |                    |
| Community Satisfaction Survey for Council's advocacy and community representation on key local issues | Index Mean<br>54 | Index Mean<br>57 | Index Mean<br>55 | Index Mean<br>62 | Index Mean<br>N/A* |
| Community Satisfaction Survey for Council's engagement in decision-making on key local issues         | Index Mean<br>45 | Index Mean<br>51 | Index Mean<br>52 | Index Mean<br>54 | Index Mean<br>N/A* |

\* To improve the quality and representativeness of the Community Satisfaction Survey (CSS) the State Government revised the survey in 2012, with methodological and content changes including:

- an improved index calculation system,
- sample size changes,
- change to a population representative survey rather than a household head survey, and
- reframing of many of the questions.

Scores cannot be compared to previous years due to the above changes; however future results will gradually build a comparative picture.

# Our Finances

## FINANCIAL PERFORMANCE

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 our stakeholders to consider the ability of Council to continue to deliver current services and maintain existing facilities in the longer-term.

### In brief

- Achieved a \$1.23 million surplus for the period, which was \$2.6 million below budget expectations due to lower than expected user charges and the recognition of increased long service and annual leave provisions.
- Achieved an underlying deficit of \$1.49 million, which was \$0.04 million below expectations.
- Ended the 2011/12 financial year with a cash balance of \$13.61 million.
- Increased Non-Current Assets by \$29.8 million as a result of a revaluation of road and land assets

### Operating Results

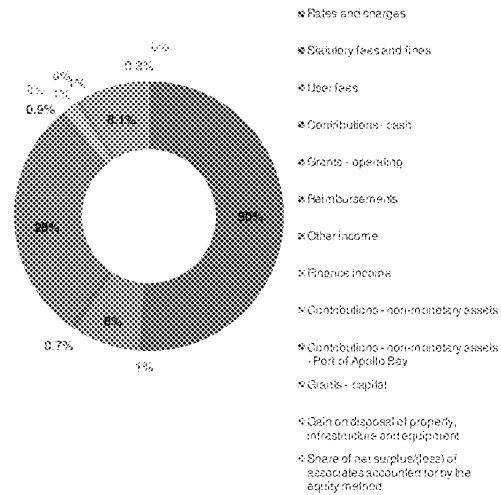
We achieved an \$1.23 million surplus for the 2011/12 financial year. This is the sixth successive year that we have achieved a surplus, which is a tremendous result given the increasing demands placed upon council services and the tightening of revenue opportunities during the year. One of the major challenges of Council will be to maintain ongoing surpluses to fund infrastructure renewal requirements.

### Revenue

Our total revenue for the 2011/12 year was \$43.6 million (as opposed to \$56.7 million for 2010/11) as per the Comprehensive Income Statement. The major contributor to the change in income as compared to the previous year was the 2010/11 recognition of the Port of Apollo Bay assets as 'contributed assets – Port of Apollo Bay'.

A breakdown of Council's revenue sources highlights that 86% of our income is derived from three income categories:

|                   |     |
|-------------------|-----|
| Rates and charges | 50% |
| Operating grants  | 28% |
| Capital grants    | 8%  |

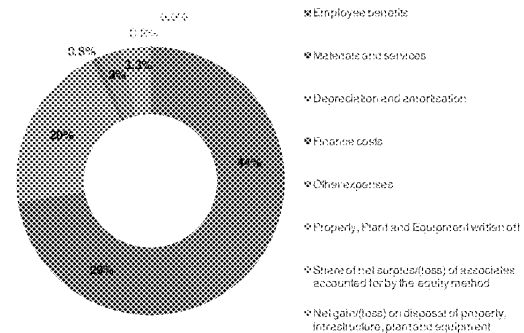


### Expenditure

Council's total expenses for the 2011/12 year were \$42.37 million (as opposed to \$37.85 million for 2010/11) as per the Comprehensive Income Statement.

A breakdown of our expenses highlights that 93% related to three expenditure categories.

|                               |     |
|-------------------------------|-----|
| Employee Benefits             | 44% |
| Materials and Services        | 29% |
| Depreciation and Amortisation | 20% |

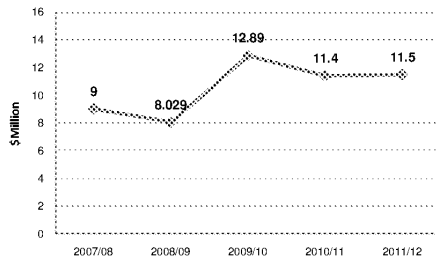


**Capital Works**

During the financial year, we invested \$11.46 million in Capital Works projects. The investment in 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 included the:

- Purchase of the Railway Street site.
- Construction of Sinclair Street South.
- Continued development of the Old Beechy Rail Trail.
- Construction of the Forrest Car Park.
- Fencing of the Lake Colac Oval.



**Liabilities**

Council's liabilities include loans, amounts owed to suppliers, amounts owed to employees for leave entitlements and provisions for landfill rehabilitation. Our total liabilities are \$17.01 million as at 30 June 2012.

The overall level of liabilities has increased from 2010/11 due to the call of \$3.18 million made by the trustee for the Local Government defined benefits superannuation scheme. Offsetting this, our loan liability levels have decreased during the 2011/12 to \$4.19 million due to active reduction of debt levels. Current debt levels mean that we are operating well within the Victorian State Government prudential ratio limits.

**Loan Liability**



**Assets**

Our total assets are \$267 million, a \$33 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.

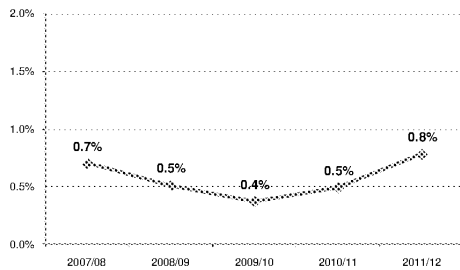
FINANCIAL INDICATORS

The financial indicators included in this report provide information on the trends developing over time in our performance. The following indicators show that while we have had some negative movement in 2011/12, Council continues to be a strong financial position.

Debt Servicing Ratio

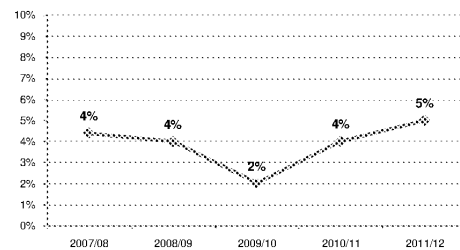
The Debt Servicing Ratio essentially shows how much we spend on maintaining our outstanding debts compared with how much revenue we earn. The lower the ratio, the better off Council is. These debt-servicing costs refer to the payment of interest on loan borrowings, finance lease interest and bank overdraft.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

The ratio shows an upward trend over the last two years as the borrowings for the Colac Community Library and Learning Centre and the Apollo Bay Waste Transfer Station have taken effect. The ratio of 0.8%, although increasing, is well under the prudential limit of 5% set by the Victorian State Government.



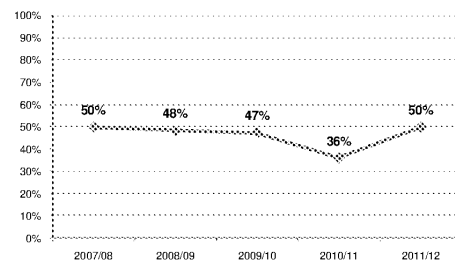
Debt Commitment Ratio

The Debt Commitment Ratio is used to illustrate how much of our revenue is used to fund our 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 our debt redemption strategy. The debt commitment ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal. Our ratio of 5% is well under the limit of 10% set by the Victorian State Government.



Revenue Ratio

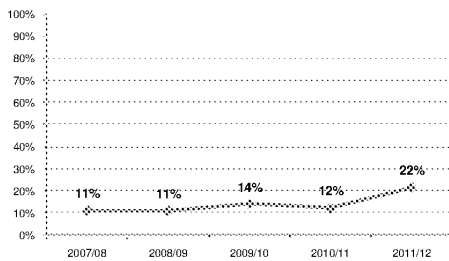
The Revenue Ratio shows the level of our reliance on rate revenue. It is an indication of how much of our total revenue comes from rates and charges. It is influenced by other revenue sources such as government grants, contributions, special charges, user fees and charges. Rate income is a secure and predictable source of revenue. A low ratio can warn of undue reliance on other forms of revenue, which may or may not be sustainable e.g. government grants. The preferred position is to rely heavily on both rates and other commercial revenue, with a low dependency on government grants.



**Debt Exposure Ratio**

The Debt Exposure Ratio enables an assessment of our solvency and exposure to debt. A low ratio means that our 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; however, there has been an upward spike in 2011/12 as the Local Government Defined Benefits Superannuation call has been recognised. Although the ratio has spiked it is still well under the limit of 50% set by the Victorian State Government.



**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:

- Underlying Result – whether enough revenue is generated to cover operating costs (including the cost of replacing assets, reflected in depreciation expense).
- Liquidity – whether sufficient working capital exists to meet short-term commitments.
- Self-Financing – whether sufficient operating cash flows are generated to invest in asset renewal and to repay any debt incurred in the past.
- Indebtedness – whether there is an over reliance on debt to fund capital programmes.
- Capital Replacement – whether assets have been replaced at a rate consistent with the rate of their consumption.
- Renewal Gap – whether existing assets have been maintained at a consistent rate.

In the following graphs, the figures for the financial years 2007/08 to 2010/11 are taken from the Victorian Auditor-General’s (VAG) report.

[http://www.audit.vic.gov.au/reports\\_and\\_publications/latest\\_reports/2011-12/20111123-local-govt.aspx](http://www.audit.vic.gov.au/reports_and_publications/latest_reports/2011-12/20111123-local-govt.aspx)

The 2011/12 figures in the graphs are our calculations of the ratios, as the final VAG figures are not due until late 2012.

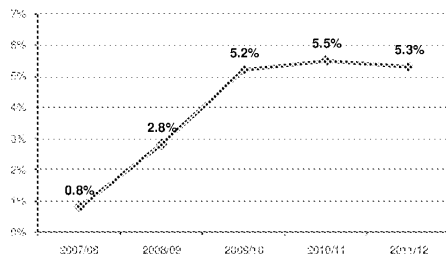
**Financial Sustainability Risk Matrix**

The matrix shows a mixed result for 2011/12, with the indicators for Indebtedness Ratio and Capital Replacement moving from a Low to a Medium risk level:

|         |                           | High              | Medium               | Low              |
|---------|---------------------------|-------------------|----------------------|------------------|
| 2011/12 | Indebtedness Ratio        | Greater than 100% | Between 75% and 100% | Greater than 50% |
| 2011/12 | Capital Replacement Ratio | Greater than 100% | Between 75% and 100% | Greater than 50% |
| 2010/11 | Indebtedness Ratio        | Greater than 100% | Between 75% and 100% | Greater than 50% |
| 2010/11 | Capital Replacement Ratio | Greater than 100% | Between 75% and 100% | Greater than 50% |
| 2009/10 | Indebtedness Ratio        | Greater than 100% | Between 75% and 100% | Greater than 50% |
| 2009/10 | Capital Replacement Ratio | Greater than 100% | Between 75% and 100% | Greater than 50% |
| 2008/09 | Indebtedness Ratio        | Greater than 100% | Between 75% and 100% | Greater than 50% |
| 2008/09 | Capital Replacement Ratio | Greater than 100% | Between 75% and 100% | Greater than 50% |
| 2007/08 | Indebtedness Ratio        | Greater than 100% | Between 75% and 100% | Greater than 50% |
| 2007/08 | Capital Replacement Ratio | Greater than 100% | Between 75% and 100% | Greater than 50% |

**Underlying Result Ratio**

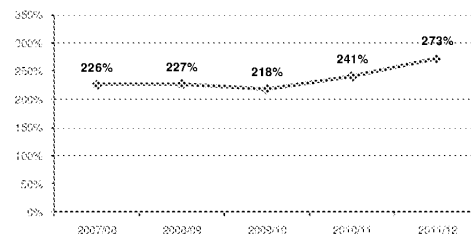
This ratio includes capital grants, which aid in generating an underlying surplus that can be utilised for new assets or asset renewal. This result places Council within the 'Low' risk category for financial sustainability (p 15).



**Liquidity Ratio (or Working Capital Ratio)**

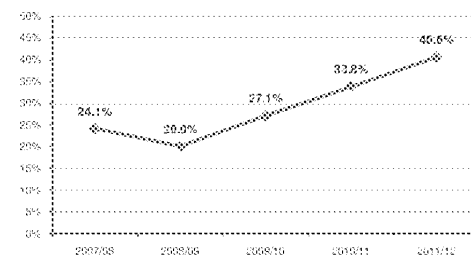
The Working Capital Ratio expresses the level of current assets, such as cash and investments, that Council has available to meet our current liabilities, including outstanding creditors and employee entitlements.

The target in Council's Strategic Resource Plan is to maintain a ratio of at least 150%. Our current ratio is well over the recommended limit of 150% indicated by the Auditor General. This is a positive result as it places Council in the 'Low' risk category, indicating that we have no immediate issue with repaying our liabilities when they fall due.



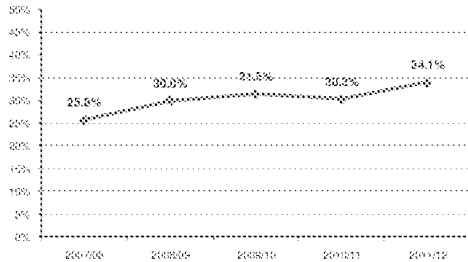
**Indebtedness Ratio**

This ratio indicates our ability to repay debt from our own sources of revenue, such as rates and charges. The ratio has moved from 'Low' to 'Medium' risk as a result of the \$3.18 million Local Government Defined Benefit Superannuation call made during the year. The impact of this will need careful management as Council determines the most appropriate method to pay the call amount and the impact of future borrowings.



**Self Financing Ratio**

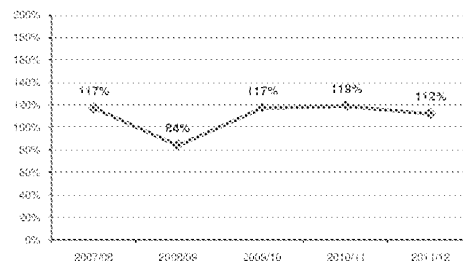
Results indicate that we are generating enough cash from operations to fund the renewal of existing assets. This is also a positive result, falling within the 'Low' risk category assessment for financial sustainability of Council.



**Renewal Gap**

This ratio is concerned with the renewal of our existing assets (i.e. replacing an asset with another that will do the same job). The graph shows that we have been relatively consistent in funding the replacement of our existing assets.

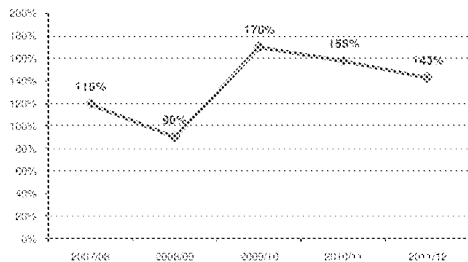
Council has again ensured that the community's assets are being renewed in a responsible manner, with the ratio falling into the 'Low' risk category of the Financial Sustainability Risk assessment.



**Capital Replacement**

This ratio is concerned with the renewal and upgrade of our existing assets. The graph shows that we made major improvements in the previous two financial years in funding the replacement of our existing assets.

2011/12 shows an ongoing commitment to maintaining a positive ratio of capital expenditure compared with depreciation of infrastructure assets. As the ratio has fallen below 150%, the ratio now falls into the 'Medium' risk category of the Financial Sustainability Risk assessment.



## UNDERSTANDING THE FINANCIAL STATEMENTS

### Introduction

Financial viability or sustainability is reviewed and assessed using many different tools. The most important tool in understanding Council's financial performance for the period is the financial report or financial statements.

Financial statements together tell the reader a story. One statement in isolation is like reading one chapter of a book. Unless you read all the chapters, you miss out on understanding what the story is trying to tell you.

The financial statements show how Council performed financially during the 2011-2012 financial year and the overall position at the end of the financial year (30 June 2012).

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 96)
- General Purpose Financial Statements (p 105)
- Performance Statement (p 94)

One of the critical differences concerns what is included and excluded between the two sets of financial statements.

The General Purpose Financial Statements and the data throughout this annual report include all entities controlled by Council, this is in essence a consolidated position. This consolidated position includes the functions of the Colac Otway Shire Council and those of the Port of Apollo Bay. The Standard Statements include only the activities of Council and not those of the Port of Apollo Bay. This enables the community to understand the activities of Council only.

### 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 General Purpose 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 43 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 consumption, of the value of buildings, roads, footpaths, drains and all other 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 2012. It shows what the Council controls 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 2012.
- 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 2012. 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 in a staggered fashion every three years for each category of assets. 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 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:

#### 1. 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.

## 2. Cash Flow from Investing Activities

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

## 3. Cash Flow from Financing Activities

This is where the receipt and repayment of borrowed funds are recorded, as well as any movement in trust funds and deposits held by Council.

The bottom line of the 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  
ANNUAL FINANCIAL REPORT  
*For the Year Ended 30 June 2012*

**Colac Otway Shire Council  
Standard Statements  
Table of Contents**

| <b>FINANCIAL REPORT</b>                  | <b>Page</b> |
|--|-------------|
| <b>Standard Financial Statements</b>     |             |
| Notes to the Standard Statements         | (1)         |
| Standard Income Statement                | (2)         |
| Standard Balance Sheet                   | (4)         |
| Standards Cash Flow Statement            | (6)         |
| Standard Statement of Capital works      | (8)         |
| Certification of the Standard Statements | (9)         |

**Colac Otway Shire Council  
2011/2012 Financial Report**

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**Notes to the Standard Statements**

**Note 1 Basis of preparation of Standard Statements**

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

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

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

The Standard Statements are not a substitute for the General Purpose Financial Statements. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

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

The budget figures included in the Statements are those adopted by the Council on 29 June 2011

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 based on the Consolidated General Purpose Financial Report after removing actual results associated with the Apollo Bay Harbour. Council's adopted budget excludes the activities of the Port of Apollo Bay. Details of the Port of Apollo Bay activities can be found in Note 43. Council's 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  
2011/2012 Financial Report

**Standard Income Statement  
For the Year Ended 30 June 2012**

|   | Note | Actual<br>\$'000 | Budget<br>\$'000 | Variance<br>\$'000 | Variance<br>% |
|---|------|------------------|------------------|--------------------|---------------|
| <b>Income</b>   |      |                  |                  |                    |               |
| <b>Operating Income:</b>                                  |      |                  |                  |                    |               |
| Rates and charges   |      | 21,789           | 21,370           | 419                | 2%            |
| Statutory fees and charges                                | 1    | 514              | 874              | (360)              | (41%)         |
| User fees and charges                                     | 2    | 3,445            | 4,245            | (800)              | (19%)         |
| Contributions - Cash                                      | 3    | 304              | 84               | 220                | 262%          |
| Grants - operating  | 4    | 11,493           | 7,835            | 3,658              | 47%           |
| Reimbursements  | 5    | 406              | 284              | 122                | 43%           |
| Finance Revenue   | 6    | 590              | 464              | 126                | 27%           |
| Other Revenue   |      | 83               | 54               | 29                 | 54%           |
| <b>Total operating revenues</b>                           |      | <b>38,625</b>    | <b>35,210</b>    | <b>3,415</b>       | <b>10%</b>    |
| <b>Expenses</b>   |      |                  |                  |                    |               |
| Employee benefits   |      | (14,965)         | (13,969)         | (996)              | (7%)          |
| Employee benefits - additional superannuation call        | 7    | (3,182)          | -                | (3,182)            | (100%)        |
| Materials and services                                    | 8    | (6,122)          | (5,147)          | (975)              | (19%)         |
| Contracts   | 9    | (5,838)          | (7,295)          | 1,457              | 20%           |
| Depreciation and amortisation                             |      | (8,227)          | (8,809)          | 582                | 7%            |
| Finance expenses  |      | (378)            | (346)            | (32)               | (9%)          |
| Other expenses  | 10   | (1,280)          | (1,079)          | (201)              | (19%)         |
| <b>Total operating expenses</b>                           |      | <b>(39,993)</b>  | <b>(36,645)</b>  | <b>(3,348)</b>     | <b>(9%)</b>   |
| <b>Operating Surplus (deficit)</b>                        |      | <b>(1,368)</b>   | <b>(1,435)</b>   | <b>67</b>          | <b>5%</b>     |
| <b>Capital revenue</b>                                    |      |                  |                  |                    |               |
| Contributions - Capital                                   | 11   | 178              | -                | 178                | 100%          |
| Net Gain on disposal of Property, plant, equipment and    | 12   | 150              | 605              | (455)              | (75%)         |
| Grants - Capital  | 13   | 3,551            | 4,654            | (1,103)            | (24%)         |
| <b>Total capital revenue</b>                              |      | <b>3,880</b>     | <b>5,259</b>     | <b>(1,379)</b>     | <b>(26%)</b>  |
| <b>Capital expenses</b>                                   |      |                  |                  |                    |               |
| Property, plant, equipment and infrastructure written off | 14   | (1,396)          | -                | (1,396)            | (100%)        |
| <b>Total capital expenses</b>                             |      | <b>(1,396)</b>   | <b>-</b>         | <b>(1,396)</b>     | <b>(100%)</b> |
| <b>Surplus (deficit) for the year</b>                     |      | <b>1,116</b>     | <b>3,824</b>     | <b>(2,708)</b>     | <b>(71%)</b>  |

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

**Standard Income Statement  
For the Year Ended 30 June 2012**

| <b>Variance Notes</b> |   |  |
|-----------------------|---|--|
| <b>Note</b>           | <b>Item</b>   | <b>Explanation</b>   |
| 1                     | Statutory fees and charges  | The special charge scheme for Sinclair Street South for \$180K was not charged during the year and animal registration fees of \$167K was allocated to user fees and charges.  |
| 2                     | User fees and charges   | The significant variations that occurred include the treatment of home care services as operating grants instead of user fees and charges (\$886K); lower than expected takings from the Colac Livestock Selling Centre (\$63K); animal registrations being treated as user charges and not statutory charges as per note 1 (\$167K); and tourism revenue from the visitor information centres being down (\$41K). |
| 3                     | Contributions - Cash  | Additional contributions were recognised towards a recreation reserve project(\$41K); contribution for distribution of the Bamard Trust ( \$51K); and contributions from other shires towards the Climate Resilient Communities project (\$118K).  |
| 4                     | Grants - operating  | There were both unexpected project grants and grants paid in advance for the year. These included the Commonwealth Grants Commission (\$3.012 million); Advancing Country Towns Project (\$382K); Neighbourhood Safer Places (\$162K); various environment and community safety projects (\$139K); and the misalignment of home care user fees (\$886K).   |
| 5                     | Reimbursements  | The variation arises due to reimbursement of Assisted Work Placement activities undertaken by Council.   |
| 6                     | Finance Revenue   | Generated additional interest income on investments due to higher levels of cash held across the year in conjunction with implementing the new Council investment policy.  |
| 7                     | Employee benefits - additional superannuation call                    | No provision was made in the budget for the additional \$3.18 million call being made by Vision Super for the Defined Benefits Superannuation Fund as result of the 31 December 2011 actuarial assessment.   |
| 8                     | Materials and services  | There are no significant variations, overall as the variation arises from the distribution between contracts and materials and services.   |
| 9                     | Contracts   | There are no significant variations, overall as the variation arises from the distribution between contracts and materials and services.   |
| 10                    | Other expenses  | The most significant variation was as a result of a requirement to repay an unspent grant received in prior years for local roads (\$157K).  |
| 11                    | Contributions - Capital   | Council does not traditionally budget to receive capital asset contributions.  |
| 12                    | Net Gain on disposal of Property, plant, equipment and infrastructure | The variation arises due to the budget including the full value of motor vehicle sales rather than only the profit (or loss) on sale of those assets. The profit arose due to the sale of a Council property.  |
| 13                    | Grants - Capital  | At the time of preparing the budget, grant funding for \$2 million was expected for the Blue Water Fitness Centre redevelopment. This project has been deferred to the 2012-2013 year, along with the associated income. This has been partially offset by the advance claim of \$1 million for the Country Roads and Bridges Programme.   |
| 14                    | Property, plant , equipment and infrastructure written off            | The variation reflects the value of road pavement and seal that was not able to be reused in the renewal of Council's roads. Council has not traditionally budgeted for items of this nature.  |



Colac Otway Shire Council  
2011/2012 Financial Report

Standard Balance Sheet  
As at 30 June 2012

|   | Note | Actual<br>\$'000 | Budget<br>\$'000 | Variance<br>\$'000 | Variance<br>% |
|---|------|------------------|------------------|--------------------|---------------|
| <b>Assets</b>                                   |      |                  |                  |                    |               |
| <b>Current assets</b>                           |      |                  |                  |                    |               |
| Cash  | 15   | 13,613           | 7,487            | 6,126              | 82%           |
| Receivables                                     | 16   | 3,455            | 2,313            | 1,142              | 49%           |
| Inventories                                     | 17   | 178              | 102              | 76                 | 75%           |
| Other assets                                    | 18   | 12               | 292              | (280)              | (96%)         |
| <b>Total current assets</b>                     |      | <b>17,258</b>    | <b>10,194</b>    | <b>7,064</b>       | <b>69%</b>    |
| <b>Non-current assets</b>                       |      |                  |                  |                    |               |
| Investment in associates                        |      | 377              | 410              | (33)               | (8%)          |
| Property, infrastructure, plant and equipment   |      | 248,402          | 250,078          | (1,676)            | (1%)          |
| <b>Total non-current assets</b>                 |      | <b>248,779</b>   | <b>250,488</b>   | <b>(1,709)</b>     | <b>(1%)</b>   |
| <b>Total assets</b>                             |      | <b>266,036</b>   | <b>260,682</b>   | <b>5,354</b>       | <b>2%</b>     |
| <b>Liabilities</b>                              |      |                  |                  |                    |               |
| <b>Current liabilities</b>                      |      |                  |                  |                    |               |
| Payables  | 19   | 3,578            | 2,697            | 881                | 33%           |
| Interest-bearing loans and borrowings           | 20   | 392              | 547              | (155)              | (28%)         |
| Trust   | 21   | 253              | 301              | (48)               | (16%)         |
| Provisions                                      | 22   | 3,563            | 3,250            | 313                | 10%           |
| <b>Total current liabilities</b>                |      | <b>7,786</b>     | <b>6,795</b>     | <b>991</b>         | <b>15%</b>    |
| <b>Non-current liabilities</b>                  |      |                  |                  |                    |               |
| Payables (defined benefits superannuation call) | 23   | 3,182            | -                | 3,182              | 100%          |
| Interest-bearing loans and borrowings           | 24   | 3,796            | 4,739            | (943)              | (20%)         |
| Provisions                                      | 25   | 3,706            | 3,148            | 558                | 18%           |
| <b>Total non-current liabilities</b>            |      | <b>10,684</b>    | <b>7,887</b>     | <b>2,797</b>       | <b>35%</b>    |
| <b>Total liabilities</b>                        |      | <b>18,470</b>    | <b>14,682</b>    | <b>3,788</b>       | <b>26%</b>    |
| <b>Net Assets</b>                               |      | <b>247,566</b>   | <b>246,000</b>   | <b>1,566</b>       | <b>1%</b>     |
| <b>Equity</b>                                   |      |                  |                  |                    |               |
| Accumulated surplus                             |      | 90,811           | 98,046           | (7,235)            | (7%)          |
| Asset revaluation reserve                       |      | 145,811          | 143,834          | 1,977              | 1%            |
| Other reserves                                  | 26   | 10,944           | 4,120            | 6,824              | 166%          |
| <b>Total Equity</b>                             |      | <b>247,566</b>   | <b>246,000</b>   | <b>1,566</b>       | <b>1%</b>     |

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

**Standard Balance Sheet  
For the Year Ended 30 June 2012**

| <b>Variance Notes</b> |   |  |
|-----------------------|---|--|
| <b>Note</b>           | <b>Item</b>   | <b>Explanation</b>   |
| 15                    | Cash  | Variation is due to the significant value of grants received in advance. \$3.012 million from the Commonwealth grants commission and approximately \$3.01 million from funding received in advance for projects that have either commenced in 2011-2012 or will commence in 2012-2013.   |
| 16                    | Receivables   | The receivables variation is mainly the \$1 million from Country Roads and Bridges Programme.  |
| 17                    | Inventories   | The higher inventory value arises substantially from the higher level of waste collection bins held in stock.  |
| 18                    | Other assets  | Prepayments expected for the year did not occur.   |
| 19                    | Current Payables  | This includes the cash and assets owed to the Port of Apollo Bay of \$1.53 million which has increased by \$371K over the year whilst budget expectation was for a slight reduction in the Port of Apollo Bay holdings over the same period. In addition the budget expectations were that current payables would be lower than the same period in the prior year. |
| 20                    | Interest-bearing loans and borrowings                       | The reduced current value arises from the early payment of one loan during the 2011-2012 year. This early payment was funded from the sale of a Council property.  |
| 21                    | Trust   | The trust value varies predominately as a result of project retention funds being repayed on the completion of projects or developments having met planning conditions. During 2011-2012 the value of repayments of retentions increased above the original budget estimates.  |
| 22                    | Provisions  | The most significant variation has been the value of long service leave obligations and annual leave obligations recognised within the provision. This is reflection of staff remaining with Council for longer periods than has occurred previously.  |
| 23                    | Non-current Payables (defined benefits superannuation call) | This includes the recognition of the Defined Benefits Superannuation Call made on Council for the year ending December 2011 to the value of \$3.18 million.  |
| 24                    | Interest-bearing loans and borrowings                       | The budget included borrowings for approximately \$760,000 in 2011-2012 which was not required.  |
| 25                    | Provisions  | The most significant variation has been the value of long service leave obligations recognised within the provision. This is reflection of staff remaining with Council for longer periods than has occurred previously.   |
| 26                    | Other reserves  | The value of other reserves has significantly increased as a result of including the cash backing of Council's nominal Long Service Leave obligations and the inclusion of cash backing the projects and grants received in advanced carried forward into the 2012-2013 year.  |

Colac Otway Shire Council  
2011/2012 Financial Report

**Standard Cash Flow Statement  
For the Year Ended 30 June 2012**

|   | Note | Actual<br>\$'000 | Budget<br>\$'000 | Variance<br>\$'000 | Variance<br>%  |
|---|------|------------------|------------------|--------------------|----------------|
| <b>Cash flows from operating activities</b>                       |      |                  |                  |                    |                |
| General rates and charges   |      | 21,660           | 21,370           | 290                | 1%             |
| Operating Grants and contributions                                | 27   | 11,270           | 8,001            | 3,269              | 41%            |
| Interest received   | 28   | 581              | 464              | 117                | 25%            |
| User charges  | 29   | 4,347            | 5,845            | (1,498)            | (26%)          |
| Other revenue   | 30   | 832              | 59               | 773                | 1310%          |
| Net GST refund/payment  | 31   | 1,421            | 1,294            | 127                | 10%            |
| Employees costs   |      | (14,536)         | (14,011)         | (525)              | (4%)           |
| Materials and services  |      | (12,406)         | (12,996)         | 590                | 5%             |
| Other expenses  | 32   | (1,254)          | (1,079)          | (175)              | (16%)          |
| <b>Net cash provided by (used in) operating activities</b>        |      | <b>11,916</b>    | <b>8,947</b>     | <b>2,969</b>       | <b>33%</b>     |
| <b>Cash flows from investing activities</b>                       |      |                  |                  |                    |                |
| Proceeds from property, plant and equipment                       | 33   | 1,530            | 666              | 864                | 130%           |
| Capital grants and contributions                                  | 34   | 2,778            | 4,747            | (1,969)            | (41%)          |
| Payments for property, plant and equipment                        | 35   | (12,341)         | (13,661)         | 1,320              | 10%            |
| <b>Net cash provided by (used in) investing activities</b>        |      | <b>(8,033)</b>   | <b>(8,248)</b>   | <b>215</b>         | <b>3%</b>      |
| <b>Cash flows from financing activities</b>                       |      |                  |                  |                    |                |
| Finance costs   |      | (315)            | (346)            | 31                 | 9%             |
| Trust funds and deposits  | 36   | (34)             | -                | (34)               | (100%)         |
| Proceeds from interest bearing loans and borrowings               | 37   | -                | 760              | (760)              | (100%)         |
| Repayment of interest bearing loans and borrowings                | 38   | (657)            | (438)            | (219)              | (50%)          |
| <b>Net cash provided by (used in) financing activities</b>        |      | <b>(1,006)</b>   | <b>(24)</b>      | <b>(982)</b>       | <b>(4092%)</b> |
| Net increase (decrease) in cash and cash equivalents              | 39   | 2,877            | 675              | 2,202              | 326%           |
| Cash and cash equivalents at the beginning of the financial year  | 40   | 10,775           | 6,812            | 3,963              | 58%            |
| <b>Cash and cash equivalents at the end of the financial year</b> |      | <b>13,652</b>    | <b>7,487</b>     | <b>6,165</b>       | <b>82%</b>     |

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

**Standard Cash Flow Statement  
For the Year Ended 30 June 2012**

| <b>Variance Notes</b> |  |  |
|-----------------------|--|--|
| <b>Note</b>           | <b>Item</b>  | <b>Explanation</b>   |
| 27                    | Operating Grants and contributions                               | There were both unexpected project grants and grants paid in advance for the year. These included the Commonwealth Grants Commission (\$3.012 million); Advancing Country Towns Project (\$382K); Neighbourhood Safer Places (\$162K); various environment and community safety projects (\$139K); and the misalignment of home care user fees (\$886K).   |
| 28                    | Interest received  | Generated additional interest income on investments due to higher levels of cash held across the year in conjunction with implementing the new Council investment policy.  |
| 29                    | User charges   | The significant variations that occurred include the treatment home care services as operating grants instead of user fees and charges (\$886K); lower than expected takings from the Colac Livestock Selling Centre (\$63K); special charge scheme for Sinclair Street South was not charged during the year (\$180K); and tourism revenue from the visitor information centres being down (\$41K). |
| 30                    | Other revenue  | The variation arises due to a number of unbudgeted activities such as the reimbursement of Assisted Work Placement activities undertaken by Council; additional contributions from a Football-Netball club towards a recreation reserve project; contributions for distribution of the Barnard Trust; and contributions from other shires towards the Climate Resilient Communities project.         |
| 31                    | Net GST refund/payment   | The variance between budget and actual is due to the manner in which the net GST position for Council was calculated in developing the budget  |
| 32                    | Other expenses   | The most significant variation was as a result of a requirement to repay an unspent grant received in prior years for local roads (\$157K).  |
| 33                    | Proceeds from property, plant and equipment                      | The additional proceeds are from the sale of a Council land and building that was not foreshadowed in the original budget.   |
| 34                    | Capital grants and contributions                                 | Capital grants are lower as a result of not commencing the Blue Water Fitness Centre redevelopment during the year. This large project included approximately \$2 million in associated grant funding and will now occur in 2012-2013.   |
| 35                    | Payments for property, plant and equipment                       | The actual result as compared to budget is lower as a result of not commencing the Blue Water Fitness Centre redevelopment during the year.  |
| 36                    | Trust funds and deposits   | Council does not budget for movements in trust funds and deposits. This value represents the value of deposits returned for works completed.   |
| 37                    | Proceeds from interest bearing loans and borrowings              | Council did not undertake any new borrowings in 2011-2012. Council had foreshadowed that borrowings would be required to fund the purchase of land and buildings in the civic precinct. The purchase was instead funded by the sale of another of Council's property holdings.   |
| 38                    | Repayment of interest bearing loans and borrowings               | Council utilised surplus funds from the sale of Council property to retire borrowings earlier than expected.   |
| 39                    | Net increase (decrease) in cash and cash equivalents             | The increase in cash when compared to budget arises from the additional grants received in advance, or more specifically, the early payment of the 2012-2013 Commonwealth Grants Commission payment.   |
| 40                    | Cash and cash equivalents at the beginning of the financial year | The opening balance for 2011-2012 was at a higher level than was originally budgeted for. This reflected the early payment of the Commonwealth Grants Commission funding and the level of projects carried forward from the 2010-2011 financial year.  |

Colac Otway Shire Council  
2011/2012 Financial Report

Standard Statement of Capital Works  
As at 30 June 2012

|                            | Note | Actual<br>\$  | Budget<br>\$  | Variance<br>\$ | Variance<br>% |
|----------------------------|------|---------------|---------------|----------------|---------------|
| <b>Capital Works Area</b>  |      |               |               |                |               |
| Bridges and culverts       | 41   | 365           | 500           | (135)          | (27%)         |
| Buildings                  | 42   | 2,301         | 2,836         | (535)          | (19%)         |
| Outdoor furniture          | 43   | 99            | 90            | 9              | 10%           |
| Drainage                   | 44   | 231           | 665           | (434)          | (65%)         |
| Footpaths                  | 45   | 480           | 300           | 180            | 60%           |
| Intangibles                | 46   | 215           | -             | 215            | 100%          |
| Kerb and channelling       | 47   | 33            | 75            | (42)           | (55%)         |
| Land                       | 48   | 371           | 845           | (474)          | (56%)         |
| Other structures           | 49   | 468           | 160           | 308            | 193%          |
| Off-street car parking     | 50   | -             | 50            | (50)           | (100%)        |
| Plant, equipment & other   |      | 2,246         | 2,257         | (11)           | (0%)          |
| Roads & traffic network    |      | 4,567         | 4,794         | (227)          | (5%)          |
| <b>Total capital works</b> |      | <b>11,375</b> | <b>12,572</b> | <b>(1,197)</b> | <b>(10%)</b>  |
| <b>Represented by:</b>     |      |               |               |                |               |
| Renewal                    | 51   | 7,228         | 8,914         | (1,686)        | (19%)         |
| Upgrade                    | 52   | 2,392         | 2,803         | (411)          | (15%)         |
| New                        | 53   | 1,754         | 855           | 899            | 105%          |
| <b>Total capital works</b> |      | <b>11,375</b> | <b>12,572</b> | <b>(1,197)</b> | <b>(10%)</b>  |

Variance Notes

| Note | Item                   | Explanation  |
|------|------------------------|--|
| 41   | Bridges and culverts   | The expanded bridge programme through Country Roads and Bridges was unable to be completed during the year. The programme has been carried forward to the 2012-2013 period.  |
| 42   | Buildings              | The variation arises from a number of additional items such as the refurbishment of the old library building (\$715K); acquisition of Home Hardware site budgeted as land purchase (\$429K); completion of Youth Club works carried forward from the 2010-2011 period (\$461K); and this was offset by the decision not to proceed with the Blue Water Fitness Centre redevelopment in the 2011-2012 period (\$2 million). |
| 43   | Outdoor furniture      | The minor variation arises from additional cost of completing the playground renewal programme.  |
| 44   | Drainage               | Urban drainage works were completed. However, roadside drainage works were not undertaken during the period.   |
| 45   | Footpaths              | The variation is due to footpaths works around Lake Colac and the Colac Botanic Gardens being completed during the period. These works were funded from prior year activities.   |
| 46   | Intangibles            | The expenditure relates to the purchase and installation of corporate software. At the time of budget adoption this project was not deemed a capital acquisition.  |
| 47   | Kerb and channelling   | The kerb and channel replacement programme for 2011-2012 was incomplete at year end and the remaining works have been carried forward to the 2012-2013 period.   |
| 48   | Land                   | The budget was a full acquisition price for land and building. The actual expenditure is for land only.  |
| 49   | Other structures       | The variation arises from Council funding being leveraged to source additional funds for various projects. These additional project activities include refurbishment of Western Reserve; various small town improvement programme initiatives; and various minor recreation reserve works.   |
| 50   | Off-street car parking | The Pascoe Street car park project has been delayed and will now commence in 2012-2013.  |
| 51   | Renewal                | Bridge projects carried forward to the 2012-2013 period (\$135K); No Timber Roads projects were undertaken (\$518K); refurbishment of Civic Office carried forward to the 2012-2013 period (\$234K); and various minor sealed roads works carried forward to the 2012-2013 period (\$200K).  |
| 52   | Upgrade                | The variation arises from a number of additional items such as the refurbishment of the old library building (\$715K); acquisition of Home Hardware site budgeted as land purchase (\$429K); completion of Youth Club works carried forward from the 2010-2011 period (\$461K); and this was offset by the decision not to proceed with the Blue Water Fitness Centre redevelopment in the 2011-2012 period (\$2 million). |
| 53   | New                    | There were a number of carried forward projects completed within the period which are above those adopted for the 2011-2012 period. These projects include small town improvement projects (\$47K); Lake Colac Cricket Oval fence (\$35K); completion of works at the Apollo Bay Waste Transfer Station (\$130K); and other furniture and equipment purchases for refurbished facilities (\$237K).                         |

Colac Otway Shire Council  
2011/2012 Financial Report

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### 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 professional reporting requirements.



Brett Exelby CPA  
Principal Accounting Officer

19 September 2012

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


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

We have been authorised by the Council on 19 September 2012 to certify the standard statements in their final form.



Stephen Hart  
Councillor

19 September 2012



Stuart Hart  
Councillor

19 September 2012



Rob Small  
Chief Executive Officer

19 September 2012

**CONSOLIDATED  
GENERAL PURPOSE FINANCIAL REPORT**

*For the Year Ended 30 June 2012*

for the entities of

Colac Otway Shire Council

Port of Apollo Bay

**Colac Otway Shire Council  
Financial Report  
Table of Contents**

| <b>FINANCIAL REPORT</b>   | <b>Page</b> |
|---|-------------|
| <b>Financial Statements</b>   |             |
| Comprehensive Income Statement  | 1           |
| Balance Sheet   | 2           |
| Statement of Changes in Equity  | 3           |
| Cash Flow Statement   | 4           |
| <b>Notes to Financial Statements</b>  |             |
| Introduction  | 5           |
| Note 1 Significant accounting policies  | 5           |
| Note 2 Rates and charges  | 13          |
| Note 3 Statutory fees and fines   | 13          |
| Note 4 User fees  | 13          |
| Note 5 Grants   | 14          |
| Note 6 Contributions  | 15          |
| Note 7 Net gain/(loss) on disposal of property, infrastructure, plant and equipment | 16          |
| Note 8 Reimbursements   | 16          |
| Note 9 Finance income   | 16          |
| Note 10 Other income  | 16          |
| Note 11 Employee benefits   | 17          |
| Note 12 Materials and services  | 17          |
| Note 13 Depreciation and amortisation   | 18          |
| Note 14 Finance costs   | 18          |
| Note 15 Other expenses  | 18          |
| Note 16 Investment in associates  | 18          |
| Note 17 Cash and cash equivalents   | 19          |
| Note 18 Trade and other receivables   | 19          |
| Note 19 Inventories   | 19          |
| Note 20 Other assets  | 19          |
| Note 21 Property, infrastructure, plant and equipment                               | 20          |
| Note 22 Trade and other payables  | 26          |
| Note 23 Trust funds and deposits  | 26          |
| Note 24 Provisions  | 26          |
| Note 25 Interest-bearing loans and borrowings                                       | 28          |
| Note 26 Reserves  | 29          |
| Note 27 Reconciliation of cash flows from operating activities to profit/(loss)     | 32          |
| Note 28 Reconciliation of cash and cash equivalents                                 | 32          |
| Note 29 Financing arrangements  | 32          |
| Note 30 Restricted assets   | 32          |
| Note 31 Superannuation  | 33          |
| Note 32 Commitments   | 34          |
| Note 33 Operating lease commitments   | 35          |
| Note 34 Contingent liabilities and contingent assets                                | 35          |
| Note 35 Financial Instruments   | 36          |
| Note 36 Auditors' remuneration  | 42          |
| Note 37 Events occurring after balance date   | 42          |
| Note 38 Related Party Transactions  | 43          |
| Note 39 Interest in joint venture   | 44          |
| Note 40 Income and expenses by function   | 44          |
| Note 41 Financial ratios (Performance indicators)                                   | 45          |
| Note 42 Capital expenditure   | 47          |
| Note 43 Special committees and other activities - Port of Apollo Bay                | 48          |
| Certification of the Financial Report   | 50          |



Colac Otway Shire Council  
2011/2012 Financial Report

**Comprehensive Income Statement  
For the Year Ended 30 June 2012**

|   | Note  | 2012<br>\$'000  | 2011<br>\$'000  |
|---|-------|-----------------|-----------------|
| <b>Income</b>   |       |                 |                 |
| Rates and charges   | 2     | 21,789          | 20,465          |
| Statutory fees and fines  | 3     | 514             | 540             |
| User fees   | 4     | 3,532           | 3,188           |
| Contributions - cash  | 6(a)  | 304             | 336             |
| Grants - operating  | 5     | 12,273          | 10,439          |
| Reimbursements  | 8     | 406             | 311             |
| Finance income  | 9     | 590             | 554             |
| Other income  | 10    | 83              | 335             |
| Share of net surplus of associates accounted for by the equity method | 16    | -               | 46              |
|   |       | <b>39,492</b>   | <b>36,214</b>   |
| <b>Capital Income:</b>  |       |                 |                 |
| Contributions - non-monetary assets (other)                           | 6(b)  | 178             | 994             |
| Contributions - non-monetary assets (Port of Apollo Bay)              | 6(c)  | 228             | 15,658          |
| Grants - capital  | 5     | 3,551           | 3,883           |
| Net gain on disposal of property, infrastructure, plant and equipment | 7     | 150             | -               |
|   |       | <b>4,108</b>    | <b>20,535</b>   |
| <b>Total income</b>   |       | <b>43,600</b>   | <b>56,749</b>   |
| <b>Expenses</b>   |       |                 |                 |
| Employee benefits   | 11(a) | (15,390)        | (14,311)        |
| Employee benefits - additional superannuation call                    | 11(b) | (3,182)         | (569)           |
| Materials and services  | 12    | (12,119)        | (13,634)        |
| Depreciation and amortisation   | 13    | (8,665)         | (7,783)         |
| Finance costs   | 14    | (341)           | (308)           |
| Other expenses  | 15    | (1,206)         | (966)           |
| Share of net loss of associates accounted for by the equity method    | 16    | (74)            | -               |
|   |       | <b>(40,978)</b> | <b>(37,571)</b> |
| <b>Capital Expense:</b>   |       |                 |                 |
| Net loss on disposal of property, infrastructure, plant and equipment | 7     | -               | (104)           |
| Property, plant, equipment and infrastructure written off             | 21    | (1,396)         | (174)           |
|   |       | <b>(1,396)</b>  | <b>(278)</b>    |
| <b>Total expenses</b>   |       | <b>(42,374)</b> | <b>(37,849)</b> |
| <b>Surplus / (Deficit)</b>  |       | <b>1,226</b>    | <b>18,900</b>   |
| <b>Other comprehensive income</b>                                     |       |                 |                 |
| Net asset revaluation increment(decrement)                            | 21    | 29,369          | (20,297)        |
| <b>Comprehensive result</b>   |       | <b>30,595</b>   | <b>(1,397)</b>  |

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

Colac Otway Shire Council  
2011/2012 Financial Report

**Balance Sheet  
As at 30 June 2012**

|   | Note  | 2012<br>\$'000 | 2011<br>\$'000 |
|---|-------|----------------|----------------|
| <b>Assets</b>   |       |                |                |
| <b>Current assets</b>   |       |                |                |
| Cash and cash equivalents                                       | 17    | 13,613         | 10,775         |
| Trade and other receivables                                     | 18    | 3,455          | 2,779          |
| Inventories   | 19    | 178            | 135            |
| Other assets  | 20    | 12             | 53             |
| <b>Total current assets</b>                                     |       | <b>17,258</b>  | <b>13,742</b>  |
| <b>Non-current assets</b>                                       |       |                |                |
| Investments in associates accounted for using the equity method | 16    | 377            | 452            |
| Property, infrastructure, plant and equipment                   | 21    | 269,639        | 239,762        |
| <b>Total non-current assets</b>                                 |       | <b>270,016</b> | <b>240,214</b> |
| <b>Total assets</b>   |       | <b>287,274</b> | <b>253,956</b> |
| <b>Liabilities</b>  |       |                |                |
| <b>Current liabilities</b>                                      |       |                |                |
| Trade and other payables  | 22(a) | 2,054          | 1,820          |
| Trust funds and deposits  | 23    | 253            | 287            |
| Provisions  | 24    | 3,622          | 3,133          |
| Interest-bearing loans and borrowings                           | 25    | 392            | 465            |
| <b>Total current liabilities</b>                                |       | <b>6,321</b>   | <b>5,705</b>   |
| <b>Non-current liabilities</b>                                  |       |                |                |
| Trade and other payables  | 22(b) | 3,182          | -              |
| Provisions  | 24    | 3,713          | 4,200          |
| Interest-bearing loans and borrowings                           | 25    | 3,796          | 4,380          |
| <b>Total non-current liabilities</b>                            |       | <b>10,691</b>  | <b>8,580</b>   |
| <b>Total liabilities</b>  |       | <b>17,012</b>  | <b>14,285</b>  |
| <b>Net Assets</b>   |       | <b>270,262</b> | <b>239,671</b> |
| <b>Equity</b>   |       |                |                |
| Accumulated surplus   |       | 108,245        | 113,158        |
| Reserves  | 26    | 162,017        | 126,513        |
| <b>Total Equity</b>   |       | <b>270,262</b> | <b>239,671</b> |

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

Colac Otway Shire Council  
2011/2012 Financial Report

**Statement of Changes in Equity  
For the Year Ended 30 June 2012**

|   | Total          | Accumulated    | Asset          | Other         |
|---|----------------|----------------|----------------|---------------|
|   |                |                |                |               |
| 2012  | \$'000         | \$'000         | \$'000         | \$'000        |
| Balance at beginning of the financial year  | 239,667        | 113,153        | 121,705        | 4,810         |
| Surplus / (Deficit)                         | 1,226          | 1,226          | -              | -             |
| Net asset revaluation increment/(decrement) | 29,369         | -              | 29,369         | -             |
| Transfers to other reserves                 | 26(b) -        | (10,101)       | -              | 10,101        |
| Transfers from other reserves               | 26(b) -        | 3,966          | -              | (3,966)       |
| <b>Balance at end of the financial year</b> | <b>270,262</b> | <b>108,245</b> | <b>151,073</b> | <b>10,944</b> |

|   | Total          | Accumulated    | Asset          | Other        |
|---|----------------|----------------|----------------|--------------|
|   |                |                |                |              |
| 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         | -              | -            |
| Net asset revaluation increment/(decrement) | (20,297)       | -              | (20,297)       | -            |
| Transfers to other reserves                 | 26(b) -        | (4,408)        | -              | 4,408        |
| Transfers from other reserves               | 26(b) -        | 5,001          | -              | (5,001)      |
| <b>Balance at end of the financial year</b> | <b>239,671</b> | <b>113,159</b> | <b>121,703</b> | <b>4,809</b> |

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

Colac Otway Shire Council  
2011/2012 Financial Report

**Cash Flow Statement  
For the Year Ended 30 June 2012**

|   | Note | 2012<br>Inflows/<br>(Outflows)<br>\$'000 | 2011<br>Inflows/<br>(Outflows)<br>\$'000 |
|---|------|--|--|
| <b>Cash flows from operating activities</b>                         |      |  |  |
| Rates   |      | 21,660                                   | 20,500                                   |
| User charges and other fines (inclusive of GST)                     |      | 4,443                                    | 4,399                                    |
| Grants (inclusive of GST)   |      | 14,588                                   | 14,240                                   |
| Developer contributions (inclusive of GST)                          |      | 319                                      | 340                                      |
| Reimbursements (inclusive of GST)                                   |      | 423                                      | 330                                      |
| Interest  |      | 581                                      | 447                                      |
| Other receipts (inclusive of GST)                                   |      | 90                                       | 465                                      |
| Net GST refund/payment  |      | 1,435                                    | 1,496                                    |
| Payments to suppliers (inclusive of GST)                            |      | (12,583)                                 | (14,175)                                 |
| Payments to employees (including redundancies)                      |      | (14,954)                                 | (14,742)                                 |
| Other payments  |      | (1,254)                                  | (1,011)                                  |
| <b>Net cash provided by (used in) operating activities</b>          | 27   | <u>14,748</u>                            | <u>12,289</u>                            |
| <b>Cash flows from investing activities</b>                         |      |  |  |
| Payments for property, infrastructure, plant and equipment          | 21   | (12,394)                                 | (12,262)                                 |
| Proceeds from sale of property, infrastructure, plant and equipment |      | 1,530                                    | 588                                      |
| <b>Net cash provided by (used in) investing activities</b>          |      | <u>(10,864)</u>                          | <u>(11,674)</u>                          |
| <b>Cash flows from financing activities</b>                         |      |  |  |
| Finance costs   |      | (315)                                    | (282)                                    |
| Trust funds and deposits  |      | (34)                                     | (8)                                      |
| Proceeds from interest bearing loans and borrowings                 |      | -  | 1,100                                    |
| Repayment of interest bearing loans and borrowings                  |      | (657)                                    | (412)                                    |
| <b>Net cash provided by (used in) financing activities</b>          |      | <u>(1,006)</u>                           | <u>398</u>                               |
| Net increase (decrease) in cash and cash equivalents                |      | 2,878                                    | 1,013                                    |
| Cash and cash equivalents at the beginning of the financial year    |      | 10,775                                   | 9,762                                    |
| <b>Cash and cash equivalents at the end of the financial year</b>   | 28   | <u>13,653</u>                            | <u>10,775</u>                            |
| Financing arrangements  | 29   |  |  |
| Restrictions on cash assets   | 30   |  |  |

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

Colac Otway Shire Council  
2011/2012 Financial Report

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

**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.

**External Auditor** - Auditor-General of Victoria

**Internal Auditor** - Crowe Horwath

**Solicitors** - Maddocks Lawyers  
- Harwood Andrews Pty Ltd

**Bankers** - Commonwealth Bank

**Website address** - <http://www.colacotway.vic.gov.au/>

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) **Port of Apollo Bay**  
The Council is the appointed Port Manager for the Port of Apollo Bay entity. All transactions between the Port of Apollo Bay and Council have been eliminated in full. Please see note 43 for further details. .
- (b) **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(h), 1(k) and 1(r).  
  
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.

Colac Otway Shire Council  
2011/2012 Financial Report

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

**Note 1 Significant accounting policies (cont.)**

**(c) Revenue recognition**

*Rates, grants and contributions*

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

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

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 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

**(d) Inventories**

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

Colac Otway Shire Council  
2011/2012 Financial Report

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

**Note 1 Significant accounting policies (cont.)**

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

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

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 on the basis that they are assessed as not having a limited useful life.

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

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

|                                       | <b>Period</b>  |
|---------------------------------------|----------------|
| 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  |
| Marine Infrastructure                 | 30 - 160 years |
| Intangibles                           |                |
| Software                              | 5 years        |

**(f) Repairs and maintenance**

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Colac Otway Shire Council  
2011/2012 Financial Report

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

**Note 1 Significant accounting policies (cont.)**

**(g) Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred, Borrowing costs include interest on borrowings.

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

*Acquisition*

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, 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 Port of Apollo Bay entity and the associated 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 2012.

The following classes of assets have been recognised in note 21. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

|                                       | Threshold Limit<br>\$ |
|---------------------------------------|-----------------------|
| Property                              |                       |
| Land                                  |                       |
| land                                  | 1                     |
| land under roads                      | 1                     |
| 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                |
| Marine Infrastructure                 | 10,000                |
| Intangibles                           |                       |
| Software                              | 1,000                 |



Colac Otway Shire Council  
2011/2012 Financial Report

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

**Note 1 Significant accounting policies (cont.)**

**(h) 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.

**(i) Cash and cash equivalents**

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

**(j) Investments**

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

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

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

Colac Otway Shire Council  
2011/2012 Financial Report

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

**Note 1 Significant accounting policies (cont.)**

**(l) Tender deposits**

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 23).

**(m) Employee benefits**

*Wages and salaries*

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

*Annual leave*

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

*Long service leave*

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service.

Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled.

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 31.

**(n) 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  
2011/2012 Financial Report

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

**Note 1 Significant accounting policies (cont.)**

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

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

**(p) Agreements equally proportionately unperformed**

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

**(q) 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.

**(r) 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.

**(s) 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.

**(t) 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  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

(u) 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 20010-11: 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"> <li>* simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;</li> <li>* removing the tainting rules associated with held-to-maturity assets;</li> <li>* simplifying the requirements for embedded derivatives;</li> <li>* removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;</li> <li>* 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</li> <li>* 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"> <li>a. the objective of the entity's business model for managing the financial assets; and</li> <li>b. the characteristics of the contractual cash flows.</li> </ul> </li> </ul> | 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 |

(v) 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  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

|   |                                 | 2012<br>\$'000 | 2011<br>\$'000 |
|---|---------------------------------|----------------|----------------|
| <b>Note 2</b>   | <b>Rates and charges</b>        |                |                |
| <p>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.</p> <p>The valuation base used to calculate general rates for 2011/2012 was \$5,366 million (2010/2011 \$4,926 million). Council applied a differential rating regime to the capital improved value.</p> |                                 |                |                |
|   | <b>No. of assessments</b>       |                |                |
|   | <b>2012</b>                     | <b>2011</b>    |                |
| Residential   | 11,175                          | 11,087         | 9,286          |
| Commercial/Industrial   | 959                             | 952            | 2,974          |
| Farm  | 2,632                           | 2,628          | 4,934          |
| Municipal charge  | 13,825                          | 13,727         | 2,021          |
| Garbage charge  | 9,890                           | 9,773          | 2,551          |
| Special rates and charges   | 185                             | 188            | 23             |
| <b>Total rates and charges</b>  |                                 | <b>21,789</b>  | <b>20,465</b>  |
| <p>The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation will be first applied in the rating year commencing 1 July 2012.</p> <p>The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation first applied to the rating period commencing 1 July 2010.</p>                     |                                 |                |                |
| <b>Note 3</b>   | <b>Statutory fees and fines</b> |                |                |
| Town planning fees  |                                 | 168            | 191            |
| Health regulations  |                                 | 99             | 104            |
| Building Permits  |                                 | 79             | 102            |
| Infringements and costs   |                                 | 107            | 68             |
| Land information certificates   |                                 | 61             | 65             |
| Special Charge schemes  |                                 | -              | 9              |
| Freedom of information  |                                 | -              | 1              |
|   |                                 | <b>514</b>     | <b>540</b>     |
| <b>Note 4</b>   | <b>User fees</b>                |                |                |
| Bluewater fitness centre fees   |                                 | 709            | 697            |
| Colac livestock selling centre fees   |                                 | 610            | 558            |
| Home care and delivered meals fees  |                                 | 577            | 385            |
| Colac Otway performing arts & cultural centre fees  |                                 | 326            | 342            |
| Council properties fees and rental  |                                 | 235            | 302            |
| Visitor information centre fees   |                                 | 344            | 285            |
| Waste disposal fees   |                                 | 254            | 220            |
| Other fees and charges  |                                 | 185            | 171            |
| Parking, animal control and local laws fees   |                                 | 160            | 139            |
| Apollo Bay Harbour fees   |                                 | 87             | 58             |
| Town planning and building fees   |                                 | 45             | 31             |
| <b>Total user fees</b>  |                                 | <b>3,532</b>   | <b>3,188</b>   |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

|  | 2012<br>\$'000 | 2011<br>\$'000 |
|--|----------------|----------------|
| <b>Note 5 Grants</b>   |                |                |
| Grants were received in respect of the following :   |                |                |
| <b>5a Functions of grants</b>  |                |                |
| <b>Operating grants</b>  |                |                |
| Victorian Grants Commission - Untied Base Grant  | 4,369          | 3,413          |
| Victorian Grants Commission - Local Roads Grant  | 3,004          | 2,326          |
| Aged & Disabled Services   | 1,474          | 1,245          |
| Port Management  | 780            | 780            |
| Family & Community Services  | 773            | 792            |
| Waste Management   | 732            | -              |
| Environment Protection & Services  | 417            | 147            |
| Local Roads & Bridges  | 266            | 330            |
| Recreation & Culture   | 225            | 727            |
| Business & Economic Services   | 127            | 409            |
| Administration   | 59             | 208            |
| Traffic & Street Management  | 47             | 36             |
| Governance   | -              | 26             |
| <b>Total operating grants</b>  | <b>12,273</b>  | <b>10,439</b>  |
| <b>Capital grants</b>  |                |                |
| Local Roads & Bridges  | 3,009          | 1,599          |
| Recreation & Culture   | 386            | 1,045          |
| Traffic & Street Management  | 129            | 179            |
| Business & Economic Services   | 27             | 80             |
| Environment Protection & Services  | -              | 540            |
| Family & Community Services  | -              | 368            |
| Natural Disaster*  | -              | 72             |
| <b>Total capital grants</b>  | <b>3,551</b>   | <b>3,883</b>   |
| <b>Total</b>   | <b>15,824</b>  | <b>14,322</b>  |
| <b>5b Summary of grants</b>  |                |                |
| Recurrent grants   | 11,434         | 10,232         |
| Non-Recurrent grants   | 4,390          | 4,090          |
| <b>Total</b>   | <b>15,824</b>  | <b>14,322</b>  |
| Federal Grants   | 9,108          | 8,533          |
| State Grants   | 6,476          | 5,588          |
| Other Grants   | 240            | 201            |
| <b>Total</b>   | <b>15,824</b>  | <b>14,322</b>  |
| <b>5c Conditions on grants</b>   |                |                |
| 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: |                |                |
| Local Roads & Bridges  | 210            | -              |
| Recreation & Culture   | 1,119          | 236            |
| Business & Economic Services   | 392            | 217            |
| Environmental Protection & Services  | 52             | -              |
| Community Development  | 123            | -              |
| Family & Community Services  | 346            | 323            |
| Aged & Disabled Services   | 299            | 52             |
| Traffic & Street Management  | 1,470          | 88             |
| <b>Total</b>   | <b>4,011</b>   | <b>916</b>     |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

|   | 2012         | 2011          |
|---|--------------|---------------|
|   | \$'000       | \$'000        |
| <b>Note 5 Grants (cont.)</b>  |              |               |
| Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were: |              |               |
| Family & Community Services   | 323          | 42            |
| Recreation & Culture  | 236          | 123           |
| Business & Economic Services  | 217          | -             |
| Traffic & Street Management   | 88           | -             |
| Aged & Disabled Services  | 52           | -             |
| Local Roads & Bridges   | -            | 86            |
| Environmental Protection & Services   | -            | 70            |
| <b>Total</b>  | <b>916</b>   | <b>321</b>    |
| Net increase (decrease) in restricted assets resulting from grant revenues for the year:  | <b>3,095</b> | <b>595</b>    |
| <b>Note 6 Contributions</b>   |              |               |
| <b>Operating</b>  | 282          | 95            |
| <b>Capital</b>  | 428          | 16,893        |
|   | <b>710</b>   | <b>16,988</b> |
| <b>(a) Cash</b>   |              |               |
| Community & health care   | 78           | 215           |
| Parks, open space and streetscapes  | 22           | 47            |
| Roads   | 63           | 15            |
| Recreational, leisure and community facilities  | 22           | 11            |
| Other   | 119          | 48            |
| <b>Total</b>  | <b>304</b>   | <b>336</b>    |
| <b>(b) Non-monetary assets (other)</b>  |              |               |
| Land  | -            | 125           |
| Land under roads  | 27           | 19            |
| Roads   | 58           | 368           |
| Footpaths and trails  | 13           | 23            |
| Drainage  | 49           | 323           |
| Kerb and channel  | 31           | 136           |
| <b>Total</b>  | <b>178</b>   | <b>994</b>    |
| <b>(c) Non-monetary assets (Port of Apollo Bay)*</b>  |              |               |
| Land  | 162          | -             |
| Buildings   | -            | 13,793        |
| Roads   | -            | 1,669         |
| Plant, and minor equipment  | 51           | 196           |
| Fixed plant, furniture and equipment  | 15           | -             |
| <b>Total</b>  | <b>228</b>   | <b>15,658</b> |
| <i>* Refer to note 1(g) and note 43 for further information.</i>  |              |               |
| <b>Total contributions</b>  | <b>710</b>   | <b>16,988</b> |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

Note 7 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

| 2012   | Asset value  | Accumulated Depreciation | Written down value of disposals | Value of Consideration | Profit on sale of asset |
|--|--------------|--------------------------|---------------------------------|------------------------|-------------------------|
|  | \$'000       | \$'000                   | \$'000                          | \$'000                 | \$'000                  |
| Land and buildings   | 2,278        | 1,434                    | 845                             | 899                    | 54                      |
| <b>Total Property</b>                                      | <b>2,278</b> | <b>1,434</b>             | <b>845</b>                      | <b>899</b>             | <b>54</b>               |
| <b>Plant and Equipment</b>                                 |              |                          |                                 |                        |                         |
| Plant and minor equipment                                  | 1,255        | 800                      | 455                             | 552                    | 96                      |
| <b>Total Plant and equipment</b>                           | <b>1,255</b> | <b>800</b>               | <b>455</b>                      | <b>552</b>             | <b>96</b>               |
| <b>Total property, plant and equipment, infrastructure</b> | <b>3,534</b> | <b>2,234</b>             | <b>1,300</b>                    | <b>1,450</b>           | <b>150</b>              |
| <b>2011</b>  |              |                          |                                 |                        |                         |
|  | Asset value  | Accumulated Depreciation | Written down value of disposals | Value of Consideration | Profit on sale of asset |
|  | \$'000       | \$'000                   | \$'000                          | \$'000                 | \$'000                  |
| <b>Property</b>  |              |                          |                                 |                        |                         |
| <b>Plant and Equipment</b>                                 |              |                          |                                 |                        |                         |
| Plant and minor equipment                                  | 1,155        | (509)                    | 646                             | 542                    | (104)                   |
| <b>Total Plant and equipment</b>                           | <b>1,155</b> | <b>(509)</b>             | <b>646</b>                      | <b>542</b>             | <b>(104)</b>            |
| <b>Total property, plant and equipment, infrastructure</b> | <b>1,155</b> | <b>(509)</b>             | <b>646</b>                      | <b>542</b>             | <b>(104)</b>            |
|  |              |                          |                                 | <b>2012</b>            | <b>2011</b>             |
|  |              |                          |                                 | <b>\$'000</b>          | <b>\$'000</b>           |
| <b>Note 8 Reimbursements</b>                               |              |                          |                                 |                        |                         |
| Employment scheme  |              |                          |                                 | 129                    | -                       |
| Long service leave transferred                             |              |                          |                                 | 51                     | 43                      |
| Insurances   |              |                          |                                 | 47                     | 69                      |
| Tourism Subscription                                       |              |                          |                                 | 47                     | 60                      |
| Regional development                                       |              |                          |                                 | 37                     | 45                      |
| Legal recoveries   |              |                          |                                 | 28                     | 51                      |
| Utilities  |              |                          |                                 | 11                     | 34                      |
| Family day care  |              |                          |                                 | 2                      | -                       |
| Other  |              |                          |                                 | 54                     | 9                       |
| <b>Total reimbursements</b>                                |              |                          |                                 | <b>406</b>             | <b>311</b>              |
| <b>Note 9 Finance income</b>                               |              |                          |                                 |                        |                         |
| Interest   |              |                          |                                 | 476                    | 436                     |
| Interest on rates  |              |                          |                                 | 114                    | 118                     |
| <b>Total other income</b>                                  |              |                          |                                 | <b>590</b>             | <b>554</b>              |
| <b>Note 10 Other income</b>                                |              |                          |                                 |                        |                         |
| State revenue office                                       |              |                          |                                 | -                      | 104                     |
| Agency commissions   |              |                          |                                 | -                      | 47                      |
| Private works  |              |                          |                                 | 30                     | 41                      |
| Local laws   |              |                          |                                 | 5                      | 16                      |
| Other  |              |                          |                                 | 48                     | 127                     |
| <b>Total other income</b>                                  |              |                          |                                 | <b>83</b>              | <b>335</b>              |



Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

|   | 2012<br>\$'000 | 2011<br>\$'000 |
|---|----------------|----------------|
| <b>Note 11 Employee benefits</b>  |                |                |
| Employee benefits were incurred in respect of the following :   |                |                |
| <b>11(a) Employee benefits</b>  |                |                |
| Wages and salaries  | 11,664         | 10,681         |
| Annual leave and long service leave   | 1,129          | 1,264          |
| Superannuation  | 1,192          | 1,148          |
| Sick leave  | 271            | 359            |
| Workcover   | 199            | 279            |
| Casual staff  | 482            | 239            |
| Fringe benefits tax   | 158            | 133            |
| Other   | 294            | 208            |
| <b>Total Operational employee benefits</b>  | <b>15,390</b>  | <b>14,311</b>  |
| Wages and salaries capitalised  | 544            | 432            |
| <b>Total employee benefits</b>  | <b>15,934</b>  | <b>14,743</b>  |
| <b>11(b) Employee benefits- additional superannuation call</b>  |                |                |
| Superannuation - additional call*   | 3,182          | 569            |
| <b>Total employee benefits - additional superannuation call</b>   | <b>3,182</b>   | <b>569</b>     |
| * during the period Council was required to recognise an additional contribution to Vision Super to meet obligations in relation to members of the defined benefit plan |                |                |
| <b>11(c) Summary of employee benefits</b>   |                |                |
| Operational employee benefits   | 18,572         | 14,880         |
| Capitalised employee benefits   | 544            | 432            |
| <b>Total</b>  | <b>19,116</b>  | <b>15,312</b>  |
| <b>Note 12 Materials and services</b>   |                |                |
| Contractors   | 4,636          | 5,170          |
| Material  | 551            | 2,068          |
| Services  | 1,581          | 1,137          |
| Subscriptions and memberships   | 942            | 953            |
| Consultants   | 928            | 757            |
| Agency staff  | 260            | 314            |
| Training costs  | 33             | 240            |
| Advertising   | 267            | 232            |
| Legal costs   | 282            | 193            |
| Hire costs  | 30             | 125            |
| Permits   | 2              | 33             |
| Plant and equipment maintenance   | 1,293          | 1,187          |
| Utilities   | 934            | 801            |
| Insurances  | 380            | 424            |
| <b>Total operational materials and services</b>   | <b>12,119</b>  | <b>13,634</b>  |
| Material and Services capitalised   | 10,702         | 10,646         |
| <b>Total materials and services</b>   | <b>22,821</b>  | <b>24,280</b>  |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

|  | 2012<br>\$'000 | 2011<br>\$'000 |
|--|----------------|----------------|
| <b>Note 13 Depreciation and amortisation</b>   |                |                |
| <i>Property</i>  |                |                |
| Land improvements  | -              | 455            |
| <i>Buildings</i>   |                |                |
| Buildings <sup>A</sup>   | 1,210          | 1,591          |
| <i>Plant and Equipment</i>   |                |                |
| Plant, and minor equipment   | 795            | 638            |
| Fixed plant, furniture and equipment   | 312            | 258            |
| Outdoor furniture  | 280            | -              |
| <i>Infrastructure</i>  |                |                |
| Roads*   | 4,511          | 3,688          |
| Bridges  | 231            | 265            |
| Footpaths and cycle ways   | 199            | 176            |
| Other structures   | 96             | -              |
| Drainage   | 263            | 257            |
| Kerb and channel   | 412            | 447            |
| Maritime Infrastructure  | 273            | -              |
| <i>Intangibles</i>   |                |                |
| Software   | 83             | 8              |
| <b>Total depreciation and amortisation</b>   | <b>8,665</b>   | <b>7,783</b>   |
| <small>* refer to note 1 (e) for further information.</small>  |                |                |
| <b>Note 14 Finance costs</b>   |                |                |
| Interest - Borrowings  | 341            | 308            |
| <b>Total finance costs</b>   | <b>341</b>     | <b>308</b>     |
| <b>Note 15 Other expenses</b>  |                |                |
| Grants and donations paid  | 505            | 432            |
| Councillors' allowances  | 195            | 196            |
| Auditors' remuneration   | 45             | 56             |
| Royalties and commissions  | 48             | 41             |
| Bad debts written off  | 2              | 15             |
| Other  | 411            | 226            |
| <b>Total other expenses</b>  | <b>1,206</b>   | <b>966</b>     |
| <b>Note 16 Investment in associates</b>  |                |                |
| Investments in associates accounted for by the equity method are:  |                |                |
| - Corangamite regional library corporation   | 377            | 452            |
| <b>Total</b>   | <b>377</b>     | <b>452</b>     |
| <b>Corangamite regional library corporation</b>  |                |                |
| <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 2011/2012 (2010/2011 24.4%) |                |                |
| <i>Movement in carrying value of specific investment</i>   |                |                |
| Carrying value of investment at start of year  | 452            | 406            |
| Share of surplus(deficit) for year   | (74)           | 46             |
| Share of asset revaluation   | -              | -              |
| Carrying value of investment at end of year  | <b>377</b>     | <b>452</b>     |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

|   | 2012<br>\$'000 | 2011<br>\$'000 |
|---|----------------|----------------|
| <b>Note 17 Cash and cash equivalents</b>  |                |                |
| Cash on hand  | 6              | 7              |
| Cash at bank  | 13,607         | 8,874          |
| Money market call account   | -              | 1,894          |
| <b>Total cash and cash equivalents</b>  | <b>13,613</b>  | <b>10,775</b>  |
| <small>Users of the financial report should refer to Note 30 for details of restrictions on cash assets and Note 32 for details of existing Council commitments</small> |                |                |
| <b>Note 18 Trade and other receivables</b>  |                |                |
| Rates debtors   | 1,180          | 1,051          |
| Government grants   | 1,416          | 759            |
| Special charge schemes  | 140            | 261            |
| Net GST receivable  | 215            | 231            |
| Loans and advances to community organisations   | 81             | 31             |
| Other debtors   | 423            | 446            |
| <b>Total trade and other receivables</b>  | <b>3,455</b>   | <b>2,779</b>   |
| <b>Note 19 Inventories</b>  |                |                |
| Inventories held for sale   | 159            | 108            |
| Inventories held for distribution   | 19             | 27             |
| <b>Total inventories</b>  | <b>178</b>     | <b>135</b>     |
| <b>Note 20 Other assets</b>   |                |                |
| Prepayments   | -              | 31             |
| Accrued income  | 12             | 22             |
| <b>Total other assets</b>   | <b>12</b>      | <b>53</b>      |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

|  | 2012<br>\$'000 | 2011<br>\$'000 |
|--|----------------|----------------|
| <b>Note 21 Property, infrastructure, plant and equipment</b> |                |                |
| <b>Summary</b>   |                |                |
| at cost  | 25,107         | 24,247         |
| Less accumulated depreciation                                | 10,719         | 5,134          |
|  | <u>14,388</u>  | <u>19,114</u>  |
| at fair value  | 128,972        | 118,128        |
| Less accumulated depreciation                                | 46,012         | 45,121         |
|  | <u>82,961</u>  | <u>73,007</u>  |
| at council valuation   | 239,970        | 245,760        |
| Less accumulated depreciation                                | 67,679         | 98,118         |
|  | <u>172,290</u> | <u>147,641</u> |
| <b>Total</b>   | <u>269,639</u> | <u>239,762</u> |
| <b>Property</b>  |                |                |
| <b>Land</b>  |                |                |
| at cost  | -              | 1,353          |
| at fair value as at 30 June 2010                             | -              | 31,545         |
| at fair value as at 30 June 2012                             | 35,528         | -              |
|  | <u>35,528</u>  | <u>32,898</u>  |
| <b>Land under roads</b>                                      |                |                |
| at cost  | 222            | 194            |
|  | <u>222</u>     | <u>194</u>     |
| <b>Land improvements</b>                                     |                |                |
| at cost  | -              | 3,009          |
| Less accumulated depreciation                                | -              | 231            |
|  | <u>-</u>       | <u>2,777</u>   |
| at council valuation as at 30 June 2005                      | -              | 2,932          |
| Less accumulated depreciation                                | -              | 2,856          |
|  | <u>-</u>       | <u>76</u>      |
| <b>Total Land</b>  | <u>35,750</u>  | <u>35,946</u>  |
| <b>Buildings</b>   |                |                |
| at cost  | -              | 7,901          |
| Less accumulated depreciation                                | -              | 229            |
|  | <u>-</u>       | <u>7,672</u>   |
| at fair value as at 1 July 2008                              | -              | 20,682         |
| Less accumulated depreciation                                | -              | 7,149          |
|  | <u>-</u>       | <u>13,533</u>  |
| at fair value as at 30 June 2010                             | -              | 60,349         |
| Less Accumulated depreciation                                | -              | 34,119         |
|  | <u>-</u>       | <u>26,230</u>  |
| at fair value as at 30 June 2012                             | 62,982         | -              |
| Less Accumulated depreciation                                | 35,261         | -              |
|  | <u>27,721</u>  | <u>-</u>       |
| <b>Total Buildings</b>                                       | <u>27,721</u>  | <u>47,434</u>  |
| <b>Total Property</b>  | <u>63,471</u>  | <u>83,380</u>  |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

|   | 2012<br>\$'000 | 2011<br>\$'000 |
|---|----------------|----------------|
| <b>Property, infrastructure, plant and equipment (cont.)</b>  |                |                |
| Valuation of land (excluding land under roads) and buildings were undertaken by the qualified independent valuer Mr Steven Davey – Certified Practising Valuer – API Member No. 63379 of Opteon Property. 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 2012. |                |                |
| 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.   |                |                |
| <b>Plant and Equipment</b>  |                |                |
| <b>Plant and minor equipment</b>  |                |                |
| at cost   | 9,397          | 8,797          |
| Less accumulated depreciation   | 4,688          | 4,693          |
|   | <u>4,709</u>   | <u>4,104</u>   |
| <b>Fixed plant, furniture and equipment</b>   |                |                |
| at cost   | 2,064          | 1,895          |
| Less accumulated depreciation   | 1,022          | 803            |
|   | <u>1,042</u>   | <u>1,092</u>   |
| <b>Outdoor furniture</b>  |                |                |
| at cost   | 4,098          | -              |
| Less accumulated depreciation   | 2,221          | -              |
|   | <u>1,877</u>   | <u>-</u>       |
| <b>Total Plant and Equipment</b>  | <u>7,628</u>   | <u>5,196</u>   |
| <b>Infrastructure</b>   |                |                |
| <b>Roads</b>  |                |                |
| at fair value as at 30 June 2008  | -              | 4,447          |
| Less Accumulated depreciation   | -              | 2,903          |
|   | <u>-</u>       | <u>1,544</u>   |
| at council valuation as at 30 June 2011   | -              | 177,591        |
| Less accumulated depreciation   | -              | 70,557         |
|   | <u>-</u>       | <u>107,034</u> |
| at council valuation as at 30 June 2012   | 171,277        | -              |
| Less accumulated depreciation   | 42,856         | -              |
|   | <u>128,421</u> | <u>-</u>       |
| <b>Total road infrastructure</b>  | <u>128,421</u> | <u>108,579</u> |
| <b>Bridges</b>  |                |                |
| at cost   | 495            | -              |
| Less accumulated depreciation   | 21             | -              |
|   | <u>474</u>     | <u>-</u>       |
| at council valuation as at 30 June 2010   | 16,880         | 16,833         |
| Less accumulated depreciation   | 6,135          | 5,822          |
|   | <u>10,745</u>  | <u>11,011</u>  |
| <b>Total bridge infrastructure</b>  | <u>11,219</u>  | <u>11,011</u>  |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

| Note 21 | Property, infrastructure, plant and equipment (cont.) | 2012<br>\$'000 | 2011<br>\$'000 |
|---------|---|----------------|----------------|
|         | <b>Footpaths and cycle ways</b>                       |                |                |
|         | at cost   | -              | 789            |
|         | Less accumulated depreciation                         | -              | 15             |
|         |   | -              | <u>774</u>     |
|         | at council valuation as at 30 June 2009               | -              | 8,102          |
|         | Less accumulated depreciation                         | -              | 3,220          |
|         |   | -              | <u>4,882</u>   |
|         | at council valuation as at 30 June 2012               | 10,534         | -              |
|         | Less accumulated depreciation                         | 2,609          | -              |
|         |   | <u>7,925</u>   | -              |
|         | <b>Total footpath infrastructure</b>                  | <u>7,925</u>   | <u>5,656</u>   |
|         | <b>Drainage</b>                                       |                |                |
|         | at cost   | 733            | 400            |
|         | Less accumulated depreciation                         | 6              | -              |
|         |   | <u>727</u>     | <u>400</u>     |
|         | at council valuation as at 30 June 2010               | 20,613         | 20,568         |
|         | Less accumulated depreciation                         | 8,167          | 7,882          |
|         |   | <u>12,447</u>  | <u>12,686</u>  |
|         | <b>Total drainage infrastructure</b>                  | <u>13,174</u>  | <u>13,086</u>  |
|         | <b>Kerb and channelling</b>                           |                |                |
|         | at cost   | -              | 209            |
|         | Less accumulated depreciation                         | -              | 2              |
|         |   | -              | <u>207</u>     |
|         | at council valuation as at 30 June 2009               | -              | 19,684         |
|         | Less accumulated depreciation                         | -              | 7,781          |
|         |   | -              | <u>11,903</u>  |
|         | at council valuation as at 30 June 2012               | 20,665         | -              |
|         | Less accumulated depreciation                         | 7,913          | -              |
|         |   | <u>12,753</u>  | -              |
|         | <b>Total kerb and channel infrastructure</b>          | <u>12,753</u>  | <u>12,111</u>  |
|         | <b>Other structures</b>                               |                |                |
|         | at cost   | 7,218          | -              |
|         | Less accumulated depreciation                         | 2,568          | -              |
|         |   | <u>4,650</u>   | -              |
|         | <b>Marine Infrastructure</b>                          |                |                |
|         | at fair value as at 30 June 2012                      | 30,463         | -              |
|         | Less accumulated depreciation                         | 10,751         | -              |
|         |   | <u>19,712</u>  | -              |
|         | <b>Total Infrastructure</b>                           | <u>197,853</u> | <u>150,442</u> |
|         | <b>Intangibles</b>                                    |                |                |
|         | at cost   | 621            | 406            |
|         | Less accumulated depreciation                         | 193            | 110            |
|         | <b>Total intangibles</b>                              | <u>428</u>     | <u>296</u>     |

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Adam Lehmann (BEng) in 2010 and 2011 and 2012. a separate valuation of Maritime infrastructure was carried out by BDH on behalf of the Department of Transport in 2012

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

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

| Note 21 | Property, infrastructure, plant and equipment (cont.)      | 2012<br>\$'000 | 2011<br>\$'000 |
|---------|--|----------------|----------------|
|         | <b>Works in progress</b>                                   |                |                |
|         | Buildings at cost  | 7              | 169            |
|         | Outdoor furniture  | 55             | -              |
|         | Roads at cost  | -              | 14             |
|         | Footpaths at cost  | 63             | 146            |
|         | Other structures   | 88             | -              |
|         | Fixed plant, furniture and equipment                       | 45             | 1              |
|         | Land improvements at cost                                  | -              | 11             |
|         | Bridges at cost  | -              | 54             |
|         | Drainage at cost   | 1              | 54             |
|         | <b>Total works in progress</b>                             | <b>259</b>     | <b>448</b>     |
|         | <b>Total property, infrastructure, plant and equipment</b> | <b>269,639</b> | <b>239,762</b> |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

Note 21 Property, plant and equipment, infrastructure (cont.)

| 2012   | Balance at beginning of financial year | Acquisition of assets | Revaluation increments (decrements) (note 26) | Depreciation and amortisation (note 13) | 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                           |
| <b>Property</b>  |  |                       |   |   |                                 |                    |                                 |                 |                                  |
| Land   | 32,898                                 | 371                   | 2,586   | -                                       | (327)                           | -                  | -                               | -               | 35,528                           |
| Land under roads   | 194                                    | -                     | -   | -                                       | -                               | -                  | 27                              | -               | 221                              |
| Land improvements  | 2,854                                  | -                     | -   | -                                       | -                               | -                  | -                               | (2,854)         | -                                |
| <b>Total land</b>  | <b>35,946</b>                          | <b>371</b>            | <b>2,586</b>                                  | <b>-</b>                                | <b>(327)</b>                    | <b>-</b>           | <b>27</b>                       | <b>(2,854)</b>  | <b>35,749</b>                    |
| Buildings  | 47,435                                 | 2,293                 | (6,113)                                       | (1,210)                                 | (518)                           | -                  | -                               | (14,168)        | 27,720                           |
| Other structures   | -                                      | -                     | -   | -                                       | -                               | -                  | -                               | -               | -                                |
| <b>Total Buildings</b>                                     | <b>47,435</b>                          | <b>2,293</b>          | <b>(6,113)</b>                                | <b>(1,210)</b>                          | <b>(518)</b>                    | <b>-</b>           | <b>-</b>                        | <b>(14,168)</b> | <b>27,720</b>                    |
| <b>Total Property</b>                                      | <b>83,381</b>                          | <b>2,664</b>          | <b>(3,526)</b>                                | <b>(1,210)</b>                          | <b>(845)</b>                    | <b>-</b>           | <b>27</b>                       | <b>(17,022)</b> | <b>63,469</b>                    |
| <b>Plant and Equipment</b>                                 |  |                       |   |   |                                 |                    |                                 |                 |                                  |
| Plant and minor equipment                                  | 4,104                                  | 1,805                 | -   | (795)                                   | (455)                           | -                  | 51                              | -               | 4,710                            |
| Fixed plant, furniture and equipment                       | 1,092                                  | 487                   | -   | (312)                                   | -                               | -                  | -                               | (225)           | 1,042                            |
| Outdoor furniture  | -                                      | 67                    | -   | (280)                                   | -                               | -                  | 15                              | 2,076           | 1,878                            |
| <b>Total Plant and equipment</b>                           | <b>5,196</b>                           | <b>2,359</b>          | <b>-</b>                                      | <b>(1,387)</b>                          | <b>(455)</b>                    | <b>-</b>           | <b>66</b>                       | <b>1,851</b>    | <b>7,629</b>                     |
| <b>Infrastructure</b>                                      |  |                       |   |   |                                 |                    |                                 |                 |                                  |
| Roads  | 108,579                                | 4,567                 | 25,503  | (4,511)                                 | -                               | (1,396)            | 58                              | (4,379)         | 128,420                          |
| Bridges  | 11,011                                 | 365                   | -   | (231)                                   | -                               | -                  | -                               | 76              | 11,219                           |
| Footpaths and cycle ways                                   | 5,656                                  | 429                   | 958   | (199)                                   | -                               | -                  | 13                              | 1,068           | 7,925                            |
| Other structures   | -                                      | 381                   | -   | (96)                                    | -                               | -                  | -                               | 4,365           | 4,650                            |
| Drainage   | 13,086                                 | 230                   | -   | (263)                                   | -                               | -                  | 49                              | 71              | 13,173                           |
| Kerb and channelling                                       | 12,110                                 | 33                    | 991   | (412)                                   | -                               | -                  | 31                              | 1               | 12,754                           |
| Marine Infrastructure                                      | -                                      | -                     | 5,443   | (273)                                   | -                               | -                  | 161                             | 14,380          | 19,711                           |
| <b>Total Infrastructure</b>                                | <b>150,441</b>                         | <b>6,004</b>          | <b>32,895</b>                                 | <b>(5,985)</b>                          | <b>-</b>                        | <b>(1,396)</b>     | <b>313</b>                      | <b>15,582</b>   | <b>197,853</b>                   |
| <b>Intangibles</b>   |  |                       |   |   |                                 |                    |                                 |                 |                                  |
| Software   | 296                                    | 215                   | -   | (83)                                    | -                               | -                  | -                               | -               | 428                              |
| <b>Total Intangibles</b>                                   | <b>296</b>                             | <b>215</b>            | <b>-</b>                                      | <b>(83)</b>                             | <b>-</b>                        | <b>-</b>           | <b>-</b>                        | <b>-</b>        | <b>428</b>                       |
| <b>Works in progress</b>                                   |  |                       |   |   |                                 |                    |                                 |                 |                                  |
| Buildings  | 169                                    | 7                     | -   | -                                       | -                               | -                  | -                               | (169)           | 7                                |
| Land   | -                                      | -                     | -   | -                                       | -                               | -                  | -                               | -               | -                                |
| Roads  | 14                                     | -                     | -   | -                                       | -                               | -                  | -                               | (14)            | -                                |
| Footpaths  | 146                                    | 51                    | -   | -                                       | -                               | -                  | -                               | (134)           | 63                               |
| Land improvements  | 11                                     | -                     | -   | -                                       | -                               | -                  | -                               | (11)            | -                                |
| Bridges  | 54                                     | -                     | -   | -                                       | -                               | -                  | -                               | (54)            | -                                |
| Outdoor furniture  | -                                      | 31                    | -   | -                                       | -                               | -                  | -                               | 24              | 55                               |
| Other structures   | -                                      | 88                    | -   | -                                       | -                               | -                  | -                               | -               | 88                               |
| Fixed plant, furniture and equipment                       | 1                                      | 44                    | -   | -                                       | -                               | -                  | -                               | -               | 45                               |
| Drainage   | 54                                     | 1                     | -   | -                                       | -                               | -                  | -                               | (54)            | 1                                |
| <b>Total Works in progress</b>                             | <b>448</b>                             | <b>223</b>            | <b>-</b>                                      | <b>-</b>                                | <b>-</b>                        | <b>-</b>           | <b>-</b>                        | <b>(412)</b>    | <b>259</b>                       |
| <b>Total property, plant and equipment, infrastructure</b> | <b>239,762</b>                         | <b>11,464</b>         | <b>29,369</b>                                 | <b>(8,665)</b>                          | <b>(1,300)</b>                  | <b>(1,396)</b>     | <b>406</b>                      | <b>-</b>        | <b>269,639</b>                   |



Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

Note 21 Property, plant and equipment, infrastructure (cont.)

| 2011   | Balance at beginning of financial year | Acquisition of assets | Revaluation increments (decrements) (note 26) | Depreciation and amortisation (note 13) | Assets written off | Losses recognised in profit or loss (b) | Non-monetary assets contributed | Transfers      | Balance at end of financial year |
|--|--|-----------------------|---|---|--------------------|---|---------------------------------|----------------|----------------------------------|
|  | \$'000                                 | \$'000                | \$'000  | \$'000                                  | \$'000             | \$'000                                  | \$'000                          | \$'000         | \$'000                           |
| <b>Property</b>  |  |                       |   |   |                    |   |                                 |                |                                  |
| Land   | 32,070                                 | 625                   | -   | -                                       | -                  | -                                       | 125                             | 78             | 32,898                           |
| Land under roads   | 175                                    | -                     | -   | -                                       | -                  | -                                       | 19                              | -              | 194                              |
| Land improvements  | 2,993                                  | 150                   | -   | (455)                                   | -                  | 66                                      | -                               | 100            | 2,854                            |
| <b>Total land</b>  | <b>35,238</b>                          | <b>775</b>            | <b>-</b>                                      | <b>(455)</b>                            | <b>-</b>           | <b>66</b>                               | <b>144</b>                      | <b>178</b>     | <b>35,946</b>                    |
| Buildings  | 27,408                                 | 2,945                 | -   | (1,591)                                 | -                  | (8)                                     | 13,793                          | 4,888          | 47,435                           |
| <b>Total Buildings</b>                                     | <b>27,408</b>                          | <b>2,945</b>          | <b>-</b>                                      | <b>(1,591)</b>                          | <b>-</b>           | <b>(8)</b>                              | <b>13,793</b>                   | <b>4,888</b>   | <b>47,435</b>                    |
| <b>Total Property</b>                                      | <b>62,646</b>                          | <b>3,720</b>          | <b>-</b>                                      | <b>(2,046)</b>                          | <b>-</b>           | <b>58</b>                               | <b>13,937</b>                   | <b>5,066</b>   | <b>83,381</b>                    |
| <b>Plant and Equipment</b>                                 |  |                       |   |   |                    |   |                                 |                |                                  |
| 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                            |
| <b>Total Plant and equipment</b>                           | <b>5,195</b>                           | <b>1,651</b>          | <b>-</b>                                      | <b>(896)</b>                            | <b>(646)</b>       | <b>(92)</b>                             | <b>196</b>                      | <b>(212)</b>   | <b>5,196</b>                     |
| <b>Infrastructure</b>                                      |  |                       |   |   |                    |   |                                 |                |                                  |
| 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                           |
| <b>Total Infrastructure</b>                                | <b>167,780</b>                         | <b>5,381</b>          | <b>(20,297)</b>                               | <b>(4,833)</b>                          | <b>-</b>           | <b>(140)</b>                            | <b>2,519</b>                    | <b>31</b>      | <b>150,441</b>                   |
| <b>Intangibles</b>   |  |                       |   |   |                    |   |                                 |                |                                  |
| Software   | -                                      | 200                   | -   | (8)                                     | -                  | -                                       | -                               | 104            | 296                              |
| <b>Total Intangibles</b>                                   | <b>-</b>                               | <b>200</b>            | <b>-</b>                                      | <b>(8)</b>                              | <b>-</b>           | <b>-</b>                                | <b>-</b>                        | <b>104</b>     | <b>296</b>                       |
| <b>Works in progress (a)</b>                               |  |                       |   |   |                    |   |                                 |                |                                  |
| 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                               |
| <b>Total Works in progress</b>                             | <b>4,989</b>                           | <b>448</b>            | <b>-</b>                                      | <b>-</b>                                | <b>-</b>           | <b>-</b>                                | <b>-</b>                        | <b>(4,989)</b> | <b>448</b>                       |
| <b>Total property, plant and equipment, infrastructure</b> | <b>240,610</b>                         | <b>11,400</b>         | <b>(20,297)</b>                               | <b>(7,783)</b>                          | <b>(646)</b>       | <b>(174)</b>                            | <b>16,652</b>                   | <b>-</b>       | <b>239,762</b>                   |

(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.

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

|  | 2012         | 2011         |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| <b>Note 22 Trade and other payables</b>  |              |              |
| (a) <b>Current trade and other payables</b>  |              |              |
| Trade payables   | 1,736        | 1,598        |
| Accrued expenses   | 318          | 222          |
| <b>Total current trade and other payables</b>  | <b>2,054</b> | <b>1,820</b> |
| (b) <b>Non-current trade and other payables</b>  |              |              |
| Defined benefits superannuation additional call  | 3,182        | -            |
| <b>Total non-current trade and other payables</b>  | <b>3,182</b> | <b>-</b>     |
| <b>Total trade and other payables</b>  | <b>5,236</b> | <b>1,820</b> |
| <b>Note 23 Trust funds and deposits</b>  |              |              |
| Refundable builders footpath deposits  | 56           | 26           |
| Refundable contract deposits   | 26           | 23           |
| Refundable landscaping bond deposits   | 143          | 57           |
| Refundable planning deposits   | 15           | 161          |
| Refundable re-erection of dwellings deposits   | 13           | 18           |
| Other refundable deposits  | -            | 2            |
| <b>Total trust funds and deposits</b>  | <b>253</b>   | <b>287</b>   |
| Trust funds are refundable deposits held as guarantee for compliance with Council regulations. |              |              |

**Note 24 Provisions**

|   | Annual leave | Long service leave | Landfill restoration | Total         |
|---|--------------|--------------------|----------------------|---------------|
|   | \$'000       | \$'000             | \$'000               | \$'000        |
| <b>2012</b>                                     |              |                    |                      |               |
| Balance at beginning of the financial year      | 1,005        | 2,182              | 4,146                | 7,333         |
| Additional provisions                           | 1,252        | 303                | 2                    | 1,557         |
| Amounts used                                    | (951)        | (149)              | (455)                | (1,556)       |
| <b>Balance at the end of the financial year</b> | <b>1,306</b> | <b>2,336</b>       | <b>3,693</b>         | <b>7,335</b>  |
| <b>2011</b>                                     |              |                    |                      |               |
| 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)       |
| <b>Balance at the end of the financial year</b> | <b>1,005</b> | <b>2,182</b>       | <b>4,146</b>         | <b>7,333</b>  |
|   |              |                    | <b>2012</b>          | <b>2011</b>   |
|   |              |                    | <b>\$'000</b>        | <b>\$'000</b> |
| <b>(a) Employee benefits</b>                    |              |                    |                      |               |
| <b>Current (i)</b>                              |              |                    |                      |               |
| Annual leave                                    |              |                    | 1,306                | 1,005         |
| Long service leave                              |              |                    | 1,889                | 1,675         |
|   |              |                    | <b>3,195</b>         | <b>2,680</b>  |
| <b>Non-current (ii)</b>                         |              |                    |                      |               |
| Long service leave                              |              |                    | 447                  | 507           |
|   |              |                    | <b>447</b>           | <b>507</b>    |
| Aggregate carrying amount of employee benefits: |              |                    |                      |               |
| Current   |              |                    | 3,195                | 2,680         |
| Non-current                                     |              |                    | 447                  | 507           |
|   |              |                    | <b>3,642</b>         | <b>3,187</b>  |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

|   | 2012         | 2011         |
|---|--------------|--------------|
|   | \$'000       | \$'000       |
| <b>Note 24 Provisions (cont.)</b>   |              |              |
| The following assumptions were adopted in measuring the present value of employee benefits:   |              |              |
| Weighted average increase in employee costs   | 4.20%        | 4.19%        |
| Weighted average discount rates   | 2.70%        | 4.99%        |
| Weighted average settlement period  | 12           | 12           |
| <b>(i) Current</b>  |              |              |
| 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  | 2,963        | 2,005        |
| - Other long-term employee benefits that do not fall due within 12 months after the end   | 232          | 675          |
|   | <b>3,195</b> | <b>2,680</b> |
| <b>(ii) Non-current</b>   |              |              |
| Long service leave representing less than 10 years of continuous service measured at present value  | 447          | 477          |
|   | <b>447</b>   | <b>477</b>   |
| <b>(b) Land fill restoration</b>  |              |              |
| Under agreement Council is obligated to restore the all Landfill sites to a particular standard. Under agreements Council is required to restore closed land fill sites as well as the current Alvie land fill site. Current projections indicate that the Alvie 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 (for all landfill sites) 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 has carried out \$455K rehabilitation work during 2011-12 at the Merangeo landfill. This landfill was closed in 2010-2011.  |              |              |
| Council does not expect to receive reimbursement from a third party.  |              |              |
| <b>(c) Provision for landfill restoration</b>   |              |              |
| Provision for landfill restoration  |              |              |
| Current   | 427          | 453          |
| Non-current   | 3,266        | 3,693        |
| Total   | <b>3,693</b> | <b>4,146</b> |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

|  | 2012<br>\$'000 | 2011<br>\$'000 |
|--|----------------|----------------|
| <b>Note 25 Interest-bearing loans and borrowings</b>   |                |                |
| <b>Current</b>   |                |                |
| Borrowings - secured                                   | 392            | 465            |
|  | <u>392</u>     | <u>465</u>     |
| <b>Non-current</b>                                     |                |                |
| Borrowings - secured                                   | 3,796          | 4,380          |
| <b>Total</b>   | <u>4,188</u>   | <u>4,845</u>   |
| The maturity profile for Council's borrowings is:      |                |                |
| Not later than one year                                | 392            | 446            |
| Later than one year and not later than five years      | 1,895          | 1,944          |
| Later than five years                                  | 1,901          | 2,455          |
| <b>Total</b>   | <u>4,188</u>   | <u>4,845</u>   |
| <b>Interest bearing loans and borrowings movements</b> |                |                |
| Opening Interest-bearing loans and borrowings          | 4,845          | 4,157          |
| New loans taken up during year                         | -              | 1,100          |
| Repayment of loan principal                            | (657)          | (412)          |
| Closing Interest-bearing loans and borrowings          | <u>4,188</u>   | <u>4,845</u>   |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

Note 26 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                             |
| <b>2012</b>                             |  |                       |   |                                    |
| <b>Property</b>                         |  |                       |   |                                    |
| Land                                    | 24,387                                   | 2,588                 | -   | 26,975                             |
| Land improvements                       | 552                                      | -                     | -   | 552                                |
| Fixed plant, furniture and equipment    | 293                                      | -                     | -   | 293                                |
| Buildings                               | 13,137                                   | (6,113)               | -   | 7,024                              |
| Plant and equipment                     | -  | -                     | -   | -                                  |
| Share of CRLC asset revaluation reserve | 450                                      | -                     | -   | 450                                |
|   | <b>38,819</b>                            | <b>(3,525)</b>        | <b>-</b>  | <b>35,294</b>                      |
| <b>Infrastructure</b>                   |  |                       |   |                                    |
| Roads                                   | 63,608                                   | 25,504                | -   | 89,112                             |
| Bridges                                 | 7,782                                    | (1)                   | -   | 7,781                              |
| Footpaths and cycle ways                | 969                                      | 958                   | -   | 1,927                              |
| Drainage                                | 3,830                                    | (1)                   | -   | 3,829                              |
| Kerb and channelling                    | 6,695                                    | 991                   | -   | 7,686                              |
| Marine                                  | -  | 5,443                 | -   | 5,443                              |
|   | <b>82,884</b>                            | <b>32,895</b>         | <b>-</b>  | <b>115,779</b>                     |
| <b>Total asset revaluation surplus</b>  | <b>121,703</b>                           | <b>29,370</b>         | <b>-</b>  | <b>151,073</b>                     |
| <b>2011</b>                             |  |                       |   |                                    |
| <b>Property</b>                         |  |                       |   |                                    |
| 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                                |
|   | <b>38,819</b>                            | <b>-</b>              | <b>-</b>  | <b>38,819</b>                      |
| <b>Infrastructure</b>                   |  |                       |   |                                    |
| 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                              |
|   | <b>103,181</b>                           | <b>(20,297)</b>       | <b>-</b>  | <b>82,884</b>                      |
| <b>Total asset revaluation surplus</b>  | <b>142,000</b>                           | <b>(20,297)</b>       | <b>-</b>  | <b>121,703</b>                     |

The asset revaluation reserves have been established to capture the movements in asset valuations upon the periodic revaluation of council's assets.

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

Note 26 Reserves (cont.)

|                                 | Balance at<br>beginning of<br>reporting period | Transfer from<br>accumulated surplus | Transfer to<br>accumulated surplus | Balance at end of<br>reporting period |
|---------------------------------|--|--------------------------------------|------------------------------------|---------------------------------------|
|                                 | \$'000   | \$'000                               | \$'000                             | \$'000                                |
| <b>(b) Other reserves</b>       |  |                                      |                                    |                                       |
| <b>2012</b>                     |  |                                      |                                    |                                       |
| Carried Forward Projects        | -  | 3,264                                | -                                  | 3,264                                 |
| Long Service Leave reserve      | -  | 2,243                                | -                                  | 2,243                                 |
| Port of Apollo Bay              | 1,151  | 371                                  | -                                  | 1,522                                 |
| Plant replacement               | 1,261  | 3,591                                | (3,543)                            | 1,309                                 |
| Kerbside bin replacement        | 205  | 401                                  | -                                  | 606                                   |
| Recreational lands              | 564  | 22                                   | -                                  | 586                                   |
| Landfill rehabilitation (Alvie) | 467  | 57                                   | -                                  | 524                                   |
| Colac livestock selling centre  | 344  | 128                                  | -                                  | 472                                   |
| Rehabilitation reserve          | 160  | -                                    | -                                  | 160                                   |
| Car parking                     | 137  | -                                    | (10)                               | 128                                   |
| Unfunded superannuation reserve | 100  | -                                    | -                                  | 100                                   |
| Tirringower Drainage Scheme     | 36   | 22                                   | (29)                               | 29                                    |
| Lakeside estate                 | (1)  | 1                                    | -                                  | -                                     |
| Resource development reserve    | 384  | -                                    | (384)                              | -                                     |
| <b>Total Other reserves</b>     | <b>4,809</b>                                   | <b>10,101</b>                        | <b>(3,966)</b>                     | <b>10,944</b>                         |
| <b>2011</b>                     |  |                                      |                                    |                                       |
| 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)                               | 138                                   |
| Unfunded superannuation reserve | 166  | 100                                  | (166)                              | 100                                   |
| Tirringower Drainage Scheme     | -  | 36                                   | -                                  | 36                                    |
| Waste management                | 792  | -                                    | (792)                              | -                                     |
| Lakeside estate                 | 744  | -                                    | (744)                              | -                                     |
| Share of CRLC plant replacement | 8  | -                                    | (8)                                | -                                     |
| <b>Total Other reserves</b>     | <b>5,402</b>                                   | <b>4,408</b>                         | <b>(5,001)</b>                     | <b>4,810</b>                          |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

Note 26 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 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 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.

*Carried forward projects*

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

*Long service leave reserve*

The purpose of this reserve is to ensure that the nominal long service leave balances owing to employees are fully funded and maintained.

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

|  | 2012<br>\$'000 | 2011<br>\$'000 |
|--|----------------|----------------|
| <b>Note 27 Reconciliation of cash flows from operating activities to profit/(loss)</b>   |                |                |
| Surplus / (Deficit)  | 1,226          | 18,900         |
| Depreciation/amortisation  | 8,665          | 7,783          |
| (Profit)/loss on disposal of property, plant and equipment, infrastructure   | (150)          | 104            |
| Contributions - Non-monetary assets (other)  | (178)          | (994)          |
| Share of result of associate   | 74             | (46)           |
| Finance costs  | 341            | 282            |
| Contributions - Non-monetary assets (Port of Apollo Bay)   | (228)          | (15,658)       |
| Property, plant and equipment, infrastructure written off  | 1,396          | 174            |
| Net GST receipts and payments  | 883            | 816            |
| <i>Change in assets and liabilities:</i>   |                |                |
| (Increase)/decrease in trade and other receivables   | (665)          | (94)           |
| (Increase)/decrease in prepayments   | 31             | 239            |
| (Increase)/decrease in inventories   | (43)           | (38)           |
| (Decrease)/increase in trade and other payables  | 213            | (145)          |
| (Decrease)/increase in provisions  | 3,184          | 966            |
| <b>Net cash provided by/(used in) operating activities</b>   | <b>14,749</b>  | <b>12,289</b>  |
| <b>Note 28 Reconciliation of cash and cash equivalents</b>   |                |                |
| Cash and cash equivalents (see note 17)  | 13,613         | 10,775         |
| <b>Total reconciliation of cash and cash equivalents</b>   | <b>13,613</b>  | <b>10,775</b>  |
| <b>Note 29 Financing arrangements</b>  |                |                |
| Bank overdraft   | 1,000          | 1,000          |
| <b>Unused facilities</b>   | <b>1,000</b>   | <b>1,000</b>   |
| <b>Note 30 Restricted assets</b>   |                |                |
| Council has cash and cash equivalents (note 17) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to certain reserve funds (Car parking and Recreational Lands Reserves).   |                |                |
| Long service leave (note 24(a))  | -              | 2,182          |
| Trust deposits (note 23)   | 253            | 287            |
| Reserve funds (note 26(b))   | 10,944         | 4,810          |
| <b>Total restricted assets</b>   | <b>11,197</b>  | <b>7,279</b>   |
| * Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2012 and does not necessarily equate to the long service leave liability disclosed in note 24(a) due to a different basis of calculation prescribed by the regulation. |                |                |



Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

Note 31 Superannuation

|   | 2012<br>\$'000 | 2011<br>\$'000 |
|---|----------------|----------------|
| Council made contributions to the following funds:                                  |                |                |
| <b>Defined benefits fund</b>  |                |                |
| Employer contributions paid to Local Authorities Superannuation Fund (Vision Super) | 3,533          | 861            |
|   | <u>3,533</u>   | <u>861</u>     |
| <b>Accumulation funds</b>   |                |                |
| Employer contributions paid to Local Authorities Superannuation Fund (Vision Super) | 1,086          | 899            |
|   | <u>1,086</u>   | <u>899</u>     |

The Local Authorities Superannuation Fund latest 31 December 2011 actuarial investigation identified an unfunded liability of \$406 million excluding the contributions tax in the defined benefit fund of which we are a member. The value of the undefined liability call effective at 1 July 2013 is \$453 million. Council was made aware of the expected shortfall through the year and was formally notified of their share of the shortfall on 3 August 2012 which amounted to \$3,181,869 (including contributions tax of \$477,280). Council has yet to determine how this shortfall will be funded and will make this determination during the next financial year. Council has accounted for this shortfall in the Comprehensive Income Statement in Employee Benefits (See Note 11) and in the Balance Sheet in Non-current trade and other payables (See Note 22(b)).

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

Note 32 Commitments

The Council has entered into the following commitments

| 2012                                     | Not later than 1 year<br>\$'000 | Later than 1 year and not later than 2 years<br>\$'000 | Later than 2 years and not later than 5 years<br>\$'000 | Later than 5 years<br>\$'000 | Total<br>\$'000 |
|--|---------------------------------|--|---|------------------------------|-----------------|
| <b>Operating</b>                         |                                 |  |   |                              |                 |
| Waste management                         | 1,960                           | 1,982  | 2,402   | 152                          | 6,496           |
| Cleaning contracts for council buildings | 293                             | -  | -   | -                            | 293             |
| Property valuation services              | 129                             | 203  | -   | -                            | 332             |
| Meals for delivery                       | 180                             | -  | -   | -                            | 180             |
| Consultancies                            | 96                              | -  | -   | -                            | 96              |
| Information systems & technology         | 232                             | 236  | -   | -                            | 468             |
| Street Lighting                          | 83                              | 95   | -   | -                            | 178             |
| Other                                    | 140                             | -  | -   | -                            | 140             |
| <b>Total</b>                             | <b>3,113</b>                    | <b>2,516</b>   | <b>2,402</b>  | <b>152</b>                   | <b>8,183</b>    |
| <b>Capital</b>                           |                                 |  |   |                              |                 |
| Plant and equipment                      | 82                              | -  | -   | -                            | 82              |
| Building and other structures            | 162                             | -  | -   | -                            | 162             |
| <b>Total</b>                             | <b>244</b>                      | <b>-</b>   | <b>-</b>  | <b>-</b>                     | <b>244</b>      |
| <b>Total</b>                             | <b>3,357</b>                    | <b>2,516</b>   | <b>2,402</b>  | <b>152</b>                   | <b>8,426</b>    |

| 2011                                     | Not later than 1 year<br>\$'000 | Later than 1 year and not later than 2 years<br>\$'000 | Later than 2 years and not later than 5 years<br>\$'000 | Later than 5 years<br>\$'000 | Total<br>\$'000 |
|--|---------------------------------|--|---|------------------------------|-----------------|
| <b>Operating</b>                         |                                 |  |   |                              |                 |
| 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              |
| <b>Total</b>                             | <b>3,129</b>                    | <b>2,557</b>   | <b>4,405</b>  | <b>-</b>                     | <b>10,091</b>   |
| <b>Capital</b>                           |                                 |  |   |                              |                 |
| Plant and equipment                      | 602                             | -  | -   | -                            | 602             |
| Building and other structures            | 286                             | -  | -   | -                            | 286             |
| <b>Total</b>                             | <b>888</b>                      | <b>-</b>   | <b>-</b>  | <b>-</b>                     | <b>888</b>      |
| <b>Total</b>                             | <b>4,017</b>                    | <b>2,557</b>   | <b>4,405</b>  | <b>-</b>                     | <b>10,979</b>   |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

|  | 2012<br>\$'000 | 2011<br>\$'000 |
|--|----------------|----------------|
| <b>Note 33 Operating lease commitments</b>   |                |                |
| 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): |                |                |
| Not later than one year  | 141            | 128            |
| Later than one year and not later than five years  | 124            | 213            |
| Later than five years  | 118            | -              |
|  | 383            | 341            |

**Note 34 Contingent liabilities and contingent assets**

**(a) Contingent liabilities**

The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors.

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

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.

Council has a contingent liability facility of \$1,081,088 of which \$758,588 is unused. The utilised component is with a security deposit guarantee of \$322,500 in favour of the Victorian Environmental Protection Authority.

**(b) Guarantees for loans to other entities**

The following Bank guarantees have been provided by Council:

|   |     |     |
|---|-----|-----|
| Otway Community College   | 125 | 125 |
|   | 125 | 125 |
| The guarantee is held by the National Australia Bank dated 17 May 2011 initially 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. |     |     |
| Balance of loan at 30 June 2012   | 94  | -   |
|   | 94  | -   |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

Note 35 Financial Instruments

(a) Accounting Policy, terms and conditions

| Recognised financial instruments             | Note | Accounting Policy   | Terms and Conditions  |
|--|------|---|---|
| <b>Financial assets</b>                      |      |   |   |
| <b>Cash and cash equivalents</b>             | 17   | <p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Interest is recognised as it accrues.</p> <p>Investments and bills are valued at cost.</p> <p>Investments are held to maximise interest returns of surplus cash.</p> <p>Interest revenues are recognised as they accrue.</p> <p>Managed funds are measured at market value.</p>                                    | <p>On call deposits returned a floating interest rate of 4.33% (4.56% in 2010/2011). The interest rate at balance date was 4.75% (4.65% in 2010/2011).</p> <p>Funds returned fixed interest rate of between 4.65% (5.35% in 2010/2011), and 5.8% (5.8% in 2010/2011) net of fees.</p> |
| <b>Trade and other receivables</b>           |      |   |   |
| <b>Other debtors</b>                         | 18   | <p>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.</p> <p>Collectability of overdue accounts is assessed on an ongoing basis.</p>  | <p>General debtors are unsecured and arrears attract a nil interest rate (nil in 2010/2011). Credit terms are based on 30 days.</p>   |
| <b>Financial Liabilities</b>                 |      |   |   |
| <b>Trade and other payables</b>              | 22   | <p>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.</p>  | <p>General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.</p>   |
| <b>Interest-bearing loans and borrowings</b> | 25   | <p>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.</p> <p>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.</p> | <p>Borrowings are secured by way of mortgages over the general rates of the Council.</p> <p>The weighted average interest rate on borrowings is 7.28% (6.86% in 2010/2011).</p> <p>As at balance date, the Council had no finance leases.</p>   |
| <b>Bank overdraft</b>                        | 29   | <p>Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.</p>  | <p>The overdraft facility has not been utilised for this or the previous financial year and is subject to annual review.</p> <p>If utilised, it is secured by a mortgage over Council's general rates and is repayable on demand.</p>   |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

Note 35 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:

2012

|                                       | Fixed interest maturing in:         |                             |                                |                                |                                   | Total<br>\$'000 |
|---------------------------------------|-------------------------------------|-----------------------------|--------------------------------|--------------------------------|-----------------------------------|-----------------|
|                                       | Floating<br>interest rate<br>\$'000 | 1 year or<br>less<br>\$'000 | Over 1 to 5<br>years<br>\$'000 | More than 5<br>years<br>\$'000 | Non-interest<br>bearing<br>\$'000 |                 |
| <b>Financial assets</b>               |                                     |                             |                                |                                |                                   |                 |
| Cash and cash equivalents             | 13,607                              | -                           | -                              | -                              | 6                                 | 13,613          |
| Trade and other receivables           | -                                   | -                           | -                              | -                              | 3,455                             | 3,455           |
| <b>Total financial assets</b>         | <b>13,607</b>                       | <b>-</b>                    | <b>-</b>                       | <b>-</b>                       | <b>3,461</b>                      | <b>17,068</b>   |
| Weighted average interest rate        | 4.33%                               | 5.57%                       |                                |                                |                                   |                 |
| <b>Financial liabilities</b>          |                                     |                             |                                |                                |                                   |                 |
| Trade and other payables              | -                                   | -                           | -                              | -                              | 5,236                             | 5,236           |
| Trust funds and deposits              | -                                   | -                           | -                              | -                              | 253                               | 253             |
| Interest-bearing loans and borrowings | -                                   | 392                         | 1,894                          | 1,901                          | -                                 | 4,188           |
| <b>Total financial liabilities</b>    | <b>-</b>                            | <b>392</b>                  | <b>1,894</b>                   | <b>1,901</b>                   | <b>5,489</b>                      | <b>9,677</b>    |
| Weighted average interest rate        |                                     | 7.28%                       | 7.28%                          | 7.28%                          |                                   |                 |
| Net financial assets (liabilities)    | 13,607                              | (392)                       | (1,894)                        | (1,901)                        | (2,028)                           | 7,391           |

2011

|                                       | Fixed interest maturing in:         |                             |                                |                                |                                   | Total<br>\$'000 |
|---------------------------------------|-------------------------------------|-----------------------------|--------------------------------|--------------------------------|-----------------------------------|-----------------|
|                                       | Floating<br>Interest rate<br>\$'000 | 1 year or<br>less<br>\$'000 | Over 1 to 5<br>years<br>\$'000 | More than 5<br>years<br>\$'000 | Non-interest<br>bearing<br>\$'000 |                 |
| <b>Financial assets</b>               |                                     |                             |                                |                                |                                   |                 |
| Cash and cash equivalents             | 8,874                               | 1,894                       | -                              | -                              | 7                                 | 10,775          |
| Trade and other receivables           | -                                   | -                           | -                              | -                              | 2,779                             | 2,779           |
| <b>Total financial assets</b>         | <b>8,874</b>                        | <b>1,894</b>                | <b>-</b>                       | <b>-</b>                       | <b>2,786</b>                      | <b>13,554</b>   |
| Weighted average interest rate        | 4.56%                               | 5.57%                       |                                |                                |                                   |                 |
| <b>Financial liabilities</b>          |                                     |                             |                                |                                |                                   |                 |
| 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           |
| <b>Total financial liabilities</b>    | <b>-</b>                            | <b>446</b>                  | <b>1,944</b>                   | <b>2,455</b>                   | <b>2,107</b>                      | <b>6,952</b>    |
| 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           |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report

Note 35 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<br>Balance Sheet |                | Aggregate net fair value |                |
|---------------------------------------|---|----------------|--------------------------|----------------|
|                                       | 2012<br>\$'000                                | 2011<br>\$'000 | 2012<br>\$'000           | 2011<br>\$'000 |
| <i>Financial assets</i>               |   |                |                          |                |
| Cash and cash equivalents             | 13,613  | 10,775         | 13,613                   | 10,775         |
| Trade and other receivables           | 3,455   | 2,779          | 3,455                    | 2,779          |
| <b>Total financial assets</b>         | <b>17,068</b>                                 | <b>13,554</b>  | <b>17,068</b>            | <b>13,554</b>  |
| <i>Financial liabilities</i>          |   |                |                          |                |
| Trade and other payables              | 5,236   | 1,820          | 5,236                    | 1,820          |
| Trust funds and deposits              | 253   | 287            | 253                      | 287            |
| Interest-bearing loans and borrowings | 4,188   | 4,845          | 4,032                    | 4,502          |
| <b>Total financial liabilities</b>    | <b>9,677</b>                                  | <b>6,952</b>   | <b>9,521</b>             | <b>6,609</b>   |

(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.

**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.

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report

Note 35 Financial Instruments (cont.)

(e) Risks and mitigation (cont.)

**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 34 - Contingent liabilities and contingent assets.

**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:

|                                 | 2012   | 2011   |
|---------------------------------|--------|--------|
|                                 | \$'000 | \$'000 |
| Current (not yet due)           | 1,601  | 1,254  |
| Past due by up to 30 days       | 156    | 83     |
| Past due after 31 days          | 1,698  | 391    |
| Total Trade & Other Receivables | 3,455  | 1,728  |

**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.

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report

Note 35 Financial Instruments (cont.)

(e) Risks and mitigation (cont.)

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.

| 2012                                  | 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              | 2,054          | -           | 3,182     | -         | -        | 5,236                | 5,236           |
| Trust funds and deposits              | 253            | -           | -         | -         | -        | 253                  | 253             |
| Interest-bearing loans and borrowings | 392            | 301         | 693       | 2,080     | 2,151    | 5,618                | 4,188           |
| Total financial liabilities           | 2,699          | 301         | 3,875     | 2,080     | 2,151    | 11,107               | 9,677           |

| 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           |



Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report

Note 35 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 |        |
|                                       |        | Profit             | Equity | Profit            | Equity |
| 2012                                  | \$'000 | \$'000             | \$'000 | \$'000            | \$'000 |
| <b>Financial assets:</b>              |        |                    |        |                   |        |
| Cash and cash equivalents             | 13,613 | (272)              | (272)  | 136               | 136    |
| Trade and other receivables           | 3,455  | (24)               | (24)   | 12                | 12     |
| <b>Financial liabilities:</b>         |        |                    |        |                   |        |
| Trade and Other payables              | 5,489  | -                  | -      | -                 | -      |
| Interest-bearing loans and borrowings | 4,188  | 84                 | 84     | (42)              | (42)   |

|                                       |        | Interest rate risk |        |                   |        |
|---------------------------------------|--------|--------------------|--------|-------------------|--------|
|                                       |        | -2 %               |        | 1%                |        |
|                                       |        | -200 basis points  |        | +100 basis points |        |
|                                       |        | Profit             | Equity | Profit            | Equity |
| 2011                                  | \$'000 | \$'000             | \$'000 | \$'000            | \$'000 |
| <b>Financial assets:</b>              |        |                    |        |                   |        |
| Cash and cash equivalents             | 10,775 | (216)              | (216)  | 108               | 108    |
| Trade and other receivables           | 2,779  | (21)               | (21)   | 11                | 11     |
| <b>Financial liabilities:</b>         |        |                    |        |                   |        |
| Trade and Other payables              | 2,107  | 0                  | 0      | 0                 | 0      |
| Interest-bearing loans and borrowings | 4,845  | 97                 | 97     | (48)              | (48)   |

Colac Otway Shire Council  
2011/2012 Financial Report

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

| <b>Note 36 Auditors' remuneration</b> | <b>2012</b>   | <b>2011</b>   |
|---------------------------------------|---------------|---------------|
|                                       | <b>\$'000</b> | <b>\$'000</b> |
| Audit fee to conduct external audit   |               |               |
| - Victorian Auditor-General           | 28            | 37            |
| Internal audit fees                   |               |               |
| - Crowe Horwath                       | 34            | 49            |
| Other audit fees                      |               |               |
| - WHK                                 | 3             | -             |
|                                       | <u>65</u>     | <u>86</u>     |

**Note 37 Events occurring after balance date**

No matters have occurred after the balance date that warrant disclosure in this report

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

Note 38 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 Stephen Hart (Mayor 14/12/11 to current)  
Councillor Brian Crook (Mayor from 08/12/10 to 14/12/11)  
Councillor Lyn Russell  
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:

|                       | 2012<br>No. | 2011<br>No. |
|-----------------------|-------------|-------------|
| \$20,000 - \$29,999   | 4           | 2           |
| \$30,000 - \$39,999   | -           | 3           |
| \$40,000 - \$49,999   | 3           | 2           |
| \$190,000 - \$199,999 | -           | 1           |
| \$200,000 - \$209,999 | 1           | -           |
|                       | 8           | 8           |

**\$'000**                      **\$'000**

Total Remuneration for the reporting year for Responsible Persons included above amounted to:                      458                      441

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2010/2011, 0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2010/2011, \$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 (2010/2011 \$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 \$127,000.

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

|                       | 2012<br>No. | 2011<br>No. |
|-----------------------|-------------|-------------|
| Income Range:         |             |             |
| \$127,000 - \$129,999 | -           | 1           |
| \$130,000 - \$139,999 | 1           | -           |
| \$160,000 - \$169,999 | -           | 3           |
| \$170,000 - \$179,999 | 3           | -           |
|                       | 4           | 4           |

**\$'000**                      **\$'000**

Total Remuneration for the reporting year for Senior Officers included above, amounted to:                      651                      615

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

Note 39 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.

|   | 2012         | 2011         |
|---|--------------|--------------|
| Council's share of assets employed in the joint venture | \$'000       | \$'000       |
| Buildings   | 3,041        | 3,103        |
| Furniture   | 114          | 120          |
| Intangible assets                                       | 39           | 41           |
|   | <u>3,194</u> | <u>3,264</u> |

Note 40 Income and expenses by function

|   | Infrastructure and Services Department |               | Corporate and Executive Departments |              | Sustainable Planning and Development Department |                | Total        |               |
|---|--|---------------|-------------------------------------|--------------|---|----------------|--------------|---------------|
|   | 2012                                   | 2011          | 2012                                | 2011         | 2012  | 2011           | 2012         | 2011          |
|   | \$'000                                 | \$'000        | \$'000                              | \$'000       | \$'000  | \$'000         | \$'000       | \$'000        |
| <b>INCOME</b>                           | 9,726                                  | 24,841        | 31,778                              | 30,121       | 2,092   | 1,641          | 43,597       | 56,603        |
| <b>EXPENSES</b>                         | (22,217)                               | (11,240)      | (15,009)                            | (21,539)     | (5,185)   | (4,924)        | (42,411)     | (37,703)      |
| <b>SURPLUS / (DEFICIT) FOR THE YEAR</b> | <u>(12,491)</u>                        | <u>13,601</u> | <u>16,769</u>                       | <u>8,582</u> | <u>(3,093)</u>                                  | <u>(3,283)</u> | <u>1,186</u> | <u>18,900</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  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

| Note  | 2012<br>\$'000 | 2012<br>(%) | 2011<br>\$'000 | 2011<br>(%) | 2010<br>\$'000 | 2010<br>(%) |
|---|----------------|-------------|----------------|-------------|----------------|-------------|
| <b>Note 41 Financial ratios (Performance indicators)</b>  |                |             |                |             |                |             |
| <b>(a) Debt servicing ratio</b> (to identify the capacity of Council to service its outstanding debt)   |                |             |                |             |                |             |
| <u>Debt servicing costs</u>   | 341            |             | 308            |             | 140            |             |
| Total revenue   | 43,600         | = 0.78%     | 56,749         | = 0.54%     | 39,126         | = 0.36%     |
| Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.  |                |             |                |             |                |             |
| The ratio expresses the amount of interest paid as a percentage of Council's total revenue.   |                |             |                |             |                |             |
| <b>(b) Debt commitment ratio</b> (to identify Council's debt redemption strategy)   |                |             |                |             |                |             |
| <u>Debt servicing &amp; redemption costs</u>  | 998            |             | 720            |             | 445            |             |
| Rate revenue  | 21,789         | = 4.58%     | 20,465         | = 3.52%     | 18,559         | = 2.40%     |
| The strategy involves the payment of loan principal and interest, finance lease principal and interest.   |                |             |                |             |                |             |
| The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.  |                |             |                |             |                |             |
| <b>(c) Revenue ratio</b> (to identify Council's dependence on non-rate income)  |                |             |                |             |                |             |
| <u>Rate revenue</u>   | 21,789         |             | 20,465         |             | 18,559         |             |
| Total revenue   | 43,600         | = 49.98%    | 56,749         | = 36.06%    | 39,126         | = 47.43%    |
| The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.  |                |             |                |             |                |             |
| <b>(d) Debt exposure ratio</b> (to identify Council's exposure to debt)   |                |             |                |             |                |             |
| <u>Total indebtedness</u>   | 16,760         |             | 11,816         |             | 11,039         |             |
| Total realisable assets   | 77,709         | = 21.57%    | 95,780         | = 12.34%    | 78,925         | = 13.99%    |
| 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 30) is excluded from total indebtedness.  |                |             |                |             |                |             |
| The following assets are excluded from total assets when calculating Council's realisable assets:<br>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  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

| Note 41 Financial ratios (Performance indicators) (cont.)  | 2012<br>\$'000 | 2012<br>(%) | 2011<br>\$'000 | 2011<br>(%) | 2010<br>\$'000 | 2010<br>(%) |
|--|----------------|-------------|----------------|-------------|----------------|-------------|
| <b>(e) Working capital ratio</b> (to assess Council's ability to meet current commitments)   |                |             |                |             |                |             |
| Current assets   | 17,258         |             | 13,742         |             | 12,836         |             |
| Current liabilities  | 6,321          | = 273.03%   | 5,705          | = 240.88%   | 5,886          | = 218.08%   |
| The ratio expresses the level of current assets the Council has available to meet its current liabilities.   |                |             |                |             |                |             |
| <b>(f) Adjusted working capital ratio</b> (to assess Council's ability to meet current commitments)  |                |             |                |             |                |             |
| Current assets   | 17,258         |             | 13,742         |             | 12,836         |             |
| Current liabilities  | 6,089          | = 283.41%   | 5,030          | = 273.20%   | 5,122          | = 250.61%   |
| 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. This is 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. |                |             |                |             |                |             |
| <b>Additional KPI ratios</b>   |                |             |                |             |                |             |
| The following six financial sustainability risk ratios are based on the industry accepted ratios developed by the Victorian government.  |                |             |                |             |                |             |
| <b>(g) Underlying Result</b> (removes non-cash developer contributions and other one-off items from the Operating Result)  |                |             |                |             |                |             |
| Adjusted Net Operating Result  | 2,290          |             | 2,376          |             | 2,150          |             |
| Total Underlying Revenue   | 43,194         | = 5.3%      | 39,947         | = 5.9%      | 38,562         | = 5.6%      |
| <b>(h) Liquidity Ratio</b> (to assess Council's ability to pay its liabilities in the next 12 months)  |                |             |                |             |                |             |
| Current assets   | 17,258         |             | 13,742         |             | 12,836         |             |
| Current liabilities  | 6,321          | = 273.0%    | 5,705          | = 240.9%    | 5,886          | = 218.1%    |
| <b>(i) Indebtedness Ratio</b> (to assess Council's ability to cover longer term liabilities from its own sourced revenue)  |                |             |                |             |                |             |
| Non-current liabilities  | 10,691         |             | 8,580          |             | 6,898          |             |
| Own-sourced revenue  | 26,325         | = 40.6%     | 24,839         | = 34.5%     | 25,421         | = 27.1%     |
| <b>(j) Self-Financing Ratio</b> (to assess Council's ability to replace assets from cash generated by operations)  |                |             |                |             |                |             |
| Net operating cash flows   | 14,748         |             | 12,289         |             | 12,288         |             |
| Underlying revenue   | 43,194         | = 34.1%     | 39,947         | = 30.8%     | 38,562         | = 31.9%     |
| <b>(k) Capital Replacement Gap Ratio</b> (measures whether Council is spending on infrastructure at a faster rate than infrastructure is depreciating)   |                |             |                |             |                |             |
| Capital Spend  | 12,394         |             | 12,262         |             | 14,258         |             |
| Depreciation   | 8,665          | = 143.0%    | 7,783          | = 157.5%    | 8,409          | = 169.6%    |
| <b>(l) Renewal Gap Ratio</b> (measures whether Council is spending on infrastructure at a faster rate than infrastructure is depreciating)   |                |             |                |             |                |             |
| Renewal & Upgrade  | 9,710          |             | 9,250          |             | 9,831          |             |
| Depreciation   | 8,665          | = 112.1%    | 7,783          | = 118.8%    | 8,409          | = 116.9%    |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

|   | Note  | 2012<br>\$'000 | 2011<br>\$'000 |
|---|-------|----------------|----------------|
| <b>Note 42 Capital expenditure</b>  |       |                |                |
| <b>Capital expenditure areas</b>  |       |                |                |
| Land  |       | 371            | 625            |
| Land improvements   |       | -              | 161            |
| Buildings   |       | 2,301          | 3,114          |
| Plant and minor equipment   |       | 1,805          | 1,228          |
| Fixed plant, furniture and equipment  |       | 531            | 423            |
| Outdoor furniture   |       | 99             | -              |
| Roads   |       | 4,567          | 5,085          |
| Bridges   |       | 365            | 54             |
| Footpaths and cycle ways  |       | 480            | 379            |
| Other structures  |       | 468            | -              |
| Drainage  |       | 231            | 131            |
| Kerb and channelling  |       | 33             | -              |
| Software  |       | 215            | 200            |
| <b>Total capital works</b>  |       | <b>11,464</b>  | <b>11,400</b>  |
| Represented by:   |       |                |                |
| <b>Renewal</b>  |       |                |                |
| Renewal of property and buildings   |       | 439            | 2,731          |
| Renewal of plant and equipment  |       | 2,055          | 699            |
| Renewal of infrastructure   |       | 4,779          | 5,061          |
| <b>Total Renewal</b>  | (a)   | <b>7,273</b>   | <b>8,491</b>   |
| <b>Upgrade</b>  |       |                |                |
| Upgrade of property and buildings   |       | 1,411          | 378            |
| Upgrade of plant and equipment  |       | 56             | 4              |
| Upgrade of infrastructure   |       | 970            | 377            |
| <b>Total Upgrade</b>  | (b)   | <b>2,436</b>   | <b>759</b>     |
| <b>New or Expanded</b>  |       |                |                |
| New property and buildings  |       | 821            | 1,468          |
| New plant and equipment   |       | 323            | 526            |
| New infrastructure  |       | 610            | 156            |
| <b>Total New or Expanded</b>  | (c)   | <b>1,754</b>   | <b>2,150</b>   |
| <b>Total capital works</b>  |       | <b>11,464</b>  | <b>11,400</b>  |
| <b>Property, plant and equipment, infrastructure movement</b>   |       |                |                |
| 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   |       | 11,464         | 11,400         |
| Contributions - non-monetary assets (other)   | 6(b)  | 178            | 994            |
| Asset revaluation movement  | 23(a) | 29,370         | (20,297)       |
| Depreciation/amortisation   | 10    | (8,665)        | (7,783)        |
| Written down value of assets sold   | 18    | (1,300)        | (646)          |
| Contributions - non-monetary assets (Port of Apollo Bay)  | 6(c)  | 228            | 15,658         |
| Transfers   | 21    | (40)           | -              |
| Assets written off  | 18    | (1,396)        | (174)          |
| <b>Net movement in property, plant and equipment, infrastructure</b>  |       | <b>29,839</b>  | <b>(848)</b>   |

Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

Note 42 Capital expenditure (cont.)

(a) Renewal

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

(b) Upgrade

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base.

(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 43 Special committees and other activities - Port of Apollo Bay

The council is the Port Manager 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:

|  | 2012           | 2011           |
|--|----------------|----------------|
|  | \$'000         | \$'000         |
| <b>Income Statement - Apollo Bay Harbour</b>             |                |                |
| <b>Income</b>  |                |                |
| Charges, fees and fines                                  | 87             | 84             |
| Grants - operating                                       | 780            | 780            |
| Other Revenue  | 37             | 58             |
| <b>Total operating revenue</b>                           | <b>904</b>     | <b>922</b>     |
| Contributions - non-monetary assets (Port of Apollo Bay) | 228            | 15,658         |
| Grants - capital   | -              | 540            |
| <b>Total Capital revenue</b>                             | <b>228</b>     | <b>16,198</b>  |
| <b>Total income</b>                                      | <b>1,132</b>   | <b>17,120</b>  |
| <b>Expenses</b>  |                |                |
| Employee benefits  | (424)          | (393)          |
| Materials and services                                   | (159)          | (184)          |
| Depreciation and amortisation                            | (438)          | (433)          |
| Other expenses   | ()             | (1)            |
| <b>Total expenses</b>                                    | <b>(1,022)</b> | <b>(1,011)</b> |
| <b>Surplus/(Deficit)</b>                                 | <b>110</b>     | <b>16,109</b>  |
| <b>Other comprehensive income</b>                        |                |                |
| Net asset revaluation increment/(decrement)              | 5,331          | -              |
| <b>Comprehensive result</b>                              | <b>5,441</b>   | <b>16,109</b>  |



Colac Otway Shire Council  
2011/2012 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2012

Note 43 Special committees and other activities - Port of Apollo Bay (cont.)

|   | 2012<br>\$'000 | 2011<br>\$'000 |
|---|----------------|----------------|
| <b>Balance Sheet - Apollo Bay Harbour</b>     |                |                |
| <b>Assets</b>                                 |                |                |
| <b>Current assets</b>                         |                |                |
| Receivables                                   | 1,527          | 1,250          |
| <b>Total current assets</b>                   | <b>1,527</b>   | <b>1,250</b>   |
| <b>Non-current assets</b>                     |                |                |
| Property, infrastructure, plant and equipment | 21,238         | 16,136         |
| <b>Total non-current assets</b>               | <b>21,238</b>  | <b>16,136</b>  |
| <b>Total assets</b>                           | <b>22,764</b>  | <b>17,386</b>  |
| <b>Liabilities</b>                            |                |                |
| <b>Current liabilities</b>                    |                |                |
| Payables                                      | 3              | -              |
| Provisions                                    | 59             | 47             |
| <b>Total current liabilities</b>              | <b>61</b>      | <b>47</b>      |
| <b>Non-current liabilities</b>                |                |                |
| Provisions                                    | 7              | 15             |
| <b>Total non-current liabilities</b>          | <b>7</b>       | <b>15</b>      |
| <b>Total liabilities</b>                      | <b>68</b>      | <b>62</b>      |
| <b>Net Assets</b>                             | <b>22,696</b>  | <b>17,324</b>  |
| <b>Equity</b>                                 |                |                |
| Accumulated surplus                           | 17,324         | 1,215          |
| Current year surplus                          | 110            | 16,109         |
| Asset revaluation reserves                    | 5,263          | -              |
| <b>Total Equity</b>                           | <b>22,696</b>  | <b>17,324</b>  |

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

19 September 2012

In our opinion the accompanying financial statements present fairly the financial transactions of Colac Otway Shire Council for the year ended 30 June 2012 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 19 September 2012 to certify the financial statements in their final form.



Stephen Hart  
Councillor

19 September 2012



Stuart Hart  
Councillor

19 September 2012



Rob Small  
Chief Executive Officer

19 September 2012



Victorian Auditor-General's Office

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## 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 2012 of the Council which comprises standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statements have been audited.

The accompanying financial report for the year ended 30 June 2012 of Colac Otway Shire Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of the significant accounting policies and other explanatory information, 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 Note 1 to the statements and the requirements of the *Local Government Act 1989*
- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the standard statements and financial report that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

As required by the *Audit Act 1994* and the *Local Government Act 1989*, 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. Those 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 in the financial report.
- the reasonableness of accounting estimates made by the Councillors
- the overall presentation of the standard statements and financial report.

*Auditing in the Public Interest*

### 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.

#### *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 Colac Otway Shire Council as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, 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 Note 1 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 2012 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. 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  
21 September 2012

  
J D R Pearson  
Auditor-General

PERFORMANCE STATEMENT

| Objectives   | Strategic Indicators   | Target 2011/12                             | Result 2011/12 | Outcome      | Comments   |
|--|--|--|----------------|--------------|--|
| <b>Leadership and Governance</b><br>Council will fulfil its statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable and meets the needs and practical aspirations of current and future generations | Community satisfaction with the Overall Performance of Council | 62%  | Not comparable | Not Achieved | The Community Satisfaction Survey, under the auspices of the Department of Planning and Community Development, was revised resulting in significant changes to content and methodology for 2012. Councils have been advised that the data is <b>not</b> directly comparable to previous years. As current targets were arrived at based on trending data from the previous survey's content and methodology, these need to be revisited so that targets and results have some genuine comparability. |
|  | Community satisfaction with Council's Advocacy role            | 63%  | Not comparable | Not Achieved |  |
|  | Community satisfaction with Council's Community Engagement     | 62%  | Not comparable | Not Achieved |  |
|  | Community satisfaction with Council's Customer Contact         | 73%  | Not comparable | Not Achieved |  |
| Risk Liability Assessment  |  | 89%  | 89%            | Not Achieved | A new questionnaire placed emphasis on Council having undertaken a more comprehensive range of actions to satisfy each criterion, as opposed to previous 'yes' or 'no' responses. We have developed a comprehensive action plan to address the low performance areas.  |
| Liquidity Ratio  |  | 1.50:1 (Est AIFRS Adj)                     | 2.73:1         | Achieved     |  |
| Audit Opinion issued on Financial Statements   |  | Compliance with all statutory requirements | Yes            | Achieved     |  |

| Objectives  | Strategic Indicators  | Target 2011/12 | Result 2011/12 | Outcome      | Comments  |
|---|---|----------------|----------------|--------------|---|
| <b>Physical Infrastructure and Assets</b><br>Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.   | Percentage of Capital Works expenditure projects completed.<br><br>Capital Works expenditure actual compared to budgeted expenditure. | 85%            | 86%            | Not Achieved |   |
|   | Asset renewal sustainability index.   | 90%            | 88%            | Not Achieved | A revaluation of road infrastructure during the period has resulted in an increase in the depreciation charge (or consumption), which has reduced the index. This impact was not anticipated when the performance statement was set in 2010/11. |
| <b>Land Use and Development</b><br>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. | Planning permits processed within statutory timeframes  | 70%            | 71%            | Achieved     |   |

| Objectives   | Strategic Indicators  | Target 2011/12        | Result 2011/12                       | Outcome                          | Comments  |
|--|---|-----------------------|--------------------------------------|----------------------------------|---|
| <p><b>Environmental Management</b></p> <p>Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts.</p>  | Increased Environmental Sustainability.   | Eco Buy Accreditation | 100%                                 | Achieved                         |   |
| <p><b>Economic Development</b></p> <p>Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership.</p>  | Completion of Master Plan priorities for all small towns.   | 80%                   | Not available                        | Not Achieved                     | 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 changed in the 2012 Council Plan review. |
| <p><b>Community Health and Wellbeing</b></p> <p>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.</p> | Community satisfaction with Health and Human Services.<br><br>Community satisfaction with Recreational Facilities | 77%<br><br>66%        | Not comparable<br><br>Not comparable | Not Achieved<br><br>Not Achieved | As per explanation given for Leadership and Governance.   |

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

19 September 2012

In our opinion the accompanying financial statements present fairly the financial transactions of Colac Otway Shire Council for the year ended 30 June 2012 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 19 September 2012 to certify the financial statements in their final form.



Stephen Hart  
Councillor

19 September 2012



Stuart Hart  
Councillor

19 September 2012



Rob Small  
Chief Executive Officer

19 September 2012





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## INDEPENDENT AUDITOR'S REPORT

To the Councillors, Colac Otway Shire Council

### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2012 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.

*Auditing in the Public Interest*

### 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 2012 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 2012 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 performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE  
21 September 2012

  
D D R Pearson  
Auditor-General

## Acronyms and Definitions

|            |   |
|------------|---|
| AFL        | Australian Football League  |
| ANZ        | Australia and New Zealand Banking Group Limited   |
| ANZAC      | Australia and New Zealand Army Corps (1914-18)  |
| CBD        | Central Business District   |
| CEO        | Chief Executive Officer   |
| COOL       | Colac Otway Outstanding Leadership  |
| COPACC     | Colac Otway Performing Arts and Cultural Centre   |
| Co-PYLIT   | Colac Police Youth Liaison Team   |
| COVEC      | Colac Otway Vocational Education Cluster  |
| CPR        | Cardio Pulmonary Resuscitation  |
| DOT        | Department of Transport   |
| DSE        | Department of Sustainability and Environment  |
| EEO        | Equal Employment Opportunity  |
| EFT        | Equivalent Full Time employees  |
| FPN        | Fire Prevention Notice  |
| GSC        | Great South Coast   |
| GST        | Goods and Services Tax  |
| MEMP       | Municipal Emergency Management Plan   |
| MEMPC      | Municipal Emergency Management Planning Committee   |
| FOI        | Freedom of Information  |
| G21        | Geeelong Regional Alliance  |
| HTML       | HyperText Markup Language is a markup language that web browsers use to interpret and compose text, images and other material into visual or audible web pages. |
| ICLEI      | International Council for Environmental Initiatives   |
| ICT        | Information, Communication and Technology   |
| Interplan® | Council's Corporate Performance Management software system  |
| JMAPP      | Jardine Municipal Asset Protection Package  |
| LTFP       | Long Term Financial Plan  |
| LPG        | Liquid Petroleum Gas  |
| MAV        | Municipal Association of Victoria   |
| OH&S       | Occupational Health and Safety  |
| PES®       | Council's Corporate Personnel Evaluation software system  |
| SafetyMAP  | Accreditation through the Victorian WorkCover Authority   |
| TAC        | Transport Accident Commission   |
| TaxEd      | Government and Non-Profit Tax Training & Support services   |
| VCAT       | Victorian Civil and Administrative Tribunal   |
| VFL        | Victorian Football League   |
| VOIP       | Voice Over Internet Protocol  |
| VOX POP    | Latin abbreviation of Vox Populi, meaning 'voice of the people'   |
| WHK        | Accounting and financial advisors   |

## Sustainability Index

### Environment

|   |        |
|---|--------|
| Community Development                         |        |
| Solar Bulk Buy                                | 14     |
| Community Events                              | 14     |
| Climate resilience and carbon neutrality      | 13     |
| Energy Use and Generation                     |        |
| Energy efficient street lighting              | 13     |
| Solar hot water installations                 | 14     |
| Greenhouse gas emissions                      | 44     |
| Organic waste and recycling                   | 42, 44 |
| Policy commitment                             | 13     |
| Sustainability features in new council office | 42     |
| Water use                                     | 44     |

### Social

#### Staff

|                                |        |
|--------------------------------|--------|
| Employee Support               | 21, 22 |
| Health and Wellbeing           | 21     |
| Human Resources                | 14, 24 |
| Learning and Development       | 14, 21 |
| Occupational Health and Safety | 14, 22 |
| Policies                       | 14     |
| Staff Code of Conduct          | 14     |
| Tertiary Support               | 21     |

#### Society

|  |        |
|--|--------|
| Community Development                  | 15     |
| Community Grants                       | 15, 71 |
| Planning and Support for our Community | 15, 52 |

### Economic Development

|                                     |                |
|-------------------------------------|----------------|
| Business Development                | 15, 47         |
| Developing Employment Opportunities | 22, 47         |
| Long Term Financial Plan            | 16, 12         |
| Procurement                         | 16             |
| Sustainable Growth                  | 15, 47         |
| Sustainable Labour Force            | 16, 22, 24, 47 |

## General Index

|  |          |  |        |
|--|----------|--|--------|
| <b>A</b>                                   |          | <b>I</b>                                 |        |
| About this Annual Report                   | 4        | In Brief                                 | 3      |
| Acronyms and Definitions                   | 156      |  |        |
| Appreciating our staff                     | 23       |  |        |
| Audit Committee                            | 63       | <b>L</b>                                 |        |
| Auditor General's Report                   | 148, 154 | Land Use and Development                 | 36     |
|  |          | Leadership and Governance                | 25     |
|  |          | Legislative Compliance                   | 68     |
|  |          | Local Laws                               | 56     |
| <b>B</b>                                   |          |  |        |
| Business planning                          | 66       |  |        |
|  |          | <b>M</b>                                 |        |
| <b>C</b>                                   |          | Mayor and CEO message                    | 8      |
| Calendar of Events                         | 17       | Municipal Fire Prevention Plan Report    | 70     |
| Chief Financial Officer's Report           | 11       |  |        |
| Committees of Council                      | 60       | <b>O</b>                                 |        |
| Community Health and Wellbeing             | 50       | Occupational Health and Safety           | 22, 65 |
| Conflict of interest                       | 55       | Organisation Structure                   | 20     |
| Continuous Service Improvement             | 67       | Our People                               | 21     |
| Corporate Governance                       | 55       |  |        |
| Council Meetings                           | 58       | <b>P</b>                                 |        |
| Council Memberships                        | 71       | Performance Statement                    | 150    |
| Council Plan Framework                     | 57       | Physical Infrastructure and Assets       | 32     |
| Council Representation on Other Committees | 62       | Policies, Strategies and Plans           | 57     |
| Council's Role                             | 55       | Public Access to Registers and Documents | 72     |
| Councillor Attendance at Meetings          | 58       |  |        |
| Councillor Code of Conduct                 | 58       | <b>R</b>                                 |        |
| Councillors                                | 10       | Risk Management                          | 65     |
| Councillor Support and Remuneration        | 59       | Risk Insurance                           | 65     |
|  |          |  |        |
| <b>D</b>                                   |          | <b>S</b>                                 |        |
| Decision making                            | 55       | Shire Profile                            | 4      |
| Domestic Animal Management Plan Report     | 69       | Standard Statements                      | 84     |
|  |          | Sustainability Report                    | 13     |
|  |          | Sustainability Index                     | 88     |
| <b>E</b>                                   |          |  |        |
| Economic Development                       | 46       | <b>U</b>                                 |        |
| Environmental Management                   | 41       | Understanding the Financial Statements   | 80     |
| Executive Management Team                  | 19       |  |        |
|  |          | <b>V</b>                                 |        |
| <b>F</b>                                   |          | Victorian Local Government Indicators    | 73     |
| Financial Indicators                       | 76       | Vision, Mission and Values               | 2      |
| Financial Performance                      | 74       |  |        |
| Financial Statements                       | 96       | <b>Y</b>                                 |        |
| Financial Sustainability Indicators        | 77       | Year in Review                           | 6      |
| Freedom of Information                     | 68       | Youth Council                            | 28     |
|  |          |  |        |
| <b>G</b>                                   |          |  |        |
| Grants and Donations                       | 71       |  |        |

## Contacting Council

### 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

### 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

|                 |  |
|-----------------|--|
| Postal Address  | PO Box 283<br>Colac Vic 3250   |
| Email Address   | <a href="mailto:info@colacotway.vic.gov.au">info@colacotway.vic.gov.au</a> |
| Website Address | <a href="http://www.colacotway.vic.gov.au">www.colacotway.vic.gov.au</a>   |



## Old Beechy Rail Trail Committee Meeting

MINUTES of the Old Beechy Rail Trail Committee  
held on Monday 6 August 2012  
at 10.00 am – 12.30 pm

| ITEMS & ACTIONS   | RESPONSIBLE OFFICER  | ACTION DUE DATE |
|---|----------------------|-----------------|
| <p><b>1. ATTENDEES:</b></p> <p>Noel Barry, Phil Dandy, Bernard Jordan, Craig Clifford (DSE), Cr Chris Smith, Anthony Zappelli, John Wilson, Tony Grogan, Jodie Fincham</p> <p><b>2. APOLOGIES:</b></p> <p>Cyril Marriner, Tricia Jukes, Christine Humphris, Glenn Anderson</p> <p><b>3. CONFIRMATION OF MINUTES FROM PREVIOUS MEETING:</b></p> <p>Taken as read, accepted.</p> <p><b>4. BUSINESS ARISING:</b></p> <ul style="list-style-type: none"> <li>• <b>Chris Smith presented a cheque from the Beechy Train. This will be provided to Tricia Jukes (Treasurer) for banking.</b></li> </ul> <p><b>4.a Define that an easement exists in the Central Reserve area. Look at state of landscape to improve the area in the meantime.</b></p> <ul style="list-style-type: none"> <li>• John Wilson provided title of Colac Specialist School land which shows that an easement does not continue into the Central Reserve.</li> <li>• There is probably no need for an easement as such, as Council owns this land.</li> <li>• It was agreed that the Committee obtains a copy of Central Reserve Committee minutes confirming CRAC's position on the rail trail going through the Central reserve.</li> </ul> <p><b>ACTIONS: Jodie Fincham to follow up and obtain a copy of the CRAC minutes which detail that committee's response.</b></p> <p><b>4.b John Wilson to organise onsite meeting with Committee members following discussion/confirmation from land owner of proposed route.</b></p> <ul style="list-style-type: none"> <li>• Organise a meeting with land owners (Midway). Midway plans to have further discussions with colleagues on Wednesday 8 August then an onsite meeting can be arranged.</li> <li>• John provided a map of the proposed area along the Humphris section. It depicted where the proposed trail would travel.</li> </ul> | <p>Jodie Fincham</p> |                 |

| ITEMS & ACTIONS   | RESPONSIBLE OFFICER | ACTION DUE DATE |
|---|---------------------|-----------------|
| <ul style="list-style-type: none"> <li>We are still in negotiations with the Humphris family about which section will be used.</li> <li>If trail alignment is positioned on the South side then the trail would not go through Ditchley Station.</li> <li>A walkway could be created as a link. Walkway might be a few metres wide.</li> <li>It was suggested that consideration should be given to enabling a 4x4 motorbike access into the area (for maintenance purposes and emergency requirements.)</li> </ul>   | John Wilson         |                 |
| <p><b>ACTION: Craig Clifford to follow up DSE (titles officer) for title exchange to clarify what piece of land is now Council's and how it sits in relation to the gully.</b></p> <ul style="list-style-type: none"> <li>This will determine:               <ol style="list-style-type: none"> <li>Our legal entitlement and</li> <li>Vegetation issues</li> </ol> </li> <li>Once weather improves (September) plan an onsite visit to clarify what area we can use. (Red line on map indicates proposed area where maintenance/emergency vehicles could go through)</li> <li>Meeting must be held before mid September 2012 to make a decision before next Committee meeting in October.</li> <li>John to meet first with Midway. Following outcome of Wednesday 8 Aug meeting, then Committee can meet onsite.</li> <li>Noel Barry, Anthony Zappelli, Chris Smith, Craig Clifford, Tony Grogan, Jodie Fincham and John Wilson to attend onsite meeting.</li> </ul> | Craig Clifford      |                 |
| <p><b>4.c Jodie to follow up with Andrew Daffy re Laughing Waters.</b></p> <ul style="list-style-type: none"> <li>Completed – reach arm work completed at Laughing Waters.</li> </ul>   | Jodie Fincham       |                 |
| <p><b>4.d Chris Smith to contact Puffing Billy and advise Cyril Marriner about details for trip.</b></p> <ul style="list-style-type: none"> <li>Covered in general business</li> </ul>  |                     |                 |
| <p><b>4.e Tony Grogan to draft letter to Malcolm Gardiner thanking him for sculptures.</b></p> <ul style="list-style-type: none"> <li>Tony Grogan presented letter prepared to Malcolm Gardiner (refer to attached)</li> </ul>  |                     |                 |
| <p><b>4.f Chris Smith to attend Timboon Rail Trail meeting to see what they are planning.</b></p> <ul style="list-style-type: none"> <li>Chris Smith has not attended Timboon Rail Trail meeting as the last meeting agenda was full. Chris will attend a future meeting.</li> </ul>  | Chris Smith         |                 |
| <p><b>CORRESPONDENCE</b><br/><b>IN:</b></p> <ul style="list-style-type: none"> <li>Letter Geelong and South Western Rail Heritage</li> </ul>  |                     |                 |



| ITEMS & ACTIONS  | RESPONSIBLE OFFICER     | ACTION DUE DATE |
|--|-------------------------|-----------------|
| <p>Society.</p> <ul style="list-style-type: none"> <li>Beech Forest Railway closure 50<sup>th</sup> Anniversary.</li> </ul> <p><b>OUT:</b></p> <ul style="list-style-type: none"> <li>Letter to Malcolm Gardiner from Tony Grogan on behalf of Old Beechy Rail Trail Committee</li> </ul> <p><b>6. WORKS REPORT</b></p> <p><b>Presented by John Wilson</b></p> <ul style="list-style-type: none"> <li>Regarding negotiations for trail access through private property, further discussions will need to be held with Towers family (Roger &amp; Jean) following the passing of Derryl Towers. This has not as yet been formalised.</li> </ul> <p><b>ACTION: Anthony Zappelli to make approach with the Towers family.</b></p> <ul style="list-style-type: none"> <li>Anthony Zappelli has agreed to meet with John to show location of a significant waterfall on Midway land. This waterfall ('Murray Waterfalls') may be worthwhile exploring and including on the trail if the alignment goes through this section.</li> </ul>   | <p>Anthony Zappelli</p> |                 |
| <p><b>7. GENERAL BUSINESS</b></p> <p><b>Friends Report:</b></p> <ul style="list-style-type: none"> <li>Two other cross arms have been installed near the Andrionarkis property and at Gellibrand. Too wet for more signs to go in at the moment.</li> <li>Travelled from Gellibrand to Wimba and re-oiled seats.</li> <li>Phil Dandy has made up some A4 signs advising of oil treatment on seats.</li> <li>McDevitt Station – work started on damaged hole in Station Shelter, however there is still more work to do.</li> <li>5 more cross arms to go up</li> <li>Mainly maintenance and cross arms is work required from this point onwards</li> <li>Letters for Lovat sign – after powder coating, thinner and more of the off white, the letters still look good.</li> </ul> <p><b>Executive Offices Report:</b></p> <ul style="list-style-type: none"> <li>Refer to attached report</li> </ul> <p><b>Treasurers Report:</b><br/>The Treasurer's report was presented as submitted by Tricia Jukes.</p> <ul style="list-style-type: none"> <li>Noted that there are currently 3 signatories to the Old Beechy Rail Trail Committee account:             <ul style="list-style-type: none"> <li>Tony Grogan</li> <li>Tricia Jukes</li> <li>Irene Pagram (Former Recreation &amp; Arts/Culture Co-ordinator). Irene's signature has been deleted)</li> </ul> </li> </ul> | <p>Jodie Fincham</p>    |                 |

| ITEMS & ACTIONS   | RESPONSIBLE OFFICER                   | ACTION DUE DATE |
|---|---------------------------------------|-----------------|
| <ul style="list-style-type: none"> <li>Noel Barry nominated as new signatory</li> </ul> <p><b>Moved: Tony Grogan</b><br/><b>Second: Anthony Zappelli</b><br/><b>Carried.</b></p> <ul style="list-style-type: none"> <li>Chris Smith asked that train donations be noted on received Treasurer's report.</li> </ul> <p><b>Puffing Billy:</b></p> <ul style="list-style-type: none"> <li>50<sup>th</sup> Anniversary very interesting, 99% were there for the train rather than rail trail history.</li> <li>3 kids went with Chris, very cold weather but unique train aspect. Normally G42 goes as far as lakeside only but on the day it went to Gembrook.</li> <li>Because G42 was in Gembrook lots of photos taken.</li> <li>It was not hard to imagine you were on the Old Beechy line as part of this experience.</li> </ul> <p><b>Tiger Trail:</b></p> <ul style="list-style-type: none"> <li>Large crowd 30-40 people attended meeting. Some were hostile.</li> <li>Main difference between Tiger Trail and Old Beechy is that Tiger Trail goes mainly through open farm land.</li> <li>Five or 6 were opposed to the development of the trail.</li> <li>Section currently exists from Forrest to Yaughner mainly for access.</li> <li>Trail project is expected to take a natural life of its own to see if it has validity.</li> <li>Two Councils involved – Surf coast Shire Council and Colac Otway.</li> </ul> <p><b>Youth Expo:</b></p> <ul style="list-style-type: none"> <li>Rail trail – discussion held regarding putting an advert in the upcoming youth expo book.</li> <li>Golden Gumboot – discussion needs to be had about planning a free advertisement in the program.</li> </ul> <p><b>Old Beechy Rail Trail- Recognition of Life Membership</b></p> <ul style="list-style-type: none"> <li>Life membership (10 years).</li> </ul> <p>It has been eleven years since Friends group started, Phil Dandy requested recognition for Noel Barry.</p> <p>The Committee also agreed that consideration should be given to acknowledging members who have served on the Committee for a significant period of time. It was agreed that a 10 year period would constitute a Life Membership. Therefore, on this basis, the following people could be considered as eligible:</p> <ul style="list-style-type: none"> <li>- Tony Grogan</li> <li>- Anthony Zappelli</li> </ul> | <p>Chris Smith</p> <p>Chris Smith</p> |                 |

| ITEMS & ACTIONS  | RESPONSIBLE OFFICER             | ACTION DUE DATE |
|--|---------------------------------|-----------------|
| <ul style="list-style-type: none"><li>- Noel Barry</li><li>- Bob Whitehead</li><li>- Cyril Marriner</li></ul> <ul style="list-style-type: none"><li>• Plaque – life membership of Old Beechy Rail Trail</li></ul> <p><b>ACTION: Tony Grogan to review old minutes (using the names identified above) to decide who has been on the Committee for 10 years.</b></p> <p><b>Life membership certificates to be produced.</b></p> <ul style="list-style-type: none"><li>• Tony Grogan to follow up with Wendy Howard regarding the sale of her property. Enquiry is in relation to Licence Agreements</li></ul> <p><b>8. ITEMS FOR FUTURE MEETING</b></p> <p>Time Meeting Concluded: <b>12.00pm</b></p> <p><b>NEXT MEETING</b> – Monday 1 October 2012, 10.00am COPACC</p> | Tony Grogan<br><br>Tony Grogan. |                 |

### **RIDF Funding (Regional Infrastructure Development Funding)**

- Monitor progress of works and report back as required.

### **Marketing Plan- Drink bottles**

- Old Beechy Rail trail bottles are now on sale at the Colac Vic at a price of \$5 per bottle (cost price was \$4.50).

### **OBRT Survey**

- Survey currently featured on the following websites: Colac Otway Shire, Otways Tourism and Rail Trails Australia.
- Results from survey conducted at Easter 2012 by La Trobe Business School have not been completed. Contact has been made with the University to seek a time frame when the information will become available.

### **OBRT Brochure**

- Further requests for brochures this month – Apollo Bay VIC
- Brochure will required significant updating once works are complete on the trail.

### **Pedestrian Counters**

- Data report presented with figures recorded from Wednesday 1 August 2012.
- Report with figures distributed to Committee

### **Hunt for the Golden Gumboot 2012**

- Event to be held 24 September-19 October 2012.
- Incorporates part of school holidays and will have a launch event at Gellibrand and a celebration BBQ at Beech Forest.
- Two sections of the trail to be used – Watson & Faceys (same as last year) and Beech Forest (section to be determined.)

### **Licence Agreements**

- Sale of land in Kawarren

### **Other**

- Photo of railway street signs

## Special Council Meeting Running Order

**Wednesday, 19 September 2012**

**Venue – COPACC Meeting Rooms, Colac**

Present: Cr Stephen Hart (Mayor), Cr Lyn Russell, Cr Frank Buchanan, Cr Brian Crook, Cr Stuart Hart, Cr Geoff Higgins (from 12.50pm), Cr Chris Smith (from 1.00pm)

Staff: Rob Small, Jack Green, Neil Allen, Colin Hayman, Rhonda Deigan

**Declaration of Interest: Colin Hayman – Member of Vision Super Defined Benefits Superannuation Scheme**

|                 |   |
|-----------------|---|
| <b>12.00 pm</b> | <b>Councillor Briefing Session</b>          |
| <b>1.00 pm</b>  | <b>Special Council Meeting</b>              |
| <b>2.30 pm</b>  | <b>In Committee Special Council Meeting</b> |



### 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. {See over for Explanation/Guide Notes}

#### Assembly Details:

Date: 13, 8, 12

Time: 7.30 am/pm

Assembly Location: Colac Botanic Gardens Cafe  
(some e.g's. COPACC, Colac Otway Shire Offices, 2 - 6 Rae Street, Colac, Shire Offices - Nelson Street, Apollo Bay)

#### In Attendance:

Councillors: Nil

Officer/s: Laurence Towers

Matter/s Discussed: Friends of Colac Botanic Gardens Committee Meeting

(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.)

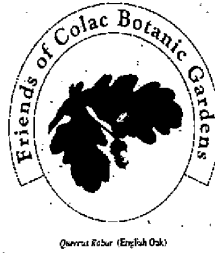
#### Conflict of Interest Disclosures: (refer page 5)

Councillors:

Officer/s:

Left meeting at: 8.50pm

Completed by: L. Brooker



## MINUTES

7:30pm Thurs 13<sup>th</sup> August, 2012 – at Colac Botanic Cafe

### PRESENT:

Anne Mercer (AM) in Chair, Roslyn Scanlan (RS) secretary, Chris Bell (CB) treasurer, Helen Paatsch (HP), Pauline Maunsell (PM), Jan McMahon, (JM), Sue Mulder (SM), Jen Todorovic (JT), Laurence Towers (LT)

**APOLOGIES:** France Doak, Anthea Merriwether, Mary Eaton (ME)

**MINUTES OF PREVIOUS MEETING:** Omission from correspondence – condolences were sent to Denise Green on the passing of her husband.

*Confirmed with amendment, 1.PM 2. HP*

### BUSINESS ARISING:

- JT typed LT's chart of the acacia flowering times in the CBG's. Chart to be sent to members with these minutes.
- To consider celebrating Wattle Day next year as well as during 150<sup>th</sup> anniversary.
- The Botanic Gardens Masterplan was adopted by Council. The Friends involvement was acknowledged.

### CORRESPONDENCE: RS

#### *Out:*

Invitations to visit CBG to Friends groups at Warrnambool, Hamilton, Camperdown, Bendigo, Daylesford, Geelong.

Hamilton Friends advised of planting of Quercus Robur as Guilfoyle memorial.

Neil Allen, COS, urging promotion of CBG on Council website and tourist signs.

Richard Barley – condolences on Cliff's passing.

#### *In:*

Angair-Anglesea Wildflower weekend 22 Sept – flyers received

Garden Plant Conservation Assoc of Aust: AGM notice and annual report plus further call for committee nominations.

The Gardens magazine – Foundation & Friends BG Sydney

Neil Allen, Gen. Mgr Infrastructure & Services, COS – Council resolution re Gardens Masterplan; thanks for submission and support of Friends in this project.

Denise Green – thanks for expressions of sympathy

Hamilton Friends – their Guilfoyle memorial tree is a Kauri pine (*Agathis robusta*).

Open Garden, 'Gala', near Lismore – Sun 18 Nov, for Western Plains mobile pre-school.

Camperdown Garden Club – invitation to bus trip to Pomonal and acceptance of invitation to visit Colac on 16<sup>th</sup> October.

Carol Smit – details re proposed fundraising run in Gardens on Sun 2 Dec.

*Correspondence received PM, seconded CB*

### BUSINESS ARISING:

- Members to contact Camperdown Garden Club individually if interested in the bus trip to Pomonal Native Flower Show on Sat 6 Oct.

- RS to arrange times for Camperdown Garden Club to tour CBG. AM & HP to conduct tour. JM will open the potting area and sell plants from there to the visitors.
- There are no concerns re Carol Smit's fundraising run in the Gardens.

**TREASURER'S REPORT: CB**

Report tabled.

\$114.50 was received for plant sales in early September.

Accounts for payment approved.

*Report received 1.CB 2.HP Carried.*

**GARDENER'S REPORT: LT**

Monthly report tabled.

The drain along both sides of the carriageway is too wide. LT will create narrower, more defined drains.

LT has created plant layouts for each bed. RS to have copies made for our Garden Guides and HP to investigate having an electronic form created.

LT to consider creating a bed with flowers in 150 design for 150<sup>th</sup> anniversary. Perhaps a flowering in spring and another in autumn.

**POTTING REPORT: JM**

Graham, Marion & JM did a lot of propagating last month. The stall was well stocked and nearly all sold.

More pots are needed – 6" preferred.

JM will tell the Potters about the refreshments account set up for them at the CB Cafe.

**GENERAL BUSINESS**

- JM tabled flyer of Art Gallery Ballarat's 'Capturing Flora' exhibition featuring the botanical art of Anita Barley.
- HP is currently researching old council records. The request in the Colac Herald for residents' old mementos has yielded some information and photos. Historian Norman Houghton has assisted with some research notes.
- PM has researched the costs of various calendars for the 150<sup>th</sup> anniversary year. Various options will be presented at the next meeting.
- In the future meeting times will change from 7:30pm to 5:30pm in line with Daylight Savings changes.

**RAFFLE:** won by RS

**Meeting Closed:** 8:50pm

**NEXT MEETING:**

Thursday 11<sup>th</sup> November, 7:30pm, Colac Botanic Cafe.





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### Assembly Details: Lake Colac Coordinating Committee Meeting

**Date:** 11 September 2012

**Time:** 1.00 pm

**Assembly Location:** COPACC Meeting Room 2

#### In Attendance:

Councillors: Cr Chris Smith

Officer/s: Rob Small, Chief Executive Officer.  
Stewart Anderson, Manager Environment and Community Safety  
Mick Cosgriff, Economic Development Officer

Matter/s Discussed:

- Presentations by CCMA and Barwon Water relating to water quality.
- Environment report including matters relating to Barongarook Creek, fish re-stocking, weed control, slashing activities, carp control and the Stodart Street gross pollutant trap.
- Capital works project including works at Meredith Park and the Groin along the Lake Colac Foreshore.
- Matters relating to the Colac Heavy Vehicle By Pass route were also discussed.

#### Conflict of Interest Disclosures: (refer page 5)

Councillors: No conflicts of interest were declared

Officer/s: No conflicts of interest were declared

Left meeting at: N/A

Completed by: Mick Cosgriff, Economic Development Officer

## **Council Meeting Running Order**

**Wednesday, 26 September 2012**

**Venue – Senior Citizens Centre – Apollo Bay**

**Present: Cr Stephen Hart, Cr Lyn Russell, Cr Frank Buchanan, Cr Brian Crook, Cr Geoff Higgins, Cr Stuart Hart**

**Staff: Rob Small, Jack Green, Neil Allen, Colin Hayman, Rhonda Deigan**

**Apologies: Nil**

**Conflict of Interest: Nil**

|                 |                                    |
|-----------------|------------------------------------|
| <b>12.30 pm</b> | <b>Lunch</b>                       |
| <b>1.00 pm</b>  | <b>Councillor Briefing Session</b> |
| <b>3.00 pm</b>  | <b>Council Meeting</b>             |
| <b>3.50 pm</b>  | <b>In Committee Meeting</b>        |



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#### Assembly Details:

Date: 28, 9, 2012  
Time: 9.00 am/pm

Assembly Location: Saleyards office colac  
(some e.g.'s. COPACC, Colac Otway Shire Offices, 2 - 6 Rye Street, Colac, Shire Offices - Nelson Street, Apollo Bay)

#### In Attendance:

Councillors: Cr Geoff Higgins

Officer/s: Neil Allen, Greg Anderton, Graeme Riches, Leanne Brooker

Matter/s Discussed: Saleyards Advisory Sub Committee Meeting

(some e.g.'s. Discussions 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: .....

Officer/s: .....

Left meeting at: 10.00am

Completed by: L. Brooker

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## COLAC LIVESTOCK SELLING CENTRE ADVISORY COMMITTEE MEETING

MINUTES of the Colac Livestock Selling Centre Advisory Committee  
 held on Friday 28 September 2012, 9.00am  
 at Colac Livestock Selling Centre  
 TRIM Ref: F12/915

| ITEMS & ACTIONS  | RESPONSIBLE OFFICER | ACTION DUE DATE |
|--|---------------------|-----------------|
| <p><b>1. ATTENDEES:</b></p> <p>Jeff Johnson (Buyers Rep); Jamie McConachy (Stock Agent), Phil Douglas (Stock Agent); Terry Dove (Stock Agent), Cr Geoff Higgins, William Richardson, Allan Osborne Graeme Riches (Saleyards Superintendent), Neil Allen (COS); Greg Anderton (COS),</p> <p>Minuted Taker: Leanne Brooker (COS)</p> <p><b>2. APOLOGIES: Nil received</b></p> <p>Not in attendance - Craig Wheadon, Jamie Dennis</p> <p><b>3. CONFIRMATION OF MINUTES FROM PREVIOUS MEETING:</b></p> <p>The minutes of the previous meeting held on 13 July 2012 were confirmed.</p> <p><b>4. GENERAL BUSINESS</b></p> <p><b>a) Review of Post Sale Weighing Trial</b></p> <p>A summary of the feedback forms received was distributed at the meeting. To date a total of 114 forms have been received with 81 'For', 24 'Against' and 9 'undecided'. Neil advised that five (5) of the forms submitted were anonymous (did not give a name/address on the form) and felt that these five should not be included in the total trial figure.</p> <p>Neil had phoned the meat buyers and the majority said they would still come to Colac if Post Sale Weighing came in.</p> <p>If the Advisory Committee is agreeable to go down the path of Post Sale Weighing, Neil will advise at the community meeting to be held on Thursday 4 October 2012, that Post Sale Weighing will continue at Colac Livestock Selling Centre. Neil thanked those present for their work in getting support from producers/sellers. A vote was taken on adopting the move to Post Sale Weighing at the Colac Livestock Selling Centre.</p> <p>Moved – Terry Dove<br/>                     Seconded – Jeff Johnson<br/>                     Carried 10:0</p> |                     |                 |

| ITEMS & ACTIONS   | RESPONSIBLE OFFICER | ACTION DUE DATE |
|---|---------------------|-----------------|
| <p>There was discussion around the table about the 'selling weight'. Agents have control of the sale, subject to final weight. Neil asked if such a question and other questions were raised at the community meeting on the 4<sup>th</sup>, that he would have the support from members of this group in answering. It was agreed that depending on questions asked, either Phil Douglas or Jeff Johnson could answer. Neil reiterated that the community meeting on the 4<sup>th</sup> was purely to discuss Post Sale Weighing and the result of the survey. Neil would chair the discussion and keep the meeting brief.</p> <p>It was suggested that a letter be sent to all feedlotter/processors asking for their support and informing them Colac is going to Post Sale Weighing. Neil will get a letter out. All were in favour of this.</p> <p>Moved – Terry Dove<br/>                     Seconded – Phil Douglas<br/>                     Carried 10:0</p>   | <p>Neil Allen</p>   |                 |
| <p><b>b) Roofing the Selling Centre</b></p> <p>Neil advised the meeting that preliminary schematic plans are being drawn up and as soon as he has a copy of the plans for the proposed roofing, he will call a meeting of this group to view and discuss. The proposed timetable of the roofing is to go to tender before Christmas, appoint a contractor before end of December and hopefully commence construction around February 2013.</p> <p><b>5. OTHER BUSINESS</b></p> <p><b>a) Terms of Reference for Livestock Selling Centre Advisory Committee</b></p> <p>Neil has drafted a Terms of Reference (TOR) and Nomination Form for the Livestock Selling Centre Advisory Committee. This was distributed at the meeting. In 2007 a report went to Council reconfirming the status of the Livestock Selling Centre but it did not stipulate the term of the Committee.</p> <p>Under the draft TOR –</p> <ul style="list-style-type: none"> <li>• No. 3 '<b>Appointment of Members</b>', Neil suggested there be two (2) farmer representatives. The group discussed this and agreed that needed only one (1) rep (Producer/Seller).</li> <li>• No. 4 '<b>Procedures</b>' - Neil has advised that if a member (or delegate) of the Committee misses three (3) consecutive meetings, they will be removed from the Committee. There was some discussion around this whether it is two (2) or three (3) meetings. It was agreed to keep it at three (3).</li> <li>• Discussion was held as to how the community member (producers/seller) rep be elected. Cr Higgins suggested the fairest way would be a ballot.</li> <li>• Neil asked the Committee were they happy for Neil to take the TOR to Council for their endorsement. The recommendation was as follows:</li> </ul> <p><b>Recommendation(s):</b></p> <ol style="list-style-type: none"> <li>1. <b>There be one (1) producer/seller rep under the 'Appointment of Members' on the Terms of Reference (TOR);</b></li> </ol> | <p>Neil Allen</p>   |                 |

| ITEMS & ACTIONS  | RESPONSIBLE OFFICER | ACTION DUE DATE |
|--|---------------------|-----------------|
| <p>2. That the TOR be taken to Council for Council endorsement;</p> <p>3. A Nomination Form be advertised together with the TOR for interested parties to submit their interest in the Livestock Selling Centre Advisory Committee; and</p> <p>4. Once Nomination Forms received, a 'Ballot' is held to elect the Producer/Seller Rep.</p> <p><i>Moved – Will Richardson</i><br/> <i>Seconded – Alan Osborne</i><br/> <i>Carried 10:0</i></p> <p><b>b) Throughput</b></p> <p>Graeme gave figures over the last four (4) years for throughput of fat cattle.</p> <p>09/10 – 6239<br/>           10/11 – 6372<br/>           11/12 – 4475<br/>           12/13 – 3650</p> <p>Graeme was concerned that the sales have dropped significantly. The Committee advised that this is Statewide and not just at Colac. The weather has had an impact on sale numbers statewide.</p> <p>There being no further business, Neil Allen thanked the Advisory Committee for attending and their valuable contribution to the future of Colac Selling Centre.</p> <p>The meeting closed at 10.00am.</p> |                     |                 |



### 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. {See over for Explanation/Guide Notes}

#### Assembly Details:

Date: 4, 10, 12

Time: 11.00 am/pm

Assembly Location: Colac Livestock Selling Centre  
(some e.g's. COPACC, Colac Otway Shire Offices, 2 - 6 Rae Street, Colac, Shire Offices - Nelson Street, Apollo Bay)

#### In Attendance:

Councillors: Cr. C. Higgins, Cr. F. Buchanan, Cr. C. Smith

Officer/s: Neil Allen, Greg Anderton, Craigne Riches, Lorne Brooker

Matter/s Discussed: Post sale weighing Community Info Session

(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: / / /

Officer/s: / / /

Left meeting at: 11:50am

Completed by: L. Brooker

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Friday 28 Sept 2012



**Information session regarding  
post-sale weighing**

An Information session will take place at the Colac Livestock Selling Centre on **Thursday, October 4 at 11am**. Council will present the results of a post-sale weighing trial and survey. Interested members of the livestock industry are welcome to attend.



# Transfer of Land

## Section 45 Transfer of Land Act 1958

**Privacy Collection Statement**  
The information from this form is collected by the Registrar of Titles under statutory authority and is used for the purpose of maintaining publicly searchable registers and indexes.

Lodged by:

Name: ROBERTSON HYETTS  
Phone: (03) 5434 6666  
Address: 386 Hargreaves Street  
Bendigo  
Reference: JMB 107136-5  
Customer Code: 1004 K

The transferor at the direction of the directing party (if any) transfers to the transferee the estate and interest specified in the land described for the consideration expressed and subject to the encumbrances affecting the land including any created by dealings lodged for registration before the lodging of this transfer.

Land: (volume and folio)

Volume 11359 Folio 351

Estate and Interest: (e.g. "all my estate in fee simple")

all its estate and interest in fee simple

Consideration:

\$1.00

Transferor: (full name)

COLAC DEVELOPMENTS PTY LTD ACN 113 084 352 (FORMERLY DEVLOT 1 PTY LTD)

Transferee: (full name and address including postcode)

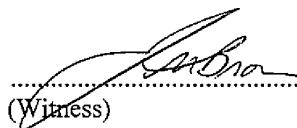
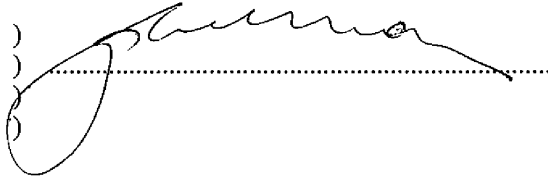
COLAC OTWAY SHIRE of 2-6 Rae Street, Colac, Victoria 3250

Directing Party: (full name)

Dated:

Execution and attestation :

Executed by Colac Developments Pty Ltd CAN 113 )  
084 352 by its Attorney Timothy John Robertson )  
under Power of Attorney dated 20 April 2010 in the )  
presence of: )

  
(Witness)

The common seal of Colac Otway Shire Council )  
was affixed in the presence of the authorised )  
person: )

1765118A

Order to Register

Duty Use Only

# T1

Please register and issue Certificate of Title to

\*Law Perfect Pty Ltd  
Page 1 of 1

Signed

Customer Code:

**THE BACK OF THIS FORM MUST NOT BE USED**

Land Victoria, 570 Bourke Street, Melbourne, 3000, Phone 8636-2010



Volume 11359 Folio 311

124042094288S

Page 1 / 1

Produced 08/06/2012

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CERTIFICATE OF TITLE - VICTORIA

**Under the Transfer of Land Act 1958**

I certify that the registered proprietor is the proprietor of the estate and interest in the land subject to the encumbrances, caveats and notices described



REGISTRAR OF TITLES

**LAND DESCRIPTION**

Road R1 on Plan of Subdivision 031957.  
PARENT TITLE Volume 11288 Folio 603  
Created by instrument AJ708098J 05/06/2012

**REGISTERED PROPRIETOR**

Estate Fee Simple  
Sole Proprietor  
DEVLOT 1 PTY LTD of 141 VIEW STREET BENDIGO VIC 3550  
AJ708098J 05/06/2012

**ENCUMBRANCES, CAVEATS AND NOTICES**

MORTGAGE AF546782E 20/12/2007  
BENDIGO BANK LTD

Any encumbrances created by Section 98 Transfer of Land Act 1958 or Section 24 Subdivision Act 1988 and any other encumbrances shown or entered on the plan or imaged folio set out under DIAGRAM LOCATION below.

**DIAGRAM LOCATION**

SEE LP031957 FOR FURTHER DETAILS AND BOUNDARIES

END OF CERTIFICATE



THIS CERTIFICATE CONTAINS INFORMATION CORRECT AT THE TIME OF PRINTING.  
CURRENT INFORMATION SHOULD BE OBTAINED BY A SEARCH OF THE REGISTER.

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PLAN OF SUBDIVISION OF  
PART OF CROWN ALLOTMENT 167  
TOWNSHIP OF COLAC  
PARISH OF COLAC  
COUNTY OF POLWARTH  
VOL 8041 FOL 169  
Measurements are in feet and inches

LP 31957  
EDITION 1  
PLAN MAY BE LODGED  
13/1/58

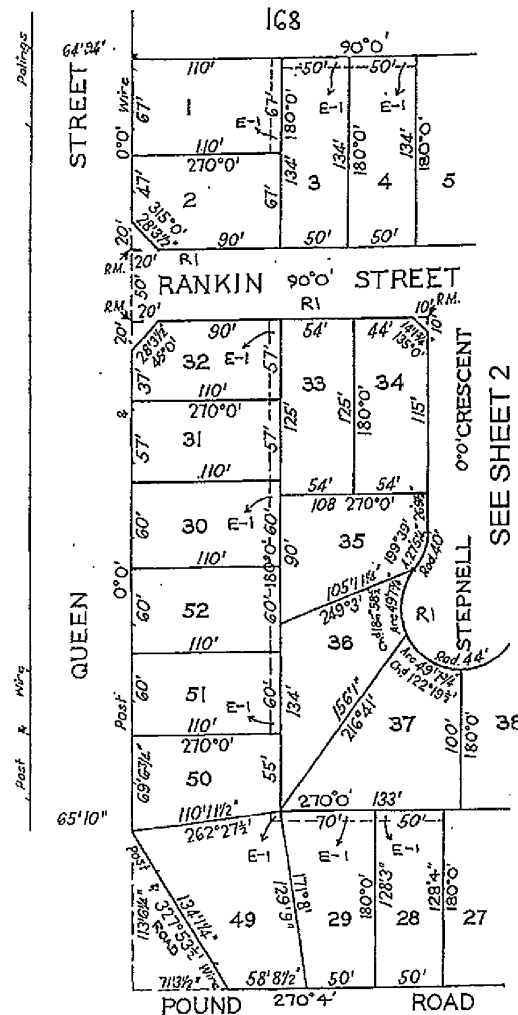
2 SHEETS  
SHEET 1.



COLOUR CODE  
E-1 = BLUE  
R1 = BROWN

APPROPRIATIONS  
THE LAND COLOURED BLUE IS APPROPRIATED  
OR SET APART FOR EASEMENTS OF DRAINAGE  
AND SEWERAGE AND IS 6 FEET WIDE  
  
THE LAND COLOUR BROWN IS APPROPRIATED  
OR SET APART FOR EASEMENTS OF WAY AND  
DRAINAGE

Reference Marks (R.M.) are 8"x12" Iron Spikes



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2 SHEETS  
SHEET 2. LP 31957

