



**Colac Otway**  
SHIRE

**ORDINARY COUNCIL MEETING**

**AGENDA**

**Wednesday 25 September 2019**

**at 4:00 pm**

**Apollo Bay Senior Citizens' Centre**

**Whelan Street, Apollo Bay**

**Next Council Meeting: 23 October 2019**



# COLAC OTWAY SHIRE ORDINARY COUNCIL MEETING

Wednesday 25 September 2019

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## COLAC OTWAY SHIRE ORDINARY COUNCIL MEETING

NOTICE is hereby given that the next **ORDINARY COUNCIL MEETING OF THE COLAC OTWAY SHIRE COUNCIL** will be held at Apollo Bay Senior Citizens' Centre on Wednesday 25 September 2019 at 4:00 pm.

### AGENDA

#### **1 DECLARATION OF OPENING OF MEETING**

##### **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 AND LEAVES OF ABSENCE**

#### **4 WELCOME AND ACKNOWLEDGEMENT OF COUNTRY**

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

All Council and Committee meetings are audio recorded, with the exception of matters identified as confidential items in the Agenda. This includes the public participation sections of the meetings.

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

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

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

## **5 QUESTION TIME**

A maximum of 30 minutes is allowed for question time. To ensure that each member of the gallery has the opportunity to ask questions, it may be necessary to allow a maximum of two questions from each person in the first instance. 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. Question time 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.

## **6 TABLING OF RESPONSES TO QUESTIONS TAKEN ON NOTICE AT PREVIOUS MEETING**

These responses will not be read out but will be included in the minutes of this meeting.

## **7 PETITIONS / JOINT LETTERS**

Nil

## **8 DECLARATIONS OF INTEREST**

A Councillor who has declared a conflict of interest, must leave the meeting and remain outside the room while the matter is being considered, or any vote is taken.

## **9 CONFIRMATION OF MINUTES**

- **Ordinary Council Meeting held on 28 August 2019.**

### **Recommendation**

***That Council confirm the minutes of the Ordinary Council Meeting held on 28 August 2019.***

Item: 10.1

## Designation of Barwon Downs Neighbourhood Safer Place - Bushfire Place of Last Resort

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Tristan Crews   |
| <b>GENERAL MANAGER</b> | Ian Seuren  |
| <b>DIVISION</b>        | Development & Community Services  |
| <b>ATTACHMENTS</b>     | <ol style="list-style-type: none"> <li>1. NS P- BPLR Site Assessment Report - Barwon Downs Common &amp; Community Hub [<b>10.1.1</b> - 33 pages]</li> <li>2. Minutes - MEMPC - 20190808 [<b>10.1.2</b> - 5 pages]</li> <li>3. Barwon Downs NS P- BPLR letter of works for community - Template [<b>10.1.3</b> - 2 pages]</li> </ol> |
| <b>PURPOSE</b>         | The purpose of this report is to seek Council endorsement to designate the Barwon Down Common (1595 Birregurra-Forrest Rd) and Community Hub building (1599 Birregurra-Forrest Rd) at Barwon Downs as Neighbourhood Safer Places – Bushfire Places of Last Resort.  |

### 1. EXECUTIVE SUMMARY

Current legislation (*Country Fire Authority Act 1958* and *Emergency Management Act 1986*) requires:

- The Country Fire Authority (CFA) to certify Neighbourhood Safer Places – Bushfire Places of Last Resort (NSP-BSLRs) against CFA’s Assessment Guidelines
- Victorian Councils to identify, designate, establish and maintain suitable sites as NSP-BSLRs in their Municipal districts.

Currently Colac Otway Shire maintains five open space NSP-BPLRs within the municipality; Beeac Park, Birregurra Park, Cressy (front of Hall), Rex Norman Reserve (Gellibrand) and Apollo Bay Foreshore, and one indoor (structural) at Cressy Community Hall.

Initial assessments were conducted by the CFA and Colac Otway Shire officers for two sites in Barwon Downs to be a NSP-BPLR. The sites adjoin each other and in order to meet the CFA standards both sites needed to be assessed together. One as an open space NSP-BPLR (The Common) and one as a

built NSP-BPLR (The Community Hub Building). The exact location of the sites are shown in the attached NSP-BPLR Site Assessment Report and the body of this report. After the initial assessment, the CFA made recommendations on works that would be required to make the sites compliant with the CFA standards. Council provided \$45,000 in its 2018/19 Budget for these works to be undertaken, which included:

- Lopping or removal of 31 trees in road reserve and southern boundary;
- Modification of cypress pines;
- Removal of old tennis club shed and attached structure;
- Fence replaced with 2m steel fence;
- Modification of gardens;
- Appropriate signage.

The local community was consulted extensively during this process. After completion of the works, the attached NSP-BPLR Site Assessment Report for Barwon Downs was completed which states that the sites now meet the CFA standards. A motion was put forward to both the Municipal Fire Management Planning Committee (MFMPC) and the Municipal Emergency Management Planning Committee (MEMPC). Both committees recommended that Council designate the two sites as NSP-BPLRs.

## 2. RECOMMENDATION

***That Council endorse both the Barwon Downs Common (1595 Birregurra-Forrest Rd) and Community Hub building (1599 Birregurra-Forrest Rd) as Designated Neighbourhood Safer Places – Bushfire Places of Last Resort.***

## 3. KEY INFORMATION

The Victorian Government established Neighbourhood Safer Places in response to the recommendations from the Victorian Bushfire Royal Commission regarding the need for a range of community shelter and relocation options in the event of a bushfire threat. Bushfire safety policy was revised and updated to include bushfire safety options as a priority area for protection and shelter during emergencies.

A NSP-BPLR is an area or premises that provide separation distance from the bushfire hazard and protection from direct flame contact and radiant heat. It is an existing location and not a purpose-built, fire-proof structure. A NSP-BPLR may be an open space such as a local sports field, foreshore or park, or it may be located within a community facility such as a hall or sports pavilion.

Barwon Downs was one of the towns listed in the top 52 towns at highest risk from bushfire as an outcome of the 2009 Bushfire Royal Commission. The first option identified by the MFMPC was the Barwon Downs Public Hall. This site was deemed non-compliant and without options for treatments that would reduce the radiant heat level.

The next option investigated was the Common (or old school site) and the Community Hub building. The exact locations of the sites are shown below at 1595 and 1599 Birregurra-Forrest Rd. These sites were assessed as being compliant, but with prescriptions required by the CFA to make the sites meet

their standards. Council provided \$45,000 in the 18/19 Budget for these works to be undertaken. The works included:

- Lopping or removal of 31 trees in road reserve and southern boundary
- Modification of cypress pines
- Removal of old tennis club shed and attached structure
- Fence replaced with 2m steel fence
- Modification of gardens
- Appropriate signage



*Barwon Downs Common (Tennis Courts) precinct map showing proposed potential NSP Sites*

A program of required works was tendered and delivered by Council's Project Delivery team. After completion of the works, the attached NSP-BPLR Site Assessment Report for Barwon Downs was completed which states that the sites now meet the CFA standards. A motion was put forward to both the Municipal Fire Management Planning Committee (MFMP) and the Municipal Emergency Management Planning Committee (MEMPC). Both committees recommended that Council designate the two sites as NSP-BPLRs (COS MEMPC minutes attached).

NSP-BPLRs are places of last resort for people to go to during a bushfire when their primary bushfire plans have failed. NSP-BPLRs are places of relative safety only. They do not guarantee the survival of those who assemble there. Furthermore, there may be serious risks to safety encountered in travelling and seeking access to NSPs during bushfire events.

Colac Otway Shire has recently submitted assessments for further NSP-BPLRs in other lower risk townships. Unlike the sites at Barwon Downs, it is envisioned that there will be minimal costs associated with establishing these sites and it is planned to have them assessed formally by the CFA in early 2020.

## 4. COMMUNITY CONSULTATION & ENGAGEMENT

Due to the considerable quantity of works required before both the MFMP and MEMPC would endorse the sites, there were several engagement activities and opportunities for members of the public to provide feedback.

Appendix D of the attached Site Assessment Plan details the required works. A community engagement session was held at the Community Hub where there was a thorough explanation of the works and its potential impacts. The time between this session and the commencement of works meant that there was a direct mailout to 70 property owners closest to the site (see attached).

If the sites are designated, then the next stage of community engagement will involve the Barwon Downs CFA brigade. The purpose of this will be to educate the brigade, as local community members, on the purpose and function of the NSP-BPLRs. This will empower the local CFA to have the conversations with their friends, neighbours and peers about their overall bushfire survival plans.

## 5. ALIGNMENT TO COUNCIL PLANS, POLICIES OR STRATEGIES

Alignment to Council Plan 2017-2021:

Theme 2 - Our Places

6. Emergency management is coordinated locally and on a regional basis.

Theme 3 - Our Community

1. Increase social connection opportunities and community safety.

Theme 4 - Our Leadership & Management

3. Organisational development and legislative compliance.

## 6. CONSIDERATIONS

### ENVIRONMENTAL, SOCIAL & CULTURAL, & ECONOMIC

With the identification of Barwon Downs as a potentially suitable location for NSP-BPLRs, assessments were undertaken by Ecology Consultants Pty Ltd to investigate various aspects of vegetation in proximity to the sites.

The study included:

- Undertaking desktop due-diligence studies for flora, fauna, cultural and historical issues, including a review of databases held by State and National authorities.
- Identifying, recording, marking and mapping hazardous trees within the three study areas using the criteria provided by the Municipal Association of Victoria.
- Undertaking fuel-hazard assessments in areas identified for fuel modification to advise on vegetation-modification requirements.

In all there were 31 trees that required either removal or lopping in response to being identified as potentially hazardous trees. These were all identified within the road reserve and permissions granted from DELWP for the removal or modification (see attached Site Assessment Report – Appendix E).



There is significant political and community desire to ensure the establishment of NSP-BPLRs where possible. The social effects of bushfire including loss of life, destruction of property and dislocation of communities are inevitable. While the designation of NSP-BPLRs do not guarantee the survival of those who assemble there, they do provide an extra resource for those whose bushfire survival plans have failed. Barwon Downs has had a strong desire from the community since it was identified as one of the top 52 high bushfire risk towns in Victoria.

There are no significant economic implications associated with the establishment or maintenance of the sites as NSP-BPLRs.

## **LEGAL & RISK**

Council has a responsibility under *Country Fire Authority Act 1958* and *Emergency Management Act 1986* to identify, designate, establish, maintain and decommission Neighbourhood Safer Places – Bushfire Places of Last Resort. Council is not required to designate an NSP-BPLR if no place has been certified by the Country Fire Authority.

Where a Council has chosen to designate an NSP-BPLR on Council owned land (or Crown Land under Council Committee of Management), this means that it is “business as usual”, and as such doesn’t change the liability of Council for its own land. The liability policy (i.e. public liability and professional indemnity) will provide indemnity to Councils for their NSP-BPLR activities in the same way it responds to other business activities of Council. Council can rely on the defence under section 500 of the *CFA Act 1958* (as amended), for the death of or injury to a person provided Council complies with its Municipal Neighbourhood Safer Places Plan, as adopted by Council.

NSP-BPLRs are not community fire refuges or emergency relief centres. NSP-BPLRs are Places of Last Resort during the passage of a bushfire and are intended to be used by persons whose primary bushfire plans have failed. NSP-BPLRs are places of relative safety only. They do not guarantee the survival of those who assemble there. Furthermore, there may be serious risks to safety encountered in travelling and seeking access to NSP-BPLRs during bushfire events. Depending on the direction of a fire, it may not be ‘a safer place’ to assemble than other places within the district. At that point in time it almost certainly will be a matter for individual judgement and decision, as to which if any NSP-BPLR a person or persons should travel in the presence of fire.

## **FINANCIAL & BUDGETARY**

In 2018/19, Council provided \$45,000 for the establishment of the Barwon Downs NSP-BPLRs. There will be no new additional funds required to maintain the outdoor site and its surrounding environment, as they are managed to a satisfactory standard by Council’s Services and Operations team.

# **7. IMPLEMENTATION STRATEGY**

If Council designates these sites as NSP- BPLRs, then the next steps are as follows:

## **COMMUNICATION**

If sites are designated as NSP-BPLRs, Colac Otway Shire’s Fire Awareness Officer and delegated MFPO (Municipal Fire Prevention Officer) will issue a media release to the public about the designation of the new NSP-BPLR, which will include information about the purpose for and conditions of use. As mentioned previously, NSP-BPLRs are places of last resort for people to go to during a bushfire when their primary bushfire plans have failed. NSP-BPLRs are places of relative safety only. They do not

guarantee the survival of those who assemble there. Furthermore, there may be serious risks to safety encountered in travelling and seeking access to NSPs during bushfire events. This information will be published via our social media page and website and provided to the community through the Barwon Downs CFA Brigade.

## **TIMELINE**

25 September 2019 – Council considers designating the Barwon Downs Common and Community Hub building as NSP-BPLRs.

30 September 2019 – If sites are designated as NSP-BPLRs, Shire’s MFPO will notify CFA via the CFA Safer Places online notification system that Colac Otway Shire will be designating a new site which is compliant with CFA guidelines.

11 October 2019 – Council’s Neighbourhood Safer Places Plan, Strategic Fire Management Plan and Municipal Emergency Management Plans will be updated and published at required locations. Council’s website will also be updated with new NSP-BPLR locations.

Mid October – Council’s MFPO will hold an awareness and information session with members of the Barwon Downs CFA Brigade and DELWP’s (Forest Fire Management) Barwon Downs depot staff. This session will be to explain the purpose and function of the site, as may be used by members of the public. There will also be an additional resource supplied to the CFA brigade, by way of a portable pump, that either agency may use for asset protection.

Late October – Council’s MFPO to provide support to the local CFA brigade on their community engagement open day in relation to the designation of the NSP-BPLR.

Ongoing – Annual compliance audit completed by Shire MFPO and CFA before 30 August.

## **8. OFFICER DIRECT OR INDIRECT INTEREST**

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



# Bushfire Place of Last Resort (Neighbourhood Safer Report) Site Assessment Report

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Barwon Downs Common  
& Community Hub  
Barwon Downs

Reference: Barwon Downs NSP Site Assessment Report  
Colac Otway Shire

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# 1. Executive Summary

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In response to the Interim 2009 Bushfires Royal Commission Recommendation 8.5, the Victorian Government has introduced legislation which requires the Country Fire Authority (CFA) to certify Neighbourhood Safer Places (**NSPs - now known as Bushfire Places of Last Resort NSP-BPLR**) against the CFA's Assessment Guidelines, and Victoria's Councils to identify, designate, establish and maintain suitable sites as NSPs in their municipal districts.

In relation to the potential NSP-BPLR site known as Barwon Downs Tennis Court Precinct, Barwon Downs being assessed as a NSP-BPLR, the Colac Otway Shire with the support of the Municipal Fire Management Planning Committee (**MFMP**C), CFA Barwon South West Region, has undertaken assessments in line with current guidelines and expected practices.

The results of the CFA Assessment Guidelines and the assessment against the Colac Otway Shire Neighbourhood Safer Places Plan Criteria has shown the site described as Barwon Downs Tennis Courts Precinct, at the time of assessment to be compliant against the relevant guidelines and criteria subject to certain prescriptions.

The prescribed conditions require that *"Properties to the North, South, East, and West aspects of the reserve shall be maintained in a minimum fuel condition of <100mm throughout the FDP for a distance of 70m in all directions from the reserve outer boundary."*

These prescriptions can be maintained with a signed land user agreement, with adjoining landowners (Appendix A), to agree to these standards as required by CFA. Where these standards are not met, Shire's Municipal Fire Prevention Officer may issue a Schedule 15 Fire Prevention Notice.

Unless Council, on whatever grounds sees fit to decide otherwise, having successfully passed all current NSP-BPLR criteria that has been established by the State Government, CFA, MAV and the Colac Otway Shire, it is recommended that:

- *The Colac Otway Shire endorse the areas as described and detailed within the NSP-BPLR Site Assessment Report which is located within the Barwon Downs Tennis Courts Precinct (Common) Barwon Downs, as a designated Neighbourhood Safer Place- Bushfire Place of Last Resort (as separate indoor and outdoor sites).*

**On passing the recommendation above it is further recommended:**

- The Council provides signage at the NSP-BPLR site in compliance with *s50H The Country Fire Authority Act 1958 (CFA Act)* under the guidelines published from Emergency Management Victoria (EMV) Bushfire Place of Last Resort Signage Manual V4.0 2015.
- The Municipal Fire Prevention Officer (MFPO) provides to the CFA NSP Online Business System documentation of the designation of the site as a NSP-BPLR by Colac Otway Shire by 30 September 2019.
- The MFMPC and the MEMPC (Municipal Emergency Management Planning Committee) include this site within a list of NSP-BPLRs within their respective plans.
- The Council informs the public of the designation of the site as a NSP-BPLR and provides information to the public on the purpose and function of the NSP-BPLR as a place of Last Resort and the fact that there is no guarantee of survival if used during an emergency event.
- The MFPO updates Colac Otway Shire's NSP Plan and makes this plan available to the public via the website and hard copies at Customer Service Centres (as per *s.50F CFA Act 1958*).
- The Council asks the CFA to assist in an annual assessment and review of the NSP site by August 31 each year against the Municipal NSP-BPLR Plan and the CFA assessment guidelines.
- The NSP-BPLR site is maintained to suitable standards and that the MFPO undertakes routine inspections of the NSP-BPLR site prior to and during the fire danger period.
- That a budget is allocated/maintained to provide the site with signage, maintenance and annual inspections in line with the NSP-BPLR guidelines, legislation and plans.

## 2. Introduction

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In its interim Report, the 2009 Victorian Bushfires Royal Commission recommended that Neighbourhood Safer Places (now known as Bushfire Places of Last Resort **NSP-BPLR**), be identified and established to provide persons in bushfire affected areas with a place of last resort during a bushfire<sup>1</sup>.

In response to this recommendation, the Victorian Government in late 2009 introduced the *Emergency Services Legislation Amendment Act 2009 (ESLA Act)* which amends the *Country Fire Authority Act 1958 (CFA Act)* and the *Emergency Management Act 1986 (EM Act)*. The effect of these amendments requires the CFA to certify NSP-BPLRs against the CFA's Assessment Guidelines, and Councils within Victoria to identify, designate, establish, maintain and decommission NSP-BPLRs in their municipal districts.

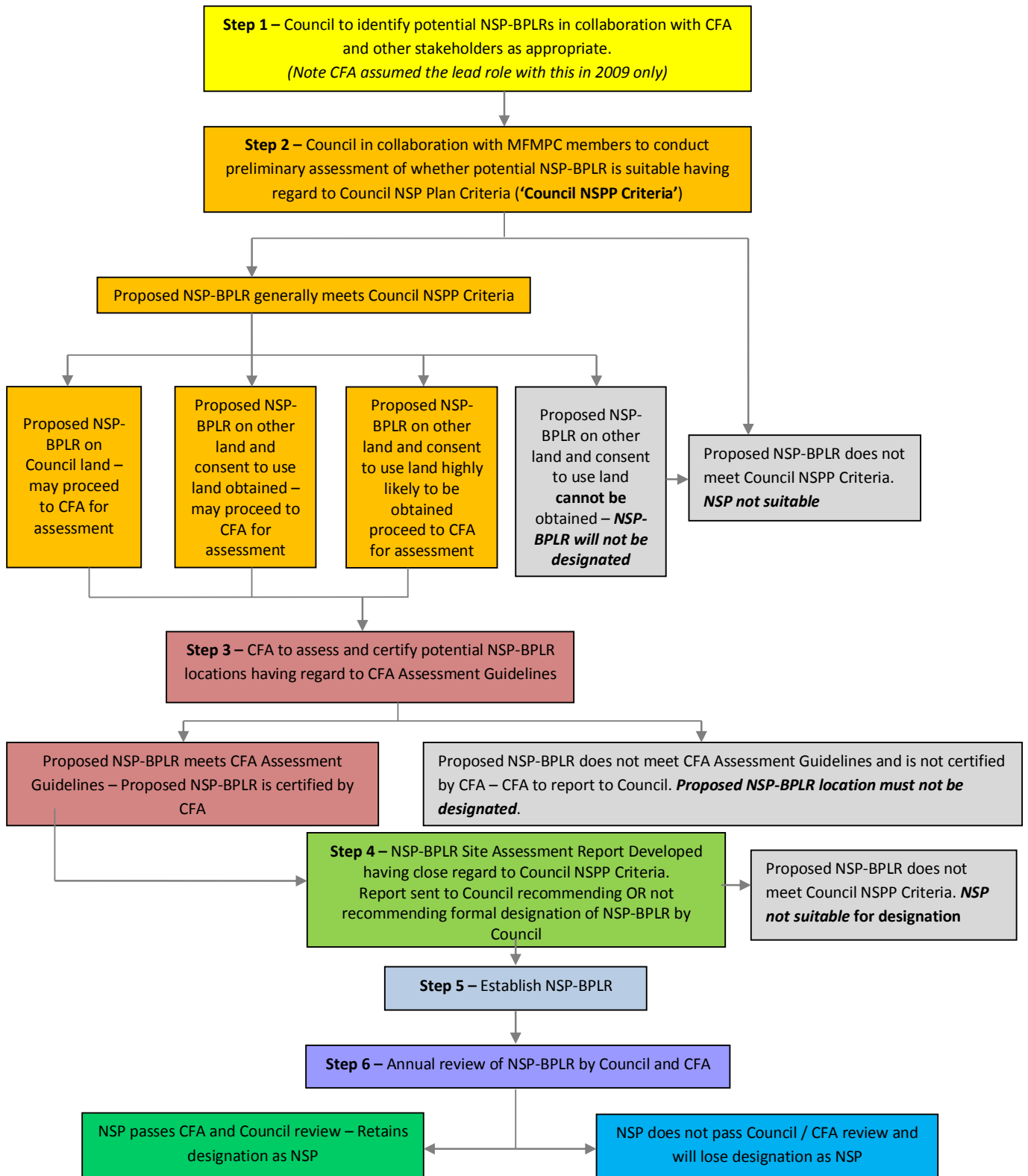
NSP-BPLRs are not community fire refuges or emergency relief centres. NSP-BPLRs are **Places of Last Resort** during the passage of a bushfire, and are intended to be used by persons whose primary bushfire plans have failed. NSP-BPLRs are places of relative safety only. They do not guarantee the survival of those who assemble there. Furthermore, there may be serious risks to safety encountered in travelling and seeking access to NSP-BPLRs during bushfire events. Depending on the direction of a particular fire, it may not be 'a safer place' to assemble than other places within the municipal district. At that point in time it almost certainly will be a matter for individual judgement and decision, as to which if any NSP-BPLR a person or persons should travel in the presence of fire.

NSP-BPLRs will be assessed by the CFA as providing some protection from immediate risk of direct fire attack, but not necessarily from other risks, such as flying embers.

It is impossible to determine the variables of people's behaviour and actions during the stresses of an emergency situation. It is also impossible to precisely determine localised affects of weather during fire events and the resulting impact of fire at any particular location on any given high risk day. In understanding this, the assessment has included many assumptions in identifying possible sites that may provide some form of protection from radiant heat during the passage of a fire.

*1. Recommendation 8.5, 2009 Victorian Bushfires Royal Commission Interim Report*

### 3. NSP Approval Process



NB This process is effective from 1 January 2010. Site Assessments prior to this date utilised a previous version, where CFA was the lead agency in Step 1.



## 4. Compliance Standards

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The assessment of the site was done in line with the:

- Colac Otway Shire Neighbourhood Safer Places Plan (NSPP)
- Colac Otway Shire NSPP Criteria Auditing Tool
- Neighbourhood Safer Place – Bushfire Place of Last Resort Assessment Guideline – Country Fire Authority 2016

## 5. Assessment Approach

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Five stages of assessment were made on this site.

1. Council led a process of identification of the site in collaboration with the Municipal Fire Management Planning Committee (MFMPC).
2. The Council conducted an onsite assessment in-line with the criteria in the Colac Otway Shire NSPP Criteria. This assessment was conducted with the assistance of the MFMPC. In attendance were representatives from Council, Department of Environment, Land, Water and Planning and CFA.
3. CFA conducted an assessment of the potential NSP-BPLR site against the Bushfire Neighbourhood Safer Places CFA Assessment Guideline; this was done by appropriately qualified and experienced CFA and Shire personnel.
4. Concerns regarding the site being designated as a NSP were also sought from Victoria Police, CFA, respective interested and associated parties, through the MFMPC.
5. The MFMPC and MEMPC (Municipal Emergency Management Planning Committee) were briefed and information sought on the site being designated as a NSP-BPLR.

## 6. Site Identification

### Identification of potential NSP-BPLR site

The potential NSP-BPLR site was identified by Council in collaboration with the MFMPC in line with the process outlined in Councils NSPP.

This process identified the Barwon Downs Tennis Courts precinct situated on Forrest – Birregurra Road within the township of Barwon Downs as shown in the locality snapshot, Figure 1 below. The potential NSP-BPLR sites is the area within the orange lines.



**Figure 1.** Locality snapshot of Barwon Downs showing proposed potential NSP-BPLR Sites.

**Locality description**

Barwon Downs is a small country town situated South East of Colac in the foot of the Otway Ranges in south-western Victoria; it is located approximately 160km southwest of Melbourne.

The town has a long association with agriculture and logging, farming continues strongly to this day. Barwon Downs has a population of approximately 50 people in the town with an extend population in the surrounding farms.

Barwon Downs, since initial assessment, has also had the establishment of a new permanent depot for crews employed by Forest Fire Management Victoria (DELWP).

The town is situated on a main access road to Apollo Bay and the Great Ocean Road.

Additional community facilities include:

- Community Hall
- Tennis Club
- Public Toilets
- CFA

The township supports the following community groups:

- Community Hall and Community Group

### NSP Specific Site description

The Barwon Downs Tennis Courts precinct is situated on Forrest – Birregurra Road within the township of Barwon Downs. The Barwon Downs Tennis Courts is a council property, with the club rooms being a joint arrangement between the Council, CFA and community.

The proposed Barwon Downs Tennis Courts precinct dual NSP-BPLR encompasses an area of approximately 2000 sq. metres and is located at 1595 Forrest – Birregurra Road on the Western side as shown in Figure 2 below.

The site is proposed to have both an enclosed NSP-BPLR and an open air NSP-BPLR, which would support the use of the enclosed NSP-BPLR and provide an area to move into should the enclosed NSP-BPLR become untenable.

The site is used as a tennis court clubroom and public open space and has a toilet.



**Figure2.** Barwon Downs Tennis Courts precinct map showing proposed potential NSP Sites.

## 7. Findings & Discussion

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### CFA Assessment

CFA has developed guidelines to assess the suitability of potential sites as NSP-BPLRs (*Neighbourhood Safer Place – Bushfire Place of Last Resort Assessment Guideline – Country Fire Authority 2016*).

The key criteria considered by the CFA under the current CFA NSP assessment for this site were for an open space and therefore the site needed to meet one of the following criteria;

- The appropriate separation distance between the outer edge of the potential NSP and the nearest fire hazard ('Buffer Zone') should be at least 310 metres; or
- An alternative Buffer Zone distance may be prescribed by the CFA, which will ensure that the maximum potential radiant heat impacting on the site is no more than 2kw/m<sup>2</sup>.

The CFA informed the Council on the 10 July 2019 for the built structure and the open space in writing (Appendix A) that the Barwon Downs Tennis Courts precinct, was compliant with some prescriptions with the CFA assessment guideline and prescribed an area that the maximum potential radiant heat impacting on the site would be no more than 2kw/m<sup>2</sup>. The prescription identified in the CFA documentation specified 1 area of adjacent paddock to the east be maintained in a minimal fuel condition.

These prescriptions can be maintained with a signed land user agreement, with adjoining landowners (Appendix A), to agree to these standards as required by CFA. Where these standards are not met, Shire's Municipal Fire Prevention Officer may issue a Schedule 15 Fire Prevention Notice.

### Survey of Concerns

The Council sought input from relevant agencies and personnel on the suitability of this site as a NSP-BPLR.

We asked specifically for opinion in relation to:

- The suitability of access and entry to the location.
- The suitability of using the site for the congregation of people during an emergency.
- Any other reason for which the site may not be suitable as a NSP.

The request was made of the following agencies; CFA, Council, for the initial review, and CFA and council for the review of the new site.

### Site Assessment against NSP-BPLR Plan Criteria

Representatives from Council and CFA discussed the sites potential to be used as a NSP-BPLR.

The NSPP Criteria Auditing Tool was used to assist in the discussion and ultimate assessment, Appendix C contains a copy of the auditing tool.

The following summary was concluded:

#### Consents and Rights of Access

The potential NSP-BPLR site Barwon Downs Tennis Court precinct, is owned and managed by council in conjunction with the Barwon Downs community and the CFA, as such no consents or right of access is necessary for this site.

#### Access and Egress

In considering whether access and egress routes are adequate, consideration was given to the following issues:

- Whether there is sufficient access to the potential NSP-BPLR which will allow for;
  - anticipated potential numbers of people to move to and from the place
  - the CFA and other emergency services to attend the place for asset and personal protection activities
- The condition of the road surface.
- The proximity of the NSP-BPLR to major roadways and population centres.
- The type and amount of vegetation along any access routes, and whether that vegetation could be affected by fire and pose a risk of harm to those seeking access to the potential NSP-BPLR, or otherwise block access to the NSP-BPLR.
- Whether appropriate vegetation management activities can be undertaken and maintained through works that are both possible and practicable having regard to the resources of the site owner.
- The capacity of access routes to accommodate potentially large numbers of vehicles, and to accommodate potential breakdowns.
- Parking at the place, taking into account that a separate area or adequate space may need to be available to ensure pedestrians can move away from the areas where vehicles may enter or park.
- Any hazards that may exist for persons accessing the place by foot.
- Any relevant matter contained in Councils Road Management Plan prepared pursuant to the *Road Management Act 2004 (Vic)*.

It was the consensus that existing access and egress routes were sufficient to allow anticipated potential numbers of people to move to and from the site and for CFA and other emergency services to attend the site for asset and personal protection activities. Roads within the immediate area are

sealed and unsealed dual access maintained to a good standard and would not pose an unacceptable risk of harm to those seeking access to the potential NSP-BPLR from within the township.

However, from a vegetation perspective an assessment was undertaken in 2012 by Ecological Consultants, it indicated that there were some concerns with regard to radiant heat and hazardous trees. These areas are detailed in their report (*D19/116088*). Each of the hazardous trees and the areas of vegetation that contribute to elevated radiant heat levels were identified and treatments and standards have been suggested. Some investigations were undertaken as to whether these standards could be met, within the existing vegetation exemptions and managed in a way that was not cost prohibitive. It is believed that this can be met through a combination of vegetation removal and modification under road safety exemptions or bushfire related exemptions. With the broad area vegetation, a request to DELWP to re zone a section of land public land, so it can have treatment via burning and or mechanical modification, roadside burning using the local CFA brigade will meet heat requirements identified in the original consultant report.

Approval for the modification and removal of native vegetation was granted by the Secretary of DELWP under the exemptions listed under Clause 52.17 of the Victorian Planning Provisions (Appendix E).

It was also agreed that existing parking adjacent to the site and in nearby streets was adequate. Pedestrian safety from vehicles within the NSP-BPLR is considered safe due to a clear delineation between the site and the area available for the use by vehicles.

#### Establishment Cost

There will be a significant establishment cost to add the elements that would improve the tenability of the site as an NSP. Fencing (\$15,000), plant removal and garden modification (\$10,000), Hazardous tree management (\$40,000). Approximate costs only.

#### Opening of the NSP

As part of the NSP is a building, arrangements will be made with the local CFA to have the building open on high fire danger days.

#### Defendable Space

The site is deemed to have sufficient defendable space by the CFA with some modification to the surrounding grassland. The grassland sections would need to be managed to the standards outlined by the CFA in the radiant heat assessment.

### Defendability of Buildings

The building will be maintained at least at a BAL 12.5 standard. To also improve survivability, immediate vegetation will be managed and a new steel fence be constructed between the building and the neighbour. The neighbour would also be approached by the MFPO to undertake some further management of fuel in the area closest to the NSP-BPLR building. See attached map for further details (Appendix D).

### Signage

There is sufficient space to erect general NSP-BPLR signage. A signage location map is provided in Appendix B. Contact with the tennis club would be necessary before putting up any signage.

### Maintenance and Maintainability

Some costs would be incurred by Council in establishing and maintaining the site. The Council through existing maintenance will meet the site requirements, this will need to be monitored by the MFPO. The property to the south and east has a larger section of grass and will need to be maintained to the standards prescribe by the CFA assessment report (Appendix A). This will be monitored by the MFPO.

There will need to be an ongoing hazardous tree inspection program. It is believed that the inspections can be done as part of current biannual inspections undertaken by council staff, as indicated by parks works coordinator. There may be some ongoing tree management, this would be worked out on an as needs basis and funding would be negotiated between road maintenance and emergency management budgets, this may involve a cost that the Council may not have incurred otherwise through the road management maintenance program.

### Disabled Access

Suitable parking is currently available adjacent to the site.

### Separation and Demarcation of Area

The potential NSP-BPLR site has clear boundaries, with a road way on two sides and site fencing on the remained.

### Other Conflicting Uses

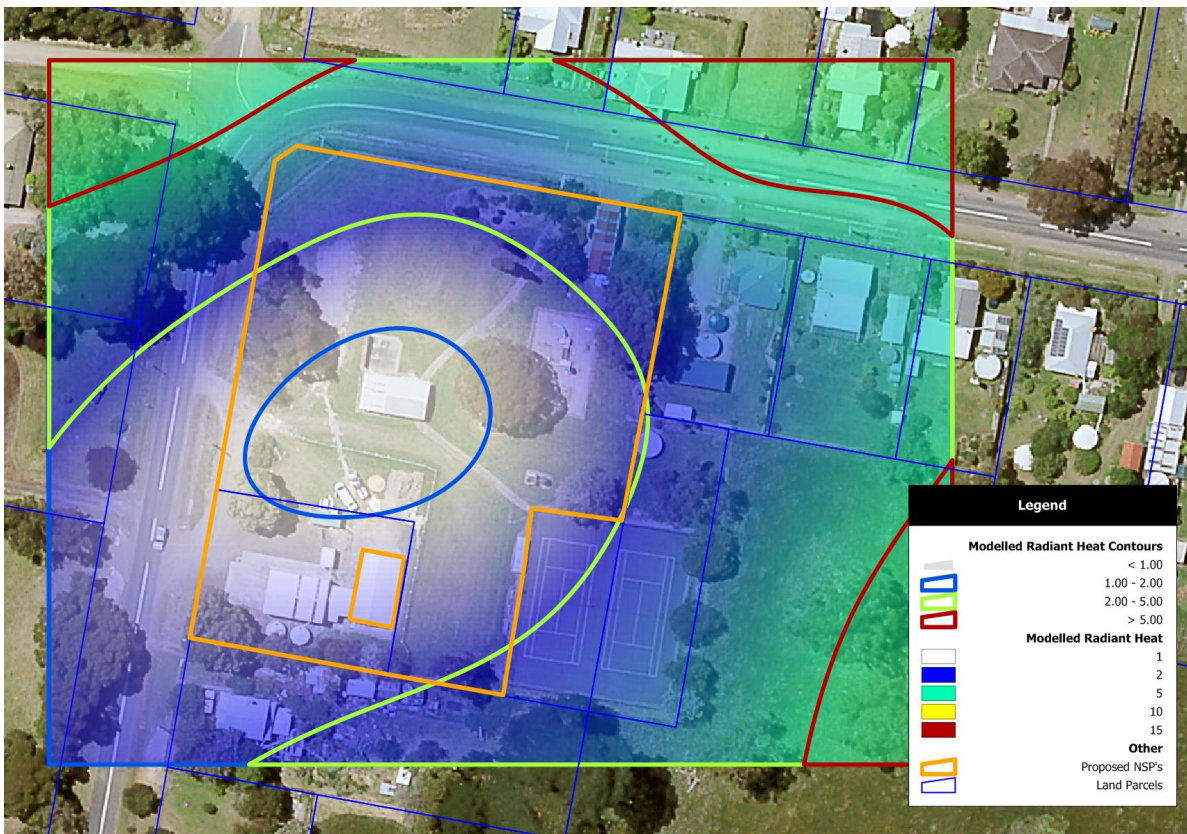
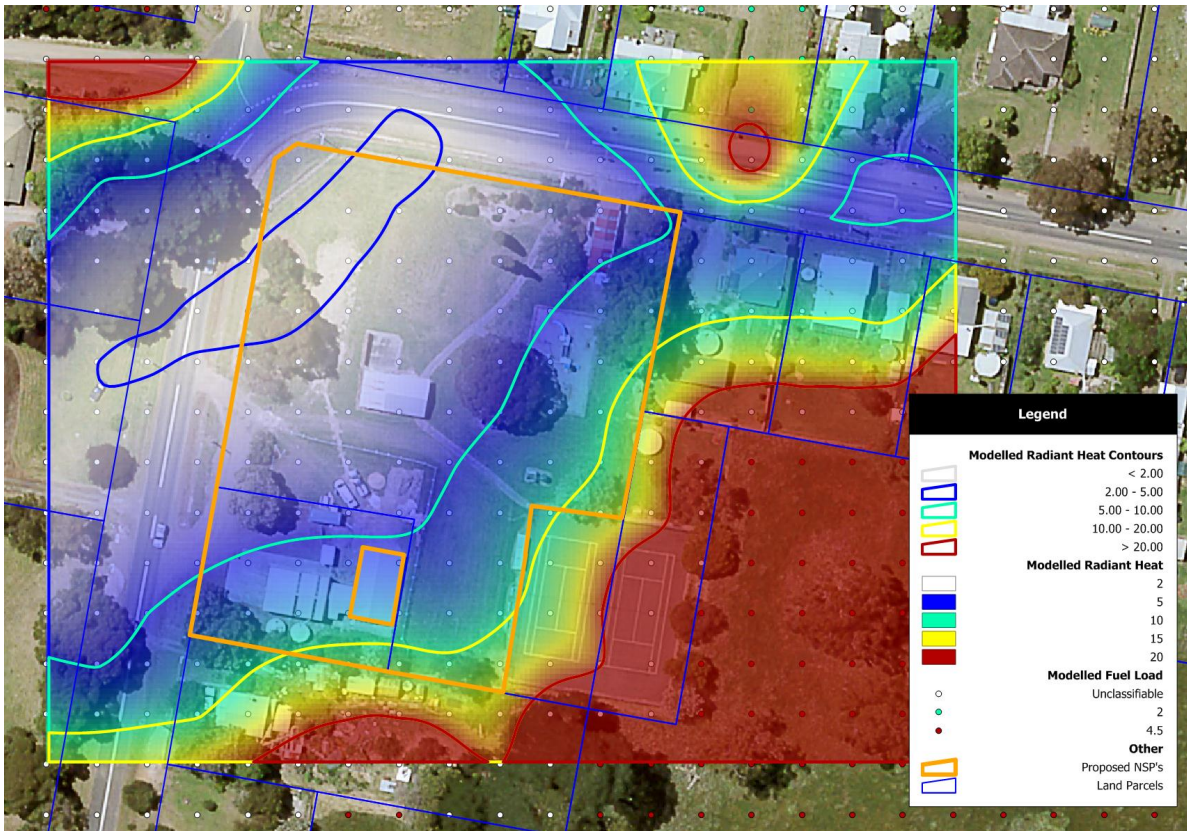
There are no known current uses of the site that would conflict with the site being used as a NSP-BPLR during an emergency.

### Communication with the Community

The group agreed that it would be possible through a range of media to communicate the location of the NSP-BPLR to the community and that this communication should include the risks that relate to the use of the NSP-BPLR and the risks associated with travelling to the NSP-BPLR in the event of a bushfire.



Shire Radiant Heat Investigation



*Modelled Radiant Heat based on AS3595*

*Radiant Heat Site consideration beyond AS 3959*

The above two maps are a representation of the CFA radiant heat assessment of the classifiable fuels, including a reduction in fire width calculations where it is not possible for fire width to be 100 metres. The site is surrounded by a large amount of non-classifiable vegetation which is not included in the CFA assessment but needs to be considered in the fuel mix and the subsequent radiant heat that might be a result. A number of further actions have been identified by the assessment group, these actions are detailed in the Site works map.

## 8. Recommendations

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As per the Emergency Service Legislation Bill 2009, municipal councils must identify and designate places as neighbourhood safer places within their municipal district. In regards to this designation the Council must only designate sites that have passed the CFA Assessment Guideline and may have regard to its Municipal Neighbourhood Safer Places Plan.

Having successfully passed all current NSP criteria established by the State Government, CFA, MAV and the Colac Otway Shire, it is recommended that:

- *The Colac Otway Shire endorse the areas as described and detailed within the NSP-BPLR Site Assessment Report which is located within the Barwon Downs Tennis Courts Precinct (Common), Barwon Downs as a designated Neighbourhood Safer Place- Bushfire Place of Last Resort (individually as an indoor and outdoor).*

**On passing the recommendation above it is further recommended:**

- The Council provides signage at the NSP site in line with the guidelines published from time to time on the internet site of the Office of the Emergency Services Commissioner.
- The Municipal Fire Prevention Officer provides to the CFA information on the NSP-BPLR designation of the site in Barwon Downs.
- The MFMP and the MEMPC include this site within a list of NSP-BPLRs within their respective plans.
- The Council informs the public of the designation of the site as a NSP-BPLR and provides information to the public on the purpose and function of the NSP-BPLR as a Place of Last Resort and the fact that there is no guarantee of survival if used during an emergency event.
- The Council asks the CFA to assist in an annual assessment and review of the NSP-BPLR site by August 31 each year against the NSP Plan and the CFA assessment guidelines.
- The NSP-BPLR site is maintained to suitable standards and that the Municipal Fire Prevention Officers undertake routine inspections of the NSP-BPLR site prior to and during the fire danger period.
- That a budget is allocated/maintained to provide the site with signage, maintenance and annual inspections in line with the NSP-BPLR guidelines, legislation and plans.

## Appendix A - CFA Assessment Criteria Compliant Confirmation

Community Hub – Structure.



### CFA Neighbourhood Safer Places Assessment Summary Report

|                  |  |               |                   |
|------------------|--|---------------|-------------------|
| NSP ID:          | 1000042449   | Municipality: | Colac-Otway Shire |
| Location:        | CFA / Tennis Club Rooms Extension to Barwon Downs CFA Shed |               |                   |
| Address:         | 1595 Birregurra - Forrest Road Barwon Downs 3243           |               |                   |
| Location Type:   | Structure  | CFA Region:   | SthWest           |
| Assessment Date: | 10.07.2019   | Assessed By:  | Philip O'Keefe    |
| Result:          | Compliant  |               |                   |

| Assessment Factors   | North Aspect   | East Aspect                               | South Aspect                              | West Aspect                               |      |
|--|--|---|---|---|------|
| Vegetation Type  | AS3959<br>Grassland /<br>BAA<br>Grassland  | AS3959<br>Grassland /<br>BAA<br>Grassland | AS3959<br>Grassland /<br>BAA<br>Grassland | AS3959<br>Grassland /<br>BAA<br>Grassland |      |
| Separation Distance to<br>Vegetation (m)   | Actual   | 111                                       | 57  | 34  | 40   |
|  | Prescribed<br>(Grassland areas<br>only)  | NA  | NA  | NA  | NA   |
| Vegetation Height (m)  | .2   | .2  | .2  | .2  |      |
| Effective Slope (°)  | 0  | 0   | 0   | 0   |      |
| Site Slope (°)   | 0  | 0   | 0   | 0   |      |
| Prescribed or Deemed to Satisfy<br>Requirements for distance achieved -<br>(Distance equal to or greater than 140M structure 310M open<br>space) | N  | N   | N   | N   |      |
| Deemed to Satisfy<br>Requirements for slope achieved -<br>(Effective Slope less than 20 degrees)   | Y  | Y   | Y   | Y   |      |
| Deemed to Satisfy (DtS)<br>Requirements Achieved   | N  | N   | N   | N   |      |
| (If DtS not achieved)<br>Calculated Heat Flux (kW/m2)<br><br>(To be no greater than 2kw for open<br>space or 10kw for a building)                | Actual   | .99                                       | 3.12                                      | 6.49                                      | 5.23 |
|  | Prescribed<br>(Grassland areas<br>only)  | NA  | NA  | NA  | NA   |
| Treatments & Prescriptions<br>(For Grassland areas ONLY)   |  |   |   |   |      |
| Overall NSP Criteria Achieved  | Y  | Y   | Y   | Y   |      |
| Result   | <p><b>Compliant</b></p> <p><input checked="" type="checkbox"/> Meeting the CFA assessment criteria on the day of assessment.</p> <p><input type="checkbox"/> Meeting the assessment criteria provided that prescriptions of management of grassland over the fire danger period are secured by agreed terms entered into by the landholder.</p> <p><b>Non Compliant</b></p> <p><input type="checkbox"/> Not meeting the CFA assessment criteria on the day of assessment</p> |   |   |   |      |

Commons (Old School site) – open space.



## CFA Neighbourhood Safer Places Assessment Summary Report

NSP ID: 1000042288 Municipality: Colac-Otway Shire  
 Location: Barwon Downs Tennis Courts (Old school site) Open space surrounding Tennis Courts/CFA shed  
 Address: 1595 Birregurra - Forrest Road Barwon Downs 3243

Location Type: Open Space CFA Region: SthWest  
 Assessment Date: 10.07.2019 Assessed By: Philip O'Keefe  
 Result: Compliant provided prescriptions are met

| Assessment Factors   |   | North Aspect   | East Aspect                               | South Aspect                              | West Aspect                               |
|--|---|--|---|---|---|
| Vegetation Type  |   | AS3959<br>Grassland /<br>BAA<br>Grassland  | AS3959<br>Grassland /<br>BAA<br>Grassland | AS3959<br>Grassland /<br>BAA<br>Grassland | AS3959<br>Grassland /<br>BAA<br>Grassland |
| Separation Distance to<br>Vegetation (m)   | Actual                                  | 53   | 16  | 25  | 14  |
|  | Prescribed<br>(Grassland areas<br>only) | 70   | 70  | 70  | 70  |
| Vegetation Height (m)  |   | .2   | .2  | .2  | .2  |
| Effective Slope (°)  |   | 0  | 0   | 0   | 0   |
| Site Slope (°)   |   | 0  | 0   | 0   | 0   |
| Prescribed or Deemed to Satisfy<br>Requirements for distance achieved -<br>(Distance equal to or greater than 140M structure 310M open<br>space) |   | N  | N   | N   | N   |
| Deemed to Satisfy<br>Requirements for slope achieved -<br>(Effective Slope less than 20 degrees)   |   | Y  | Y   | Y   | Y   |
| Deemed to Satisfy (DtS)<br>Requirements Achieved   |   | N  | N   | N   | N   |
| (If DtS not achieved)<br>Calculated Heat Flux (kW/m2)<br><br>(To be no greater than 2kw for open<br>space or 10kw for a building)                | Actual                                  | 3.49   | 15.57                                     | 9.48                                      | 18.4                                      |
|  | Prescribed<br>(Grassland areas<br>only) | 1.91   | 1.91                                      | 1.91                                      | 1.9*1                                     |
| Treatments & Prescriptions<br>(For Grassland areas ONLY)   |   | Properties to the Nth, Sth, Est, and Wst aspects of the reserve shall be maintained in a minimum fuel condition of <100mm throughout the FDP for a distance of 70m in all directions from the reserve outer boundary.  |   |   |   |
| Overall NSP Criteria Achieved  |   | Y  | Y   | Y   | Y   |
| Result   |   | <p><b>Compliant</b></p> <input type="checkbox"/> Meeting the CFA assessment criteria on the day of assessment<br><input checked="" type="checkbox"/> Meeting the assessment criteria provided that prescriptions of management of grassland over the fire danger period are secured by agreed terms entered into by the landholder. (This written agreement must refer to specific treatments and prescriptions as stated above, be signed by the landowner and attached to the NSP Online Business System on designation of this potential NSP site or confirming designation as part of review)<br><p><b>Non Compliant</b></p> <input type="checkbox"/> Not meeting the CFA assessment criteria on the day of assessment |   |   |   |

Pages 20 - 21 have been intentionally removed from this document for privacy reasons.

Pages 20 - 21 have been intentionally removed from this document for privacy reasons.





## Appendix B - Signage Location Map



## **Appendix C - Barwon Downs Tennis Court Precinct NSP Criteria Audit Report**

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# Neighbourhood Safer Places Plan Criteria – Auditing Tool

**Location:** Barwon Downs Tennis Court Precinct  
**Date:** 8/7/2015

Date:15/5/2015

Time: 2.30pm

| <b>NSP PLAN CRITERIA – ASSESSMENT TOOL</b> |  |   |                                |                                   |              |
|--|--|---|--------------------------------|-----------------------------------|--------------|
| <b>Potential NSP:</b>                      |  | <b>Barwon Downs Tennis Court Precinct</b>           |                                |                                   |              |
| <b>Address:</b>                            |  | <b>Birregurra Forest Road, Barwon Downs</b>         |                                |                                   |              |
| <b>Map Reference:</b>                      |  |   |                                |                                   |              |
| <b>ASSESSMENT TEAM MEMBERS</b>             |  |   |                                |                                   |              |
| <b>Name</b>                                | <b>Position</b>                            | <b>Agency</b>                                       | <b>Phone</b>                   | <b>Email</b>                      |              |
| Peter Ashton                               | Fire Project Officer                       | Colac Otway Shire                                   | 0429 591 555                   | pashton@surfcoast.vic.gov.au      |              |
| Doug Winkle                                | Municipal Emergency Management Coordinator | Colac Otway Shire                                   | 0408 459 268                   | Doug.winkle@colacotway.vic.gov.au |              |
| Byron Kershaw                              | Operations Officer                         | CFA   |                                | b.kershaw@cfa.vic.gov.au          |              |
|  |  |   |                                |                                   |              |
|  |  |   |                                |                                   |              |
|  |  |   |                                |                                   |              |
| <b>OWNERSHIP DETAILS</b>                   |  |   |                                |                                   |              |
| <b>SITE OWNERSHIP DETAILS</b>              | <b>Yes/No</b>                              | <b>Name</b>   | <b>Address</b>                 | <b>Phone</b>                      | <b>Email</b> |
| Site Owner                                 |  | Colac Otway Shire / CFA                             | 1595 Birregurra – Forrest Road |                                   |              |
| Private Landholder                         |  |   |                                |                                   |              |
| Is the land Leased                         | No   |   |                                |                                   |              |
| Occupier/Tenant Details                    |  | Barwon Downs Tennis Club<br>Gavin Brien (President) | 1595 Birregurra – Forrest Road | 0407 041 960                      |              |

| <b>CONSENTS AND RIGHTS OF ACCESS – DEED OF CONSENT</b>  |             |              |             |  |                 |              |             |  |
|---|-------------|--------------|-------------|--|-----------------|--------------|-------------|--|
|   |             |              |             | <b>Yes / No / Highly likely</b>  | <b>Comments</b> |              |             |  |
| Consent to use site as NSP  |             |              |             | Highly likely  |                 |              |             |  |
| Consent to access the site and surrounding area for maintenance   |             |              |             | Highly likely  |                 |              |             |  |
| Consent to erect signage at site  |             |              |             | Highly likely  |                 |              |             |  |
| Consent to erect signage on Private Land  |             |              |             | N/A  |                 |              |             |  |
| <b>SITE DETAILS</b>   |             |              |             |  |                 |              |             |  |
| <b>POTENTIAL NSP VEGETATION SEPARATION DISTANCE</b>   |             |              |             |  |                 |              |             |  |
| <b>Open Space – Greater than 310 metres</b>   |             |              |             | <b>Building – Greater than 140 metres</b>  |                 |              |             |  |
| <b>North</b>  | <b>East</b> | <b>South</b> | <b>West</b> | <b>North</b>   | <b>East</b>     | <b>South</b> | <b>West</b> |  |
| Yes   | Marginally  | Yes          | Yes         | 111 Metres   | 57 Metres       | 34 Metres    | 40 Metres   |  |
| <b>Comments:</b> Overall this site appears to comply with the required distance from, designated risk vegetation types.   |             |              |             |  |                 |              |             |  |
| <b>OPENING OF BUILDING</b>  |             |              |             |  |                 |              |             |  |
| Is it practicable to make the potential NSP available for use on a 24 hour basis during the declared FDP?                 | 24hrs       |              |             | <b>Comments:</b> Other arrangements made where site security maintained but site available on high fire danger days. Access to the Community Hub building can be made via CFA fire shed with keys held by the Barwon Downs Tennis Club, Community Group and CFA brigade. |                 |              |             |  |
| Is there potential for damage to the NSP during times that it is open and available for use, but not being used as a NSP? | No          |              |             | <b>Comments:</b> Possible, but low likelihood.   |                 |              |             |  |
| Is there the possibility that the NSP could be used for unintended purposes, such as a refuge?                            | No          |              |             | <b>Comments:</b> Yes, meets intended purpose.  |                 |              |             |  |
| Estimated potential cost to Council in making the NSP available on a 24 hours' basis?                                     | \$Nil       |              |             | <b>Comments:</b> N/A   |                 |              |             |  |

|  |     |  |
|--|-----|--|
| Are these costs reasonable and capable of being borne by Council?  | N/A | Comments: N/A  |
| <b>DEFENDABILITY</b>   |     |  |
| Is there sufficient open space to enable CFA to conduct asset protection and fire suppression activities?                    | Yes | Comments: Open space area has space for the deployment of CFA appliances for asset protection and suppression activities. Multiple access/egress points.   |
| Has Council sought expert advice from CFA to determine whether the building is likely to be subject to extreme ember attack? | Yes | Comments: Recommendation made to remove old tennis club shed from within BPLR open space boundary.<br>Consideration to supplying fire hose reel to be serviced from onsite concrete water tanks.   |
| Can this risk be safely managed?   | Yes | Comments: Structure within open space has been removed due to its age and condition that would contribute to increased risk under ember attack. Portable "quickfill" with delivery hose to be supplied to Barwon Downs FB for use at NSP-BPLR in event of a fire.  |
| <b>SURROUNDING OPEN SPACE</b>  |     |  |
| Is the surrounding open space free of obstacles (e.g. fences, buildings, other)?   | Yes | Comments: Barrier fences in place to restrict vehicular access have padlocked chains that can be unlocked by brigade in event of fire.   |
| Is there adequate parking available at the site?   | Yes | Comments: Vehicles can be parked within (limited) and around site.   |
| Are there any hazards that may exist for persons accessing the place by foot?  | No  | Comments: On balance there are limited hazards from where cars would park or immediate houses, other than general factors such as would be found in a town park, e.g. some uneven ground.<br>Barwon Downs does not have sealed footpaths along roadsides, but once within NSP-BPLR the grassed area is flat and paths around the Common allow for disabled access. |
| <b>SIGNAGE</b>   |     |  |
| Can appropriate signage be erected at the entry to the potential NSP?  | Yes | Location: As per map – Appendix B<br>Comment: EMV Bushfire Place of Last Resort Signage Manual V4.0 2015   |

|   |     |  |
|---|-----|--|
| Can appropriate signage be erected in the vicinity?   | Yes | <b>Location:</b> As per map – Appendix B<br><b>Comment:</b> EMV Bushfire Place of Last Resort Signage Manual V4.0 2015   |
| <b>MAINTENANCE &amp; MAINTAINABILITY</b>  |     |  |
| Is the potential NSP capable of being maintained to ensure continuing compliance with CFAs Assessment Guidelines? | Yes | <b>Comments:</b> Will require some works in the adjacent paddock to the south and east – as per landowners user agreement.                                     |
| Is the potential NSP capable of being maintained to ensure continuing compliance with Council's NSPP Criteria?    | Yes | <b>Comments:</b> Council's Parks & Gardens staff currently maintain the majority of the area to a high standard.   |
| Would adjoining landowners be required to provide a level of maintenance to their land to achieve compliance?     | Yes | <b>Comments:</b> The property to the south and east will need to be maintained to 100mm grass length to satisfy the CFA requirements (Appendix A).             |
| <b>DISABLED ACCESS</b>  |     |  |
| Is there clear means of access to the potential NSP for disabled and mobility impaired persons?                   | Yes | <b>Comments:</b> All weather and sealed paths across Common. Disabled parking available.   |
| Is there clear vehicle access to drop of people with disabilities?  | Yes | <b>Comments:</b> All weather and sealed paths across Common. Disabled parking available.   |
| <b>SEPARATION &amp; DEMARCATION OF AREA</b>   |     |  |
| If the potential NSP is located in an open area is it possible to demarcate the boundaries of the potential NSP?  | Yes | <b>Comments:</b> To the north, east and west the open space is bounded by barriers and fences. To the south is the Barwon Downs Fire Brigade shed and carpark. |
| Is it necessary to erect barriers around or within the potential NSP?   | No  | <b>Comments:</b>   |
| <b>COMMUNITY COMMUNICATION</b>  |     |  |
| Will it be possible to ensure that there will be good community awareness of the location of the potential NSP?   | Yes | <b>Comments:</b> Development of NSP-BPLR has been communicated with the local community for several years now and has had regular engagement.                  |

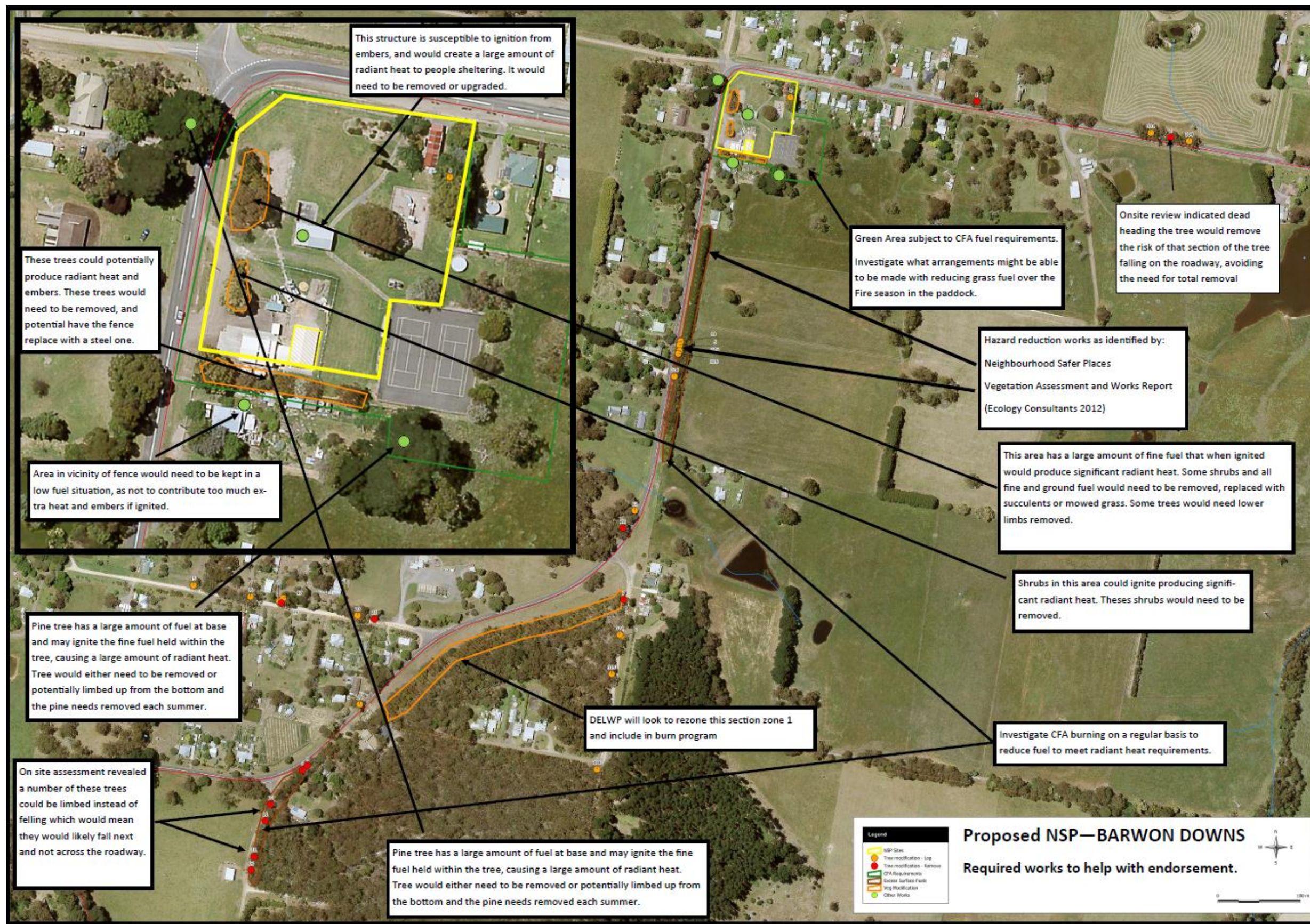
|   |  |  |
|---|--|--|
| Will it be possible to ensure that there will be good community awareness of the risks associated with using the potential NSP?   | Yes  | <b>Comments:</b> Barwon Downs brigade hold regular (annual) open days where the community's preparation for the summer fire danger period have been well attended. Shire has been represented here and at other community engagement activities. |
| <b>ACCESS &amp; EGRESS</b>  |  |  |
| Council must assess whether there is sufficient access to the potential NSP which will allow: <ul style="list-style-type: none"> <li>• Anticipated potential numbers of people to move to and from the place; and</li> <li>• CFA and other emergency services to attend the place for asset and personal protection activities and operations.</li> </ul> |  |  |
| <b>ACCESS ROADS</b>   |  |  |
| Road Name: 1595 Birregurra – Forrest Road   | Road Owner: Council  |  |
| Surface Condition/Type: sealed road   | Type & Amount of Vegetation: Large sections of highly modified vegetation – mown grass & sparse shrubs directly about the road. Other areas of contain hazard trees and high fuel loads. |  |
| Estimated Surface Fuel Load: moderate   | Estimated Elevated Fuel Load: High   |  |
| Estimated Bark Hazard: High   | Estimated Overall Fuel Load: Very High (In small sections)   |  |
| Capacity of Road to accommodate potential large numbers of vehicles, and to accommodate potential vehicle breakdowns  | YES  | <b>Comments:</b> It would not be expected to have to cater for large numbers of people, making the road suitable. Fuel modification works identified to reduce risk associated with the use of this road in the NSP context.                     |

|  |   |   |
|--|---|---|
| Road Name: Wickhams Road   | Road Owner: Council   |   |
| Surface Condition/Type: unsealed road  | Type & Amount of Vegetation: Highly modified vegetation – mown grass & sparse shrubs directly about the road. |   |
| Estimated Surface Fuel Load: 0 – 2 tha   | Estimated Elevated Fuel Load: Low   |   |
| Estimated Bark Hazard: Low   | Estimated Overall Fuel Load: Low  |   |
| Capacity of Road to accommodate potential large numbers of vehicles, and to accommodate potential vehicle breakdowns | No  | <b>Comments:</b> It would not be expected to have to cater for large numbers of people, making the road suitable. |



|  |    |   |
|--|----|---|
| Road Name: Callahan's Road   |    | Road Owner: Council   |
| Surface Condition/Type: unsealed road  |    | Type & Amount of Vegetation: Highly modified vegetation – mown grass & sparse shrubs directly about the road. |
| Estimated Surface Fuel Load: 0 – 2 tha   |    | Estimated Elevated Fuel Load: Low   |
| Estimated Bark Hazard: Low   |    | Estimated Overall Fuel Load: Low  |
| Capacity of Road to accommodate potential large numbers of vehicles, and to accommodate potential vehicle breakdowns | No | Comments: It would not be expected to have to cater for large numbers of people, making the road suitable.    |

### Appendix D - Site Works & Public Consultation Map



## Appendix E – Consent to complete vegetation works.



Department of Environment,  
Land, Water & Planning

PO Box 500  
East Melbourne Victoria  
Telephone: (03) 9637 8000  
Code

Mr. Peter Ashley  
Emergency Management Project Officer  
Colac Otway Shire  
2-6 Rae Street  
Colac Vic 3250

Ref: FF/39/5949

Dear Mr. Ashton

### **Native Vegetation - Roadside Fuel Management Exemption Under VPP 52.17 For Strategic Bushfire Mitigation Around Neighbourhood Safer Place – Colac Otway Shire**

Thank you for the recent submission of your *Neighbourhood Safer Place Access Safety Management COS NSP 2017* (work plan).

Your work plan has been reviewed and is consistent with requirements set out in *Roadside Vegetation Management for Bushfire Risk Mitigation Purposes – A Guideline for Road Managers*.

The Secretary to the Department of Environment, Land, Water and Planning provides written agreement to enable the Shire to access the fire protection exemption within Clause 52.17 of the Victoria Planning Provisions for native vegetation removal in accordance with *Neighbourhood Safer Place Access Safety Management COS NSP 2017*.

Please contact Mark Chisholm, Native Vegetation Regulation, by phone on 03 9637 8466 or by email at [mark.chisholm@delwp.vic.gov.au](mailto:mark.chisholm@delwp.vic.gov.au) if you have any further questions.

Thank you again for providing a copy of your work Plan.

Yours sincerely

**Nina Cullen**  
Executive Director Biodiversity

23 / 11 / 17.

#### Privacy Statement

Any personal information about you or a third party in your correspondence will be protected under the provisions of the Privacy and Data Protection Act 2014. It will only be used or disclosed to appropriate Ministerial, Statutory Authority, or departmental staff in regard to the purpose for which it was provided, unless required or authorised by law. Enquiries about access to information about you held by the Department should be directed to the Privacy Coordinator, Department of Environment, Land, Water and Planning, PO Box 500, East Melbourne, Victoria 8002





|                                      |
|--------------------------------------|
| <b>Colac Otway Shire MEMPC</b>       |
| Colac CFA                            |
| Thursday 8 <sup>th</sup> August 2019 |
| 1:00pm – 3:00pm                      |

## MINUTES

|          | ITEMS & ACTIONS   |
|----------|---|
| <b>1</b> | <p><b>ATTENDEES</b></p> <p>Stew Anderson (Chair), Callum Fairnie, Tristan Crews, Brenda Bagally, Ken Slingsby, Aaron Ledden, Greg Fletcher. Cr. Chris Potter, Mark Steven, Mark Hilderbrandt, Lovella Ashley-Coop, Elaine Anderson, Terry Murrhly, Stephanie Ryan, Rachael Raby, Dave Ferrari, Jerome Payton</p>  |
| <b>2</b> | <p><b>APOLOGIES</b></p> <p>Ken Smith, Ian Seuren, Tony McGann, Andrea Cox, Matthew Chamberlain, Mark Gunning, Ian Carlton, Richard Curwell, Nerida Evans</p>  |
| <b>3</b> | <p><b>CONFIRMATION OF MINUTES FROM PREVIOUS MEETING (TONY MCGANN)</b></p> <p>Minutes for last meeting confirmed.</p> <p><b>Moved:</b> Lovella Ashley-Coop<br/><b>Seconded:</b> Ken Slingsby</p>   |
| <b>4</b> | <p><b>INCOMING CORRESPONDENCE (CALLUM FAIRNIE)</b></p> <ul style="list-style-type: none"> <li>• Neighbourhood Safer Places - Places of Last Resort Assessment (<b>Beech Forest</b>)</li> <li>• Neighbourhood Safer Places - Places of Last Resort Assessment (<b>Barwon Downs</b>)</li> </ul> <p><b>OUTGOING CORRESPONDENCE</b></p> <p>Nil</p>  |
| <b>5</b> | <p><b>BUSINESS ARISING/ UPDATE ON ACTIONS FROM PREVIOUS MEETING</b></p> <ol style="list-style-type: none"> <li>1. Send out minutes from BSW MEMEG Meeting (Callum Fairnie).<br/><b>Complete.</b></li> <li>2. Update MEMPC on relevant sections of EM Legislation Amendment Act 2018 (inc. community involvement in MEMPC) (Callum Fairnie).<br/><b>Complete - to occur today.</b></li> <li>3. Discuss CERA processes inc. community led risk assessments (Callum Fairnie /</li> </ol> |

|   |   |
|---|---|
|   | <p>Ian Carlton).<br/> <b>Complete.</b></p> <p>4. Discuss SES availability with VFRR review when date is known. See 9. Sub-Committee Reports opening (Tristan Crews / Ian Carlton).<br/> <b>Not Complete – update on this (and VFRR processes) to occur at November meeting.</b></p> <p>5. Blackouts update: implications of potential blackouts during summer for region (Brenda Bagally).<br/> <b>Partially Complete – Brenda do follow up on documentation around this to send to group.</b></p> <p>6. Parking Strategy update (Tony McGann).<br/> <b>Not Complete – to occur at November meeting.</b></p> <p>7. Update on works on Colac-Lavers Hill road re: landslide risks (Stew Anderson).<br/> <b>Complete.</b></p> <p>8. Update Beech Forest &amp; Carlisle River population figures in MEMP (Callum Fairnie).<br/> <b>Complete.</b></p> |
| 6 | <p><b>MEMPC MEMBERSHIP/CONTACT LIST (Callum Fairnie)</b></p> <p>Nigel Howard (VicPol) to be removed. Terry (DHHS) to send updated list to the group</p>   |
| 7 | <p><b>AGENCY REPORTS – ROUND TABLE (NB// see attached reports for main agency updates)</b></p> <p><u>CFA:</u></p> <p>There has been work done in investigating the risk of cladding in at risk buildings. Some of these have been identified in Colac Otway Shire. Group to be updated at a later stage about this.</p> <p><u>Ambulance VIC:</u></p> <p>Restructure has been undertaken with more alignment now with the EM sector.</p> <p><u>Victoria Police</u></p> <p>∴<br/> Pre-season Fire season briefings to occur in October (17<sup>th</sup>/22<sup>nd</sup>). Further information will be available in EMCOP.</p> <p><u>VCC</u></p> <p>Lovella's role now in the VCC-EM organisation, which is a separate entity to VCC.</p>  |

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|----|--|
|    | <p><u>Red Cross</u></p> <p>Recruitment to occur in spring with Colac being the next area to be targeted</p>  |
| 8  | <p><b>SUB-COMMITTEE REPORTS (AGENCIES)</b></p> <p><u>MFMP</u></p> <p>NSPs</p> <p>Tristan gave an overview on the 2 x NSP- BPLRs that had been submitted for approval to the CFA. Beech Forest and Barwon Downs assessments have now been approved through the CFA. The COS MFMP has endorsed this earlier today.</p> <p>Ken thanked Tristan Crews for all the work he has put into this. Tristan added that his work was built on the efforts of Pete Ashton when he was the MERP for Colac Otway Shire.</p> <p><b>Motion:</b> <i>THE MEMPC to recommend to Council that consideration be given to the designations of Barwon Downs and Beech Forrest as Neighbourhood Safer Places - Bushfire Places of Last Resort (NSP-BPLR)</i></p> <p><b>Moved:</b> Callum Fairnie<br/><b>Seconded:</b> Ken Slingsby</p> <p><b><u>Motion Carried</u></b></p> <p><b>ACTION – Tristan Crews to prepare report for Council to consider the adoption of Beech Forest and Barwon Downs as Neighbourhood Safer Places - Bushfire Places of Last Resort (NSP-BPLR)</b></p> |
| 9  | <p><b>CERA (IAN CARLTON)</b></p> <p>N/A</p>  |
| 10 | <p><b>GENERAL BUSINESS</b></p> <ol style="list-style-type: none"> <li>1. Water Safety Working Group – update (Callum Fairnie)<br/>Callum updated group on 1<sup>st</sup> formal Water Safety Working Group Meeting. Pre Incidents plans will be looked as a longer term solution, with the highest priority being placed on replacement of damaged signs (inc. some areas where there are no signs).</li> <li>2. Community involvement in MEMPC (Callum Fairnie)<br/>Callum summarised the impact of legislation at the MEMPC level. Callum updated the group on discussions with the BSW MEMEG group around community involvement with MEMPC and MEMP planning processes. Also have had discussions with Yarra Ranges Council on their approach to community involvement.</li> </ol>  |

**ACTION – Callum to prepare options paper for community involvement in MEMPC for the next meeting**

Brenda updated the group on a regional meeting with EMV around EM Planning. State EM Planning the 1<sup>st</sup> priority, which will lead to a new EMMV. November 19 has been earmarked for this to be endorsed by the State Crisis and Resilience Council. The next priority is for 3 x pilot Regional EM Plans to be developed, which includes Barwon South West. Brenda is keen to work with Colac Otway Shire to look at aligning the COS MEMPC into this pilot.

**ACTION – Brenda to liaise with Stew/ Callum on the BSW EM Planning pilot.**

3. CFA Sirens (Mark Steven)

Mark has been discussing changes to CFA Brigade Sirens at Wye River and Lavers Hill. Subsequent discussions with EMV led to Karl Henderson (EMV) recommended that the COS MEMPC minute and endorse the changes required to the sirens.

- i) Wye River: Limit the use of the sirens to between 7am and 7pm outside of the Fire Danger Period.
- ii) Lavers Hill (Otways CFA): Cease the use of the CFA brigade siren altogether. The community siren will be unchanged.

Tristan – Has the community been consulted around this?

Mark- Yes. Both brigade captains, who have had discussions in regards to this, are well connected to the community: Andrew Hack (Wye River) and Erika Nash (Otways) – both are supporting the required changes.

**Motion:** *The MEMPC to support that the use of the CFA Brigade siren at Wye River be limited to between 7am – 7pm, outside of the Fire Danger Period.*

**Moved:** Ken Slingsby

**Seconded:** Stephanie Ryan

**Motion:** *The MEMPC to support that the use of the CFA Brigade siren at Lavers Hill be ceased entirely.*

**Moved:** Tristan Crews

**Seconded:** Stephanie Ryan

**Both motions were carried.**

4. Kings Track Bridge – Priority asset for FFMV (Aaron Leddon)

Aaron mentioned that there had been conversations with a landholder and a Parks Vic representative around the upgrade of a bridge to his property, by Council Otway Shire, to meet the bridge tonnage rating to allow for firefighting activities.

Callum asked if Parks Vic could confirm that this bridge was a critical asset to support firefighting activities, so Council could re-prioritise the upgrade in its work program.

Aaron to discuss this further with PV/ DELWP before sending through an email confirming this.

**ACTION – Aaron to send Callum a response, via e-mail, on Parks Victoria's**

|           |  |
|-----------|--|
|           | <b>position on the criticality of the King Track bridge in providing access to support firefighting for Parks Victoria/ DELWP.</b> |
| <b>11</b> | <b>NEXT MEETING: THURSDAY 14<sup>th</sup> November, 1-3PM</b>  |
| <b>12</b> | <b>MEETING CLOSED 2.27 PM</b>  |

### **ACTIONS**

|          |  |  |                     |
|----------|--|--|---------------------|
| <b>1</b> | Ian Carlton & Tristan Crews to discuss SES availability on VIC Fire Risk Register when VFRR Date is known. See 9. Sub-Committee Reports  | <b>Ian Carlton &amp; Tristan Crews</b> | <b>November 19</b>  |
| <b>2</b> | Brenda Bagally to send documentation on blackouts at next meeting: implications of potential blackouts during summer for region  | <b>Brenda Bagally</b>                  | <b>November 19</b>  |
| <b>3</b> | Tony McGann to provide update at next MEMPC on parking strategy  | <b>Tony McGann</b>                     | <b>November 19</b>  |
| <b>4</b> | Tristan Crews to prepare report for Council to consider the adoption of Beech Forest and Barwon Downs as Neighbourhood Safer Places - Bushfire Places of Last Resort (NSP-BPLR)              | <b>Tristan Crews</b>                   | <b>August 19</b>    |
| <b>5</b> | Callum to send Options paper to MEMPC on Community involvement with the MEMPC, to be discussed at the November Meeting.  | <b>Callum Fairnie</b>                  | <b>October 19</b>   |
| <b>6</b> | Brenda to liaise with Stew/ Callum on the BSW Emergency Management Plan pilot.   | <b>Brenda Bagally</b>                  | <b>November 19</b>  |
| <b>7</b> | Aaron to send Callum a response, via e-mail, on Parks Victoria's position on the criticality of the King Track bridge in providing access to support firefighting for Parks Victoria/ DELWP. | <b>Aaron Ledden</b>                    | <b>September 19</b> |





Dear Barwon Downs Resident

**Programmed works for development of Barwon Downs Neighbourhood Safer Place – Bushfire Place of Last Resort.**

Barwon Downs is an identified high risk bushfire town in Colac Otway Shire. Council has been successful in meeting the mandatory CFA radiant heat requirements for the land in question, the Community Hub (indoor/structure), and the Barwon Downs Common (outdoor/open space) with specific prescriptions.

For the Municipal Fire & Emergency Management Planning Committees to recommend these to Colac Otway Shire Council for endorsement as NSP-BPLRs there are a number of works that need to be undertaken. These works are required to increase the potential survivability beyond the minimal radiant heat requirements (e.g. factors relating to convective heat issues, potential ember attack and unclassifiable vegetation/assets etc.).

In summary the works required to achieve endorsement include;

- Lopping (23) or removal (8) of 31 trees in the road reserve of Birregurra-Forrest Rd (*permit granted by DELWP FF/39/5949*),
- Modification (trimming up) of cypress pines on Birregurra-Forrest Rd,
- Removal of old tennis club shed and attached structure. Additional pergola structure built by community members to be removed by same peoples. Tennis club shed required to be moved due to poor condition as fire hazard within NSP-BPLR,
- Fence on southern boundary of CFA property to be replaced with 2.0m steel fence.
- Trees along southern boundary to be lopped or removed,
- Private agreements between specific landowners on Birregurra-Forrest Rd and Colac Otway Shire for ongoing vegetation maintenance (process begun),
- Modification of gardens within grounds to reduce surface fine fuel load,
- Modification of large pine tree in grounds of neighbour on southern boundary,

If you have any enquiries concerning this matter please contact myself on 5232 9400 or email [tristan.crews@colacotway.vic.gov.au](mailto:tristan.crews@colacotway.vic.gov.au)

Yours sincerely

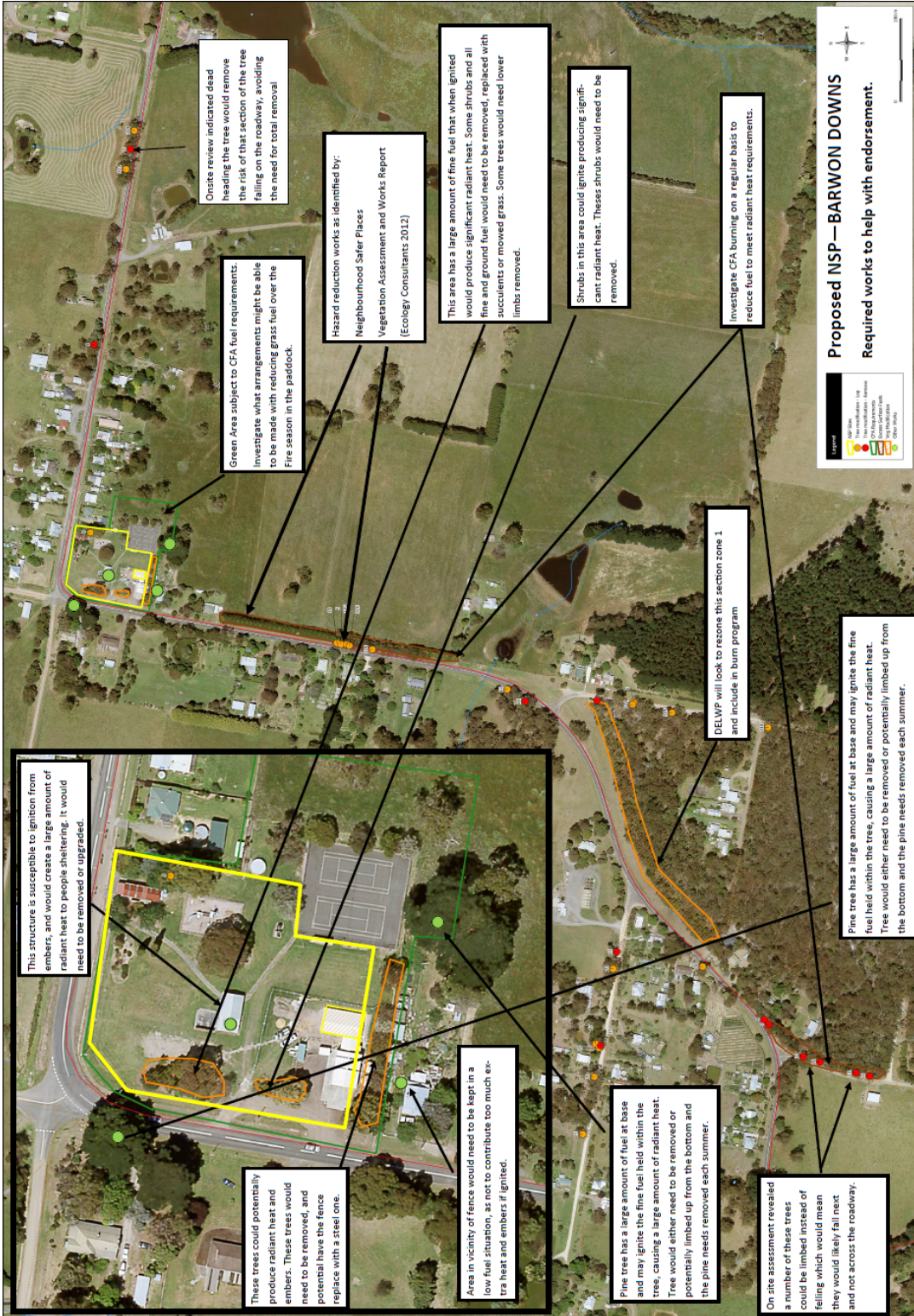
A handwritten signature in blue ink, appearing to read "Tristan Crews".

Tristan Crews  
**Fire Awareness Officer**  
**Municipal Fire Prevention Officer**

Colac Otway Shire  
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Item: 10.2

## Designation of Beech Forest Neighbourhood Safer Place - Bushfire Place of Last Resort

|                        |  |
|------------------------|--|
| <b>OFFICER</b>         | Tristan Crews  |
| <b>GENERAL MANAGER</b> | Ian Seuren   |
| <b>DIVISION</b>        | Development & Community Services   |
| <b>ATTACHMENTS</b>     | <ol style="list-style-type: none"> <li>1. NS P- BPLR Site Assessment Report - Beech Forest [<b>10.2.1</b> - 54 pages]</li> <li>2. Minutes - MEMPC - 20190808 [<b>10.2.2</b> - 5 pages]</li> <li>3. Beech Forest NS P- BPLR letter of works for community - Template [<b>10.2.3</b> - 2 pages]</li> </ol> |
| <b>PURPOSE</b>         | The purpose of this report is to seek Council endorsement to designate the vacant land at Beech Forest (Crown Land parcel number P379358) as a Neighbourhood Safer Place – Bushfire Place of Last Resort.  |

### 1. EXECUTIVE SUMMARY

Current legislation (*Country Fire Authority Act 1958* and *Emergency Management Act 1986*) requires:

- The Country Fire Authority (CFA) to certify Neighbourhood Safer Places – Bushfire Places of Last Resort (NSP-BSLRs) against CFA’s Assessment Guidelines
- Victorian Councils to identify, designate, establish and maintain suitable sites as NSP-BSLRs in their Municipal districts.

Currently Colac Otway Shire maintains five open space NSP-BPLRs within the municipality; Beeac Park, Birregurra Park, Cressy (front of Hall), Rex Norman Reserve (Gellibrand) and Apollo Bay Foreshore, and one indoor (structural) at Cressy Community Hall.

Initial assessments were conducted by the CFA and Colac Otway Shire officers on three potential sites for a NSP-BPLR in Beech Forest. The most suitable location was a piece of vacant Crown Land next to the Beech Forest Hotel. The exact location of the site is shown in the attached NSP-BPLR Site Assessment Report and in the body of this report. After the initial assessment, the CFA made

recommendations on works that would be required to make the site compliant with the CFA standards. Council provided \$38,000 in its 2018/19 Budget for these works to be undertaken, which included:

- Creation of a gravel pad;
- Installation of high fence;
- Building up of existing earth wall embankment;
- Replacing old posts with bollards;
- Pruning of trees;
- Appropriate signage.

The local community was consulted extensively during this process. After completion of the works, the attached NSP-BPLR Site Assessment Report for Beech Forest was completed that states that the site now meets the CFA standards. A motion was then put forward to both the Municipal Fire Management Planning Committee (MFMP) and the Municipal Emergency Management Planning Committee (MEMPC). Both committees have recommended that Council designate the site as a NSP-BPLR.

## 2. RECOMMENDATION

***That Council endorse the vacant land in Beech Forest (Crown Land parcel number P379578) as a Designated Neighbourhood Safer Place – Bushfire Place of Last Resort.***

## 3. KEY INFORMATION

The Victorian Government established Neighbourhood Safer Places in response to the recommendations from the Victorian Bushfire Royal Commission regarding the need for a range of community shelter and relocation options in the event of a bushfire threat. Bushfire safety policy was revised and updated to include bushfire safety options as a priority area for protection and shelter during emergencies.

A NSP-BPLR is an area or premises that provide separation distance from the bushfire hazard and protection from direct flame contact and radiant heat. It is an existing location and not a purpose-built, fire-proof structure. A NSP-BPLR may be an open space such as a local sports field, foreshore or park, or it may be located within a community facility such as a hall or sports pavilion.

For the Otway township of Beech Forest, the first two options, as identified by the Municipal Fire Management Planning Committee (MFMP), were both deemed as non-compliant, those being Ditchley Park (1535 Old Beech Forest Road) and the open space adjacent to the Public Hall (2-4 Main Road). Both locations did not have suitable treatments available to reduce radiant heat exposure.

The third option investigated for Beech Forest was a parcel of vacant Crown land next to the Hotel. The northern section of the land includes the former railway easement, however this is currently not used as part of the Old Beechy Rail Trail. Any future extension of the Old Beechy Rail Trail to extend to the former rail turning loop would not be impacted by the designation of this land as a NSP-BPLR. The exact location of the site is shown in the map below (Crown Land parcel number P379578). This site was assessed as being compliant, but with prescriptions required by the CFA to make the sites

meet their standards. Council provided \$38,000 in the 18/19 Budget for these works to be undertaken. The works included:

- Creation of a gravel pad
- Installation of high fence
- Building up of existing earth wall embankment
- Replacing old posts with bollards
- Pruning of trees
- Appropriate signage



*Beech Forest map showing proposed potential NSP Site (in green shading).*

A program of required works was tendered and delivered by Council's Project Delivery team. After completion of the works, the attached NSP-BPLR Site Assessment Report for Beech Forest was completed that states that the site now meets the CFA standards. A motion was then put forward to both the Municipal Fire Management Planning Committee (MFMPC) and the Municipal Emergency Management Planning Committee (MEMPC). Both committees recommended that Council designate the site as a NSP-BPLR (COS MEMPC minutes attached).

NSP-BPLRs are places of last resort for people to go to during a bushfire when their primary bushfire plans have failed. NSP-BPLRs are places of relative safety only. They do not guarantee the survival of those who assemble there. Furthermore, there may be serious risks to safety encountered in travelling and seeking access to NSPs during bushfire events.

Colac Otway Shire has recently submitted assessments for further NSP-BPLRs in other lower risk townships. Unlike the site at Beech Forest, it is envisioned that there will be minimal costs associated with establishing these sites and it is planned to have them assessed formally by CFA in early 2020.

## 4. COMMUNITY CONSULTATION & ENGAGEMENT

Before works commenced a letter was sent to all property owners in Beech Forest explaining the works required and their purpose (see attached). Colac Otway Shire's Fire Awareness Officer contacted the Chair of the Old Beechy Rail Trail Committee directly, and prior to, the general mail out to the public for advice on the contents of the letter, with no feedback for change required. Consultation was also undertaken with DELWP as the Crown landowner, and the Otway CFA Brigade Captain.

If the site is designated, further engagement of the local community will be undertaken through the Otway CFA Brigade. The purpose of this will be to educate the brigade, as local community members, on the purpose and function of the NSP-BPLR. This will empower the local CFA to have the conversations with their friends, neighbours and peers about their overall bushfire survival plans.

## 5. ALIGNMENT TO COUNCIL PLANS, POLICIES OR STRATEGIES

Alignment to Council Plan 2017-2021:

Theme 2 - Our Places

6. Emergency management is coordinated locally and on a regional basis.

Theme 3 - Our Community

1. Increase social connection opportunities and community safety.

Theme 4 - Our Leadership & Management

3. Organisational development and legislative compliance.

## 6. CONSIDERATIONS

### ENVIRONMENTAL, SOCIAL & CULTURAL, & ECONOMIC

There are no significant environmental implications associated with establishing or maintaining the NSP-BPLR. There was one Blackwood Wattle (*Acacia melanoxylon*) immediately adjacent to the site that was removed from site after it had fell due to high winds. The grass and soil that was removed for the gravelled area was used to build the embankment to the north of the site. The grass here was generic lawn and not native. Vegetation was removed to provide space for the metal fence used for radiant heat protection. This vegetation was planted garden and not native vegetation. The ongoing designation of the site to the required standards of the CFA will only involve the maintenance of managed grassland (lawns).

There is significant political and community desire to ensure the establishment of NSP-BPLRs where possible. The social effects of bushfire including loss of life, destruction of property and dislocation of communities are inevitable. While the designation of NSP-BPLRs do not guarantee the survival of those who assemble there, they do provide an extra resource for those whose bushfire survival plans have failed.

There are no significant economic implications associated with the establishment or maintenance of the site as an NSP-BPLR.

## LEGAL & RISK

Council has a responsibility under *Country Fire Authority Act 1958* and *Emergency Management Act 1986* to identify, designate, establish, maintain and decommission Neighbourhood Safer Places – Bushfire Places of Last Resort. Council is not required to designate an NSP-BPLR if no place has been certified by the Country Fire Authority.

Where a Council has chosen to designate an NSP-BPLR on Council owned land (or Crown land under Council Committee of Management), this means that it is “business as usual”, and as such doesn’t change the liability of Council for its own land. The liability policy (i.e. public liability and professional indemnity) will provide indemnity to Councils for their NSP-BPLR activities in the same way it responds to other business activities of Council. Council can rely on the defence under section 500 of the *CFA Act 1958* (as amended), for the death of or injury to a person provided Council complies with its Municipal Neighbourhood Safer Places Plan, as adopted by Council.

NSP-BPLRs are not community fire refuges or emergency relief centres. NSP-BPLRs are Places of Last Resort during the passage of a bushfire and are intended to be used by persons whose primary bushfire plans have failed. NSP-BPLRs are places of relative safety only. They do not guarantee the survival of those who assemble there. Furthermore, there may be serious risks to safety encountered in travelling and seeking access to NSP-BPLRs during bushfire events. Depending on the direction of a fire, it may not be ‘a safer place’ to assemble than other places within the municipal district. At that point in time it almost certainly will be a matter for individual judgement and decision, as to which if any NSP-BPLR a person or persons should travel in the presence of fire.

## FINANCIAL & BUDGETARY

In 2018/19, Council allocated \$38,000 for the establishment of the Beech Forest NSP-BPLR. There will be no new additional funds required to maintain the site and its surrounding environment, as they are managed to a satisfactory standard by Council’s Services and Operations team.

## 7. IMPLEMENTATION STRATEGY

If Council designates this site as an NSP- BPLR then the next steps are as follows:

### COMMUNICATION

If the site is designated as a NSP-BPLR, Colac Otway Shire’s Fire Awareness Officer and delegated MFPO (Municipal Fire Prevention Officer) will issue a media release to the public about the designation of the new NSP-BPLR, which will include information about the purpose for and conditions of use. As mentioned previously, NSP-BPLRs are places of last resort for people to go to during a bushfire when their primary bushfire plans have failed. NSP-BPLRs are places of relative safety only. They do not guarantee the survival of those who assemble there. Furthermore, there may be serious risks to safety encountered in travelling and seeking access to NSPs during bushfire events. This information will be published via our social media page and website and provided to the community through the Otway CFA Brigade.

### TIMELINE

25 September 2019 – Council considers designating the Beech Forest NSP-BPLR.

30 September 2019 – If sites are designated as NSP-BPLR, Shire’s MFPO will notify CFA via the CFA Safer Places online notification system that Colac Otway Shire will be designating a new site which is compliant with CFA guidelines.

11 October 2019 – Council’s Neighbourhood Safer Places Plan, Strategic Fire Management Plan and Municipal Emergency Management Plans will be updated and published at required locations. Council’s website will also be updated with the new NSP-BPLR location.

Mid October – Shire's MFPO will hold awareness and information session with members of the Otway CFA Brigade. The purpose of this session will be to explain the potential use of the site by members of the public.

Late October – Shire’s MFPO to provide support to CFA brigade on their community engagement open day in relation to the designation of the NSP-BPLR.

Ongoing – Annual compliance audit completed by Shire MFPO and CFA before 30 August.

## **8. OFFICER DIRECT OR INDIRECT INTEREST**

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





## Bushfire Place of Last Resort (Neighbourhood Safer Place) Site Assessment Report

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Vacant land - Old Beechy Rail Trail reserve  
Main Road - Beech Forest

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## 1. Executive Summary

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In response to the Interim 2009 Bushfires Royal Commission Recommendation 8.5, the Victorian Government has introduced legislation which requires the Country Fire Authority (**CFA**) to certify Neighbourhood Safer Places (**NSPs – now known as Bushfire Places of Last Resort NSP-BPLR**) against the CFA's Assessment Guidelines, and Victoria's Councils to identify, designate, establish and maintain suitable sites as NSP-BPLRs in their municipal districts.

In relation to the potential site, the vacant Crown land at the Old Beechy Rail Trail (adjacent to Beechy Hotel), Beech Forest, being assessed as a NSP-BPLR, the Colac Otway Shire with the support of the Municipal Fire Management Planning Committee (**MFMP**C), the Municipal Emergency Management Planning Committee (**MEM**PC) and the CFA Barwon South West Region, has undertaken assessments in line with current guidelines and expected practices.

The results of the CFA Assessment Guidelines and the assessment against the Colac Otway Shire Neighbourhood Safer Places Plan Criteria has shown the site as described above at the time of assessment to be compliant against the relevant guidelines and criteria with certain prescriptions.

The prescribed conditions require that *“the grasslands to the north and south of the NSP-BPLR site shall be maintained in a minimal fuel condition i.e. <100mmm for the duration of the fire danger period for a distance of at least 81 metres from the NSP-BPLR boundary”*.

Unless Council, on whatever grounds sees fit to decide otherwise, having successfully passed all current NSP-BPLR criteria that has been established by the State Government, CFA, MAV and the Colac Otway Shire, it is recommended that:

- The Colac Otway Shire endorse the area as described and detailed within the NSP-BPLR Site Assessment Report which is located on Main Road, Beech Forest as a designated Neighbourhood Safer Place – Bushfire Place of Last Resort.

**On passing the recommendation above it is further recommended:**

- The Council provides signage at the NSP-BPLR site in compliance with *s50H The Country Fire Authority Act 1958 (CFA Act)* under the guidelines published from Emergency Management Victoria (EMV) Bushfire Place of Last Resort Signage Manual V4.0 2015.
- The Municipal Fire Prevention Officer (MFPO) provides to the CFA NSP Online Business System documentation of the designation of the site as a NSP-BPLR by Colac Otway Shire by 30 September 2019.
- The MFMPC and the MEMPC include this site within a list of NSP-BPLRs within their respective plans.
- The Council informs the public of the designation of the site as a NSP-BPLR and provides information to the public on the purpose and function of the NSP-BPLR as a place of Last Resort and the fact that there is no guarantee of survival if used during an emergency event.
- The MFPO updates Colac Otway Shire's NSP Plan and makes this plan available to the public via the website and hard copies at Customer Service Centres (as per *s.50F CFA Act 1958*).
- The Council asks the CFA to assist in an annual assessment and review of the NSP site by August 31 each year against the Municipal NSP-BPLR Plan and the CFA assessment guidelines.
- The NSP-BPLR site is maintained to suitable standards and that the MFPO undertakes routine inspections of the NSP-BPLR site prior to and during the fire danger period.
- That a budget is allocated/maintained to provide the site with signage, maintenance and annual inspections in line with the NSP-BPLR guidelines, legislation and plans.

## 2. Introduction

---

In its interim Report, the 2009 Victorian Bushfires Royal Commission recommended that Neighbourhood Safer Places (now known as Bushfire Places of Last Resort **NSP-BPLR**), be identified and established to provide persons in bushfire affected areas with a place of last resort during a bushfire<sup>1</sup>.

In response to this recommendation, the Victorian Government in late 2009 introduced the *Emergency Services Legislation Amendment Act 2009 (ESLA Act)* which amends the *Country Fire Authority Act 1958 (CFA Act)* and the *Emergency Management Act 1986 (EM Act)*. The effect of these amendments requires the CFA to certify NSP-BPLRs against the CFA's Assessment Guidelines, and Councils within Victoria to identify, designate, establish, maintain and decommission NSP-BPLRs in their municipal districts.

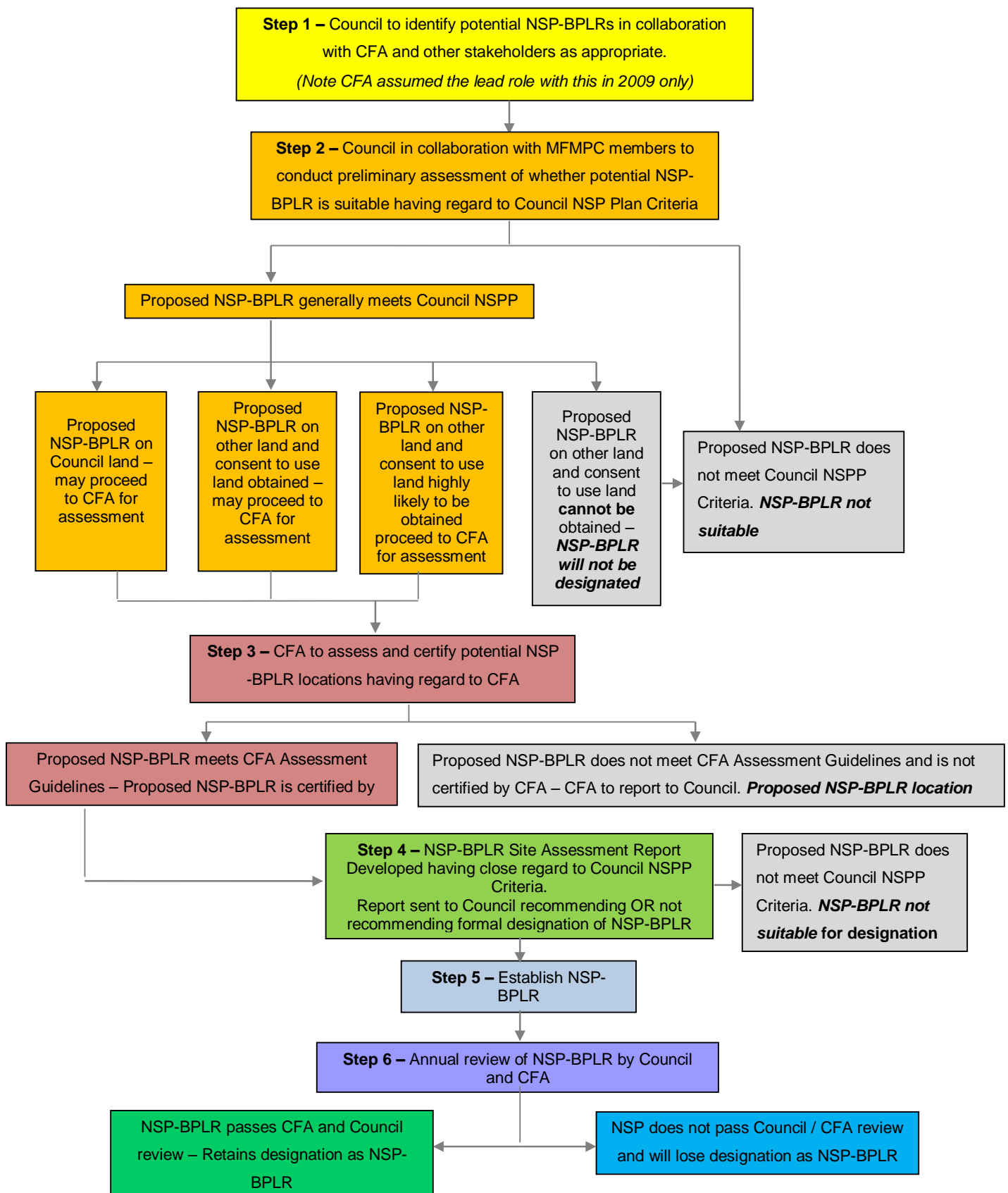
NSP-BPLRs are not community fire refuges or emergency relief centres. NSP-BPLRs are **Places of Last Resort** during the passage of a bushfire, and are intended to be used by persons whose primary bushfire survival plans have failed. NSP-BPLRs are places of relative safety only. They do not guarantee the survival of those who assemble there. Furthermore, there may be serious risks to safety encountered in travelling and seeking access to NSP-BPLRs during bushfire events. Depending on the direction of a particular fire, it may not be 'a safer place' to assemble than other places within the municipal district. At that point in time it almost certainly will be a matter for individual judgement and decision, as to which if any NSP-BPLR a person or persons should travel in the presence of fire.

NSP-BPLRs will be assessed by the CFA as providing some protection from immediate risk of direct fire attack, but not necessarily from other risks, such as flying embers.

It is impossible to determine the variables of people's behaviour and actions during the stresses of an emergency situation. It is also impossible to precisely determine localised affects of weather during fire events and the resulting impact of fire at any particular location on any given high risk day. In understanding this, the assessment has included many assumptions in identifying possible sites that may provide some form of protection from radiant heat during the passage of a fire.

1. Recommendation 8.5, 2009 Victorian Bushfires Royal Commission Interim Report

### 3. NSP-BPLR Approval Process



NB This process is effective from 1 January 2010. Site Assessments prior to this date utilised a previous version, where CFA was the lead agency in Step 1.

## 4. Compliance Standards

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The assessment of the site was done in line with the:

1. Neighbourhood Safer Place – Bushfire Place of Last Resort Assessment Guideline – Country Fire Authority 2016
2. Colac Otway Shire Neighbourhood Safer Places Plan
3. Colac Otway Shire NSPP Criteria Auditing Tool

## 5. Assessment Approach

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Seven stages of assessment were made on this site.

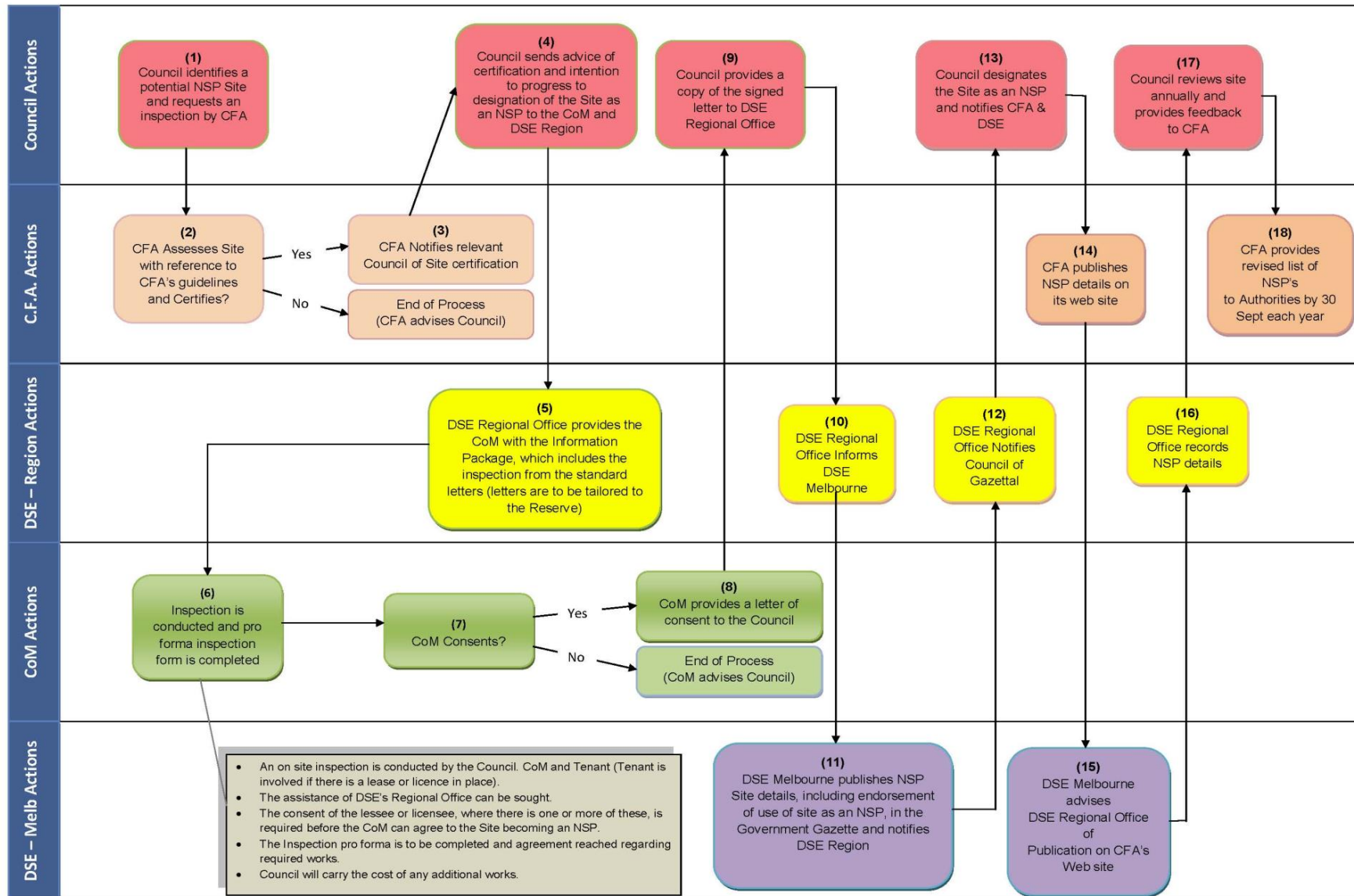
1. Council led a process of identification of the site in collaboration with the Municipal Fire Management Planning Committee.
2. The Council conducted an onsite assessment in-line with the criteria in the Colac Otway Shire NSP Plan Criteria.
3. CFA conducted an assessment of the potential NSP site against the Bushfire Neighbourhood Safer Places CFA Assessment Guideline, this was done by appropriately qualified and experienced CFA personnel.
4. Concerns regarding the site being designated as a NSP were also sought from Victoria Police, CFA, respective interested and associated parties.
5. The MFMPC and MEMPC were briefed and information sought on the site being designated as a NSP.
6. Council followed the process developed by DSE and the Municipal Association Victoria for designating NSPs on Crown Land managed by a Committee of Management, a diagram providing an overview of this process can be seen on the following page.

Appendix B contains key documents from this process including:

- CFA Neighbourhood Safer Places Assessment Summary Report
- Beech Forest Potential Open Space NSP-BPLR Alternative Assessment
- Considerations for a Neighbourhood Safer Place at Beech Forest – Dr Kevin Tolhurst AM, Senior Fellow (Hon.), University of Melbourne.
- Land Owner Consent – Department of Environment, Land, Water and Planning (DELWP).



## Designation of a Neighbourhood Safer Place (Crown Land Managed by a Committee of Management)



## 6. Site Identification

Identification of potential NSP site

The potential NSP site was identified by Council in collaboration with the MFMPC in line with the process outlined in Councils Neighbourhood Safer Places Plan (NSPP).

This process identified a vacant block of land, adjacent to the Beechy Hotel, situated on Main Road within the township of Beech Forest as shown in the locality snapshot, figure 1 below. The potential NSP site is the area within the yellow line.



**Figure 1.** Aerial photo of Beech Forest showing proposed potential NSP-BPLR Site.

Locality description

Beech Forest is a small town in south-western Victoria; it is located approximately 200km southwest of Melbourne on top of the Otway Ranges.

Beech Forest was settled by Europeans in the late 19<sup>th</sup> century as a centre of forestry for the Beech (Myrtle), Blackwood and Ash Trees that dominate the area. The arrival of a narrow gauge railway in 1902 reinforced Beech Forest as a major centre for Victoria's timber industry.

Colac Otway Shire

Today the railway no longer exists but the remnants bring tourists from everywhere the travel the Old Beech Rail Trail.

Beech Forest has a permanent population of 82, however its high risk location and its position in the Otways creates circumstances where a Place of Last Resort would assist those living and working in the vicinity, and those travelling through to visit various locations such as the Beech Rail Trail, Otway Fly and the many waterfalls and nature walks.

Local facilities and attractions;

Beech Hotel,

Old Beechy Rail Trail,

Otway Fly Treetop Adventures - spectacular 600-metre-long, 25-metre-high elevated treetop wall,

Otway Harvest Trail - home to many wonderful food and primary producers,

Turtons Track - east of Beech Forest, this is a beautiful 17km tourist route through thick rainforest vegetation,

Triplet, Little Aire, Beauchamp & Hopetoun Falls &

Californian Redwoods - spectacular forest of giant Californian Redwoods (Sequoia trees) planted in 1939.

## NSP-BPLR Specific Site description

The vacant land is situated on the Main Road within the township of Beech Forest. The land is Crown Land Reserve (Parcel P379358, Crown Allotment 2001, Parish of Olangolah) with a Committee of Management; Colac Otway Shire.

The land to be utilised as a NSP-BPLR encompasses an area of approximately 850m<sup>2</sup> and is immediately adjacent to the eastern side of the Beechy Hotel as shown in figure 2 below.



**Figure 2.** Beech Forest map showing proposed potential NSP Site.

The site is used as a public open space and is used as a stopping place for visitors to the rail balloon loop on the Old Beech Rail Trail (East of site, bounded by Southern St).

## 7. Findings & Discussion

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### CFA Assessment

CFA has developed guidelines to assess the suitability of potential sites as NSP-BPLRs (*Neighbourhood Safer Place – Bushfire Place of Last Resort Assessment Guideline – Country Fire Authority 2016*).

The key criteria considered by the CFA under the current CFA NSP-BPLR assessment for this site were for an open space and therefore the site needed to meet one of the following criteria;

The appropriate separation distance between the outer edge of the potential NSP-BPLR and the nearest fire hazard ('Buffer Zone') should be at least 310 metres; or

An alternative Buffer Zone distance may be prescribed by the CFA, which will ensure that the maximum potential radiant heat impacting on the site is no more than  $2\text{kw/m}^2$ .

The CFA informed Council on the 7 August 2019 in writing (Appendix A) that the site was compliant with the CFA assessment guideline and prescribed treatments to any grassland to the north and south of the NSP-BPLR boundary shall be maintained in a minimum fuel load of <100mm during the FDP for a distance of 81m from the outer edge of the NSP-BPLR boundary.

### Survey of Concerns

The Council sought additional input from relevant agencies and personnel on the suitability of this site as a NSP-BPLR.

We asked specifically for opinion in relation to:

- The suitability of access and entry to the location or building.
- The suitability of using the site for the congregation of people during an emergency.
- Any other reason for which the site may not be suitable as a NSP.

The request was made of the following agencies; Police, Country Fire Authority, Council Departments, Department of Environment, Land, Water & Planning and other government agencies.

### **Site Assessment against NSP Plan Criteria**

An initial onsite inspection took place on 21 June 2010 with representatives from Council, DSE, CFA, Parks Victoria, Victoria Police and VicRoads to discuss and access the sites potential to be used as a NSP.

The NSPP Criteria Auditing Tool was used to assist in the discussion and ultimate assessment, Appendix D contains a copy of the auditing tool.

The following summary was concluded:

#### Consents and Rights of Access

The potential NSP-BPLR site is Crown Land managed by a Committee of Management, - Colac Otway Shire. As the proposed site required ground works consent from the landowner was obtained from DELWP - Planning Approvals Program Officer (Barwon South West Region) and is attached in Appendix B.

#### Access and Egress

In considering whether access and egress routes are adequate, consideration was given to the following issues:

- Whether there is sufficient access to the potential NSP-BPLR which will allow for:
  - anticipated potential numbers of people to move to and from the place; and
  - the CFA and other emergency services to attend the place for asset and personal protection activities;
- The condition of the road surface;
- The proximity of the NSP-BPLR to major roadways and population centres;

- The type and amount of vegetation along any access routes, and whether that vegetation could be affected by fire and pose a risk of harm to those seeking access to the potential NSP-BPLR, or otherwise block access to the NSP-BPLR;
- Whether appropriate vegetation management activities can be undertaken and maintained through works that are both possible and practicable having regard to the resources of road owner;
- The capacity of access routes to accommodate potentially large numbers of vehicles, and to accommodate potential breakdowns;
- Parking at the place, taking into account that a separate area or adequate space may need to be available to ensure pedestrians can move away from the areas where vehicles may enter or park;
- Any hazards that may exist for persons accessing the place by foot;
- Any relevant matter contained in Councils Road Management Plan prepared pursuant to the Road Management Act 2004 (Vic).

It was the consensus of the group that existing access and egress routes were sufficient to allow anticipated potential numbers of people to move to and from the site and for CFA and other emergency services to attend the site for asset and personal protection activities. Roads within the immediate area are sealed roads, maintained to a good standard with minimal modified roadside vegetation that would not pose a risk of harm to those seeking access to the potential NSP.

The group also agreed that existing parking adjacent to the site and in nearby streets was adequate and suitably separate from the site to ensure pedestrian safety. No hazards were identified for people accessing the site on foot.

#### Opening of the NSP

As the potential site is an Open Space NSP-BPLR, this is not deemed to be relevant.

#### Defendable Space

The site is deemed to have sufficient defendable space.

### Defendability of Buildings

Not applicable as this is an Open Space potential NSP.

### Signage

There is sufficient space to erect general NSP signage. A signage location map is provided in Appendix E.

### Maintenance and Maintainability

Some costs would be incurred by Council in establishing and maintaining the site. However, as this site is managed by Colac Otway Shire under a CoM the current standard of maintenance is sufficient for the surrounding grassland. Additional minimal costs may be incurred in the maintenance of the hardstand area, which may involve minor weed spraying.

### Disabled Access

Disabled parking is currently available adjacent to the site.

### Separation and Demarcation of Area

The site is clearly identified by the new bollards installed on all four boundaries of the site.

### Other Conflicting Uses

There are no known current uses of the site that would conflict with the site being used as a NSP-BPLR.

### Communication with the Community

It will be possible through a range of media and local newsletter to communicate the location of the NSP-BPLR to the community and that this communication should include the risks that relate to the use of the NSP-BPLR and the risks associated with travelling to the NSP-BPLR in the event of a bushfire.



## 8. Recommendations

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As per the Emergency Service Legislation Bill 2009, Municipal councils must identify and designate places as Neighbourhood Safer Places (NSP-BPLRs) within their municipal district. Council must only designate sites that have passed the CFA Assessment Guideline and may have regard to its Municipal Neighbourhood Safer Places Plan.

Having successfully passed all current NSP criteria established by the State Government, CFA, MAV and the Colac Otway Shire, it is recommended that:

- *The Colac Otway Shire endorse the area as described and detailed within the NSP-BPLR Site Assessment Report which is located on vacant Crown land in Beech Forest as a designated Neighbourhood Safer Place – Bushfire Place of Last Resort.*

### **On passing the recommendation above it is further recommended:**

The Council provides signage at the NSP site in line with the guidelines published from time to time on the internet site of the Office of the Emergency Services Commissioner.

The Municipal Fire Prevention Officer provides to the CFA information on the NSP-BPLR designation of the site in Beech Forest.

The MFMPCC and the MEMPC include this site within a list of NSPs within their respective plans.

The Council informs the public of the designation of the site as a NSP-BPLR and provides information to the public on the purpose and function of the NSP as a Bushfire Place of Last Resort and the fact that there is no guarantee of survival if used during an emergency event.

The Council asks the CFA to assist in an annual assessment and review of the NSP-BPLR site by August 31 each year against the NSP Plan and the CFA assessment guidelines.

The NSP-BPLR site is maintained to suitable standards and that the Municipal Fire Prevention Officers undertake routine inspections of the NSP site prior to and during the fire danger period.

That a budget is allocated/maintained to provide the site with signage, maintenance and annual inspections in line with the NSP guidelines, legislation and plans.

## Appendix A

### CFA Assessment Criteria Compliant Confirmation

#### CFA Neighbourhood Safer Places Assessment Summary Report



#### CFA Neighbourhood Safer Places Assessment Summary Report

NSP ID: 1000042287 Municipality: Colac-Otway Shire  
 Location: Vacant Land /Beech Forest Adjacent to Beech Forest Hotel Eastern side  
 Address: Beech Forest - Mt Sabine Road (Main Rd) Hotel is 35 Main Rd Beech Forest 3237

Location Type: Open Space CFA Region: SthWest  
 Assessment Date: 10.07.2019 Assessed By: Philip O'Keefe  
 Result: Compliant provided prescriptions are met

| Assessment Factors   |   | North Aspect  | East Aspect                                       | South Aspect                              | West Aspect                                       |
|--|---|---|---|---|---|
| Vegetation Type  |   | AS3959<br>Grassland /<br>BAA<br>Grassland   | AS3959<br>Forest /<br>BAAWetSclero<br>phyllForest | AS3959<br>Grassland /<br>BAA<br>Grassland | AS3959<br>Forest /<br>BAAWetSclero<br>phyllForest |
| Separation Distance to<br>Vegetation (m)   | Actual                                  | 70  | 196   | 75  | 208   |
|  | Prescribed<br>(Grassland areas<br>only) | 81  | NA  | 81  | NA  |
| Vegetation Height (m)  |   | .3  | 20  | .2  | 15  |
| Effective Slope (°)  |   | 8   | 8   | 8   | 6   |
| Site Slope (°)   |   | 0   | 0   | 0   | 0   |
| Prescribed or Deemed to Satisfy<br>Requirements for distance achieved -<br>(Distance equal to or greater than 140M structure 310M open<br>space) |   | N   | N   | N   | N   |
| Deemed to Satisfy<br>Requirements for slope achieved -<br>(Effective Slope less than 20 degrees)   |   | Y   | Y   | Y   | Y   |
| Deemed to Satisfy (DtS)<br>Requirements Achieved   |   | N   | N   | N   | N   |
| (If DtS not achieved)<br>Calculated Heat Flux (kW/m <sup>2</sup> )<br><br>(To be no greater than 2kw for open<br>space or 10kw for a building)   | Actual                                  | 3.35  | 2.7   | 2.99                                      | 2.12  |
|  | Prescribed<br>(Grassland areas<br>only) | 1.95  | NA  | 1.96                                      | NA  |
| Treatments & Prescriptions<br>(For Grassland areas ONLY)   |   | Any grassland to the north and south of the nsp boundary shall be maintained in a minimum fuel load of < 100mm during the FDP for a distance of 81m from the outer edge of the nsp boundary. This site is compliant subject to the Council Alternative Assessment supplied.   |   |   |   |
| Overall NSP Criteria Achieved  |   | Y   | N   | Y   | N   |
| Result   |   | <p><b>Compliant</b></p> <p><input type="checkbox"/> Meeting the CFA assessment criteria on the day of assessment</p> <p><input checked="" type="checkbox"/> Meeting the assessment criteria provided that prescriptions of management of grassland over the fire danger period are secured by agreed terms entered into by the landholder. (This written agreement must refer to specific treatments and prescriptions as stated above, be signed by the landowner and attached to the NSP Online Business System on designation of this potential NSP site or confirming designation as part of review)</p> <p><b>Non Compliant</b></p> <p><input type="checkbox"/> Not meeting the CFA assessment criteria on the day of assessment</p> |   |   |   |



**Figure 3.** Beech Forest map showing proposed potential NSP-BPLR and the prescribed areas for grassland management during the declared Fire Danger Period. The pink circle has a radius of 81m from the northern NSP-BPLR boundary, while the blue is also 81m from the southern boundary.

## Appendix B

### Consents to Use Site

#### Land Owner Consent – Dep of Environment, Land, Water and Planning (DELWP).



Department of Environment,  
Land, Water and Planning

State Government Offices  
Cnr Fenwick & Little Malop Streets  
PO Box 103, Geelong Victoria 3220  
Telephone: 03 5226 4867  
DX 216048  
delwp.vic.gov.au

7 November 2018

|  |                  |
|--|------------------|
| Simon Howland<br>Emergency Management Coordinator<br>Colac Otway Shire Council | Our Ref: 2006181 |
|--|------------------|

By email- [simon.howland@colacotway.vic.gov.au](mailto:simon.howland@colacotway.vic.gov.au)

Dear Mr Howland

**APPLICATION:** LAND OWNER CONSENT  
**PROPOSAL:** BEECH FOREST NEIGHBOURHOOD SAFER PLACE  
**ADDRESS:** PARCEL P379358, CROWN ALLOTMENT 2001, PARISH OF OLANGOLAH

Thank you for your correspondence dated and received on 12 September 2018 in respect of the above-described Land Owner Consent Application I apologise for the delay in this response.

The application seeks to undertake works on the parcel for the purpose of establishing and operating the Beech Forest Neighbourhood Safer Place.

I confirm the Minister for Energy, Environment and Climate Change acts as landowner for Crown land in Victoria. The Department of Environment, Land, Water and Planning (DELWP) represents the Minister in this role.

I wish to advise that the department has considered your application and grants consent for the works on land parcel P379358, Crown allotment 2001, Parish of Olangolah, subject to the following conditions:

1. Works are to be completed to the satisfaction of the Program Manager Land and Built Environment (the Manager).
2. The works are to be carried out in accordance with the application dated 11 and 12 September 2018.
3. Any proposed amendments to the works including changes to the siting or design must be provided in writing to DELWP and written approval obtained prior to any changes being implemented.
4. The construction site is to be maintained to a safe standard to avoid public risk and public use is to be excluded from the construction area using signs and appropriate barriers.
5. This consent is subject to the applicant obtaining all other relevant approvals.
6. All works are to be constructed to Australian standards and are to be certified for public use prior to public use.
7. The site is to be left in a clean and tidy condition upon completion of the works.
8. All future maintenance of the subject works is the responsibility of the Colac Otway Shire Council.
9. This consent will expire if works are not completed within 5 years of the date of issue unless an extension of time is applied for and granted by the Manager.

If you have any queries regarding this matter, please contact me on telephone (03) 5561 9954.

Any personal information about you or a third party in your correspondence will be protected under the provisions of the Privacy and Data Protection Act 2014. It will only be used or disclosed to appropriate Ministerial, Statutory Authority, or departmental staff in regard to the purpose for which it was provided, unless required or authorized by law. Enquiries about access to information about you held by the Department should be directed to [foi.unit@delwp.vic.gov.au](mailto:foi.unit@delwp.vic.gov.au) or FOI Unit, Department of Environment, Land, Water and Planning, PO Box 500, East Melbourne, Victoria 3002.



Yours sincerely



**Scott Elliott**  
Planning Approvals Program Officer  
Barwon South West Region



**Appendix C**

**Beech Forest Potential Open Space NSP-BPLR Alternative Assessment.**

Beech Forest  
Potential Open Space NSP-PLR  
alternative assessment



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*Potential Beech Forest Open Space NSP-PLR - Alternative Assessment*


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**Important Notice and Disclaimer**

This report includes a draft and physically untested proposed methodology for an alternate pathway to assess and attenuate radiant heat at a specific site. The information, calculations and proposals contained within this report are based on information and methodologies available to the authors at the time of production. The authors accept no responsibility for the use of the information contained within the report and make no guarantee or representation whatsoever that the information is an exhaustive treatment of the subject matters or that it is complete, accurate or up-to-date. Users of this report are expected to be appropriately qualified and experienced and must exercise their own skill and judgement in the analysis and application of the content of this report.



## INTRODUCTION

Beech Forest is an identified high risk bushfire town in the Colac Otway Shire. Over the past five years at least five sites have been investigated for designation as an NSP-PLR. All failed to meet the NSP radiant heat criteria and were deemed non-compliant.

A block of vacant land on the east side of the Beech Forest Hotel was the most recent site considered, and the CFA radiant heat assessment for the site came in marginally above the specified radiant heat criteria of  $2\text{kW}/\text{m}^2$ . In discussions with CFA, it was considered that a more detailed investigation of the site characteristics and the radiant heat potential was warranted to determine if a refined assessment along with the installation of radiant heat attenuating infrastructure could yield a compliant NSP-PLR for this town. It was determined that further investigation via an alternate pathway would be undertaken.

During June 2015, Otways Bushfire Planning Collaboration staff met on-site with Justin Leonard (CSIRO Bushfire Urban Design Team Leader), to gauge his initial impressions of the suitability of this site for an NSP-PLR. Justin advised that the site was worthy of further investigation. A more detailed and modified AS3959 assessment to determine radiant heat flux was conducted using site specific inputs.

This report considers the radiant heat assessment for each aspect of the site and explores whether adding some modification to the modelling would refine the radiant heat values obtained through the initial assessment. The methodology refined radiant heat assessment, building ground and feature attenuation into the calculation of view factor and flame length, to provide a more accurate input to the AS3959 radiant heat assessment calculation. The report also considers the application of radiant heat attenuating infrastructure in a site design proposal for this site.



**Figure 1. Land form and location of the proposed Beech Forest Proposed NSP-PLR**

## METHODOLOGY

To assess radiant heat, the NSP criteria prescribe inputs for the AS3959 methodology. The determined threshold for an open space NSP-PLR is  $2\text{kW/m}^2$  at its boundaries. The AS3959 methodology uses the following equations to calculate the radiant heat to which a site may be exposed:

The radiant heat flux ( $q$ ) in  $\text{kW/m}^2$  to which the site might be exposed shall be calculated using the radiant heat transfer law with atmospheric transmissivity correction, as follows:

$$q = \tau \phi E \quad \dots \text{B4}$$

where

$E$  = flame emissive power ( $\text{kW/m}^2$ ), determined in accordance with Paragraph B10.2

$\phi$  = view factor, determined in accordance with Paragraph B10.3

$\tau$  = atmospheric transmissivity, determined in accordance with Paragraph B10.4

Flame emissive power ( $E$ ) shall be calculated using the Stefan–Boltzmann equation, as follows:

$$E = \sigma \varepsilon T_f^4 \quad (\text{Ref. 8}) \quad \dots \text{B5}$$

where

$\sigma$  = Stefan–Boltzmann constant ( $5.67 \times 10^{-11} \text{kW/m}^2\text{K}^{-4}$ )

$\varepsilon$  = flame emissivity (assumes 0.95) (see Commentary CB10.2)

$T_f$  = flame temperature (see Commentary CB10.2)

The standard AS3959 approach does not take into account site characteristics which may reduce the view factor and therefore attenuate radiant heat. Each aspect of a site may have characteristics that influence the view factor, which in turn, influences the radiant heat assessment outcome. Such site characteristics include the slope of the land and the presence of infrastructure or vegetation.

Essentially, the methodology described and examined in this report is a simple refinement of the AS3959 approach. For each aspect of the site it calculates the attenuating influence of slope on the view factor and its effect on the amount of visible flame length, and applies this refined assessment back into the AS3959 calculations via reducing the flame length to the visible flame length rather than the total flame length. This method of calculating the reduced radiant heat afforded by the attenuation of the slope through adjustment of flame length, was suggested by Justin Leonard of the CSIRO as a way of calculating a site specific radiant heat value.

The diagrams throughout this document for each aspect, are derived using points listed below:

- The slope, flame angle, flame height were transposed from the original NSP assessment into the graphical format.
- The altered slope on the alternate assessment diagram was derived from a digital elevation model (DEM) of 20 X 20 m pixels with an attached height. This was resampled to 1 metre height pixels in a GIS environment, from which the slope profile was drawn in the diagram.
- From the application of the adjusted slope profile, the new view area (yellow) was drawn. The length of the flame that correspond with the new view field was entered into the BAL calculator and the adjusted radiant heat value was generated and used as an alternative assessment of radiant heat for the site on the aspect of interest.
- In reality, view factor is a three dimensional (3D) function of height, depth and width. In the examples below only height and width are measured, with depth assumed to be constant across that plane. Three dimensional modelling is possible and would add a further level of accuracy to these calculations; however this modelling is not easily accessible.

The assessment for each aspect of the site is described in detail in the Findings section, below.

## FINDINGS

## North Aspect

## CFA Preliminary Assessment Report - North Aspect



## BUSHFIRE ATTACK ASSESSMENT REPORT

For Site Located at: Beech Forest Nth Aspect

## 1. User's Input

Vegetation: Grassland(pasture)  
 Slope (degree): 8  
 Distance(m): 70  
 Flame Angle (degree): 85  
 Elevation of Radiation Receiver (m): 2  
 Site Slope (degree): 0

## 2. Program's Settings

Flame Width (m): 100  
 Flame Temperature (K): 1200  
 Flame Emissivity: .95  
 Surface Available Fuel Load (t/ha): 3.2  
 Overall Fuel Load (t/ha): 3.2  
 Vegetation Height (m): .3  
 Fire Danger Index: 120  
 Wind Speed (km/h): 45  
 Heat of Combustion (kJ/kg): 18600  
 Rate of Fire Spread Calculated by: Grassland (Noble et al. 1980)  
 Flame Length Calculated by: Nelson Equation  
 Modeling Atmosphere Attenuation: Yes

## 3. Output

Rate of Fire Spread (km/h): 27.09  
 Fire Intensity (kW/m): 44794  
 Transmissivity: .756  
 Flame Length (m): 7.96  
 Radiant Heat Flux (kW/m<sup>2</sup>): 3.35  
 Category of Attack: Low  
 Level of Construction Required: No Requirement

Date Assessed: Friday, 22 May 2015      Assessed By: Phil Wall May 2015

Alternate Assessment – North Aspect

The north aspect was re-evaluated using the more detailed methodology described in the methodology above, to consider the impacts of the actual shape of the ground at the site on radiant heat. As described in the methodology, this differs to that used in the standard AS3959 radiant heat assessment. The shape of the land at the site attenuates some of the radiant heat and therefore provides a more refined and lower radiant heat value than that in the report.

Figures 2.1 and 2.2 below illustrate how the two approaches vary in the use of view factor.

All inputs were taken from the original assessment.

Model Comparison – north aspect

Figure 2.1. Illustration of AS3959 radiant heat model

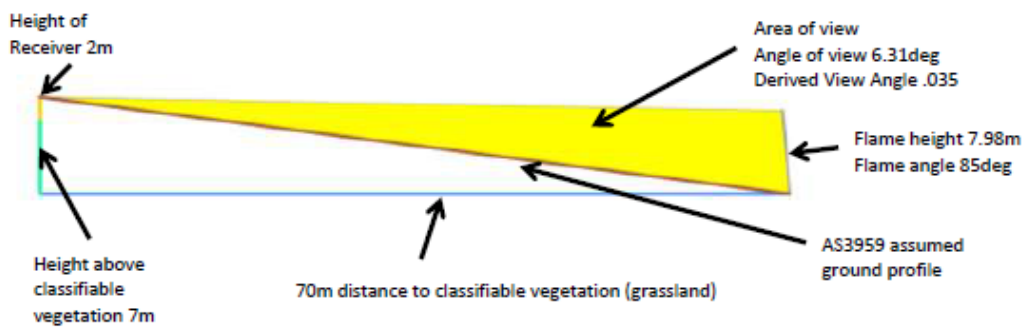
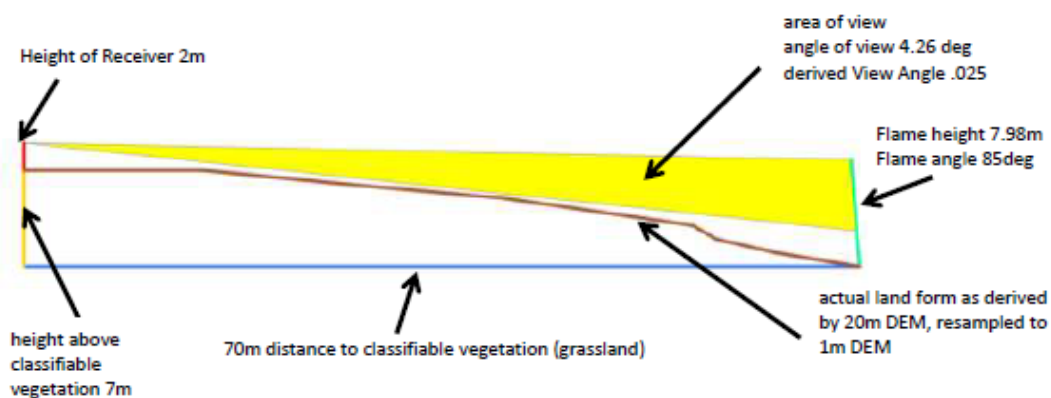


Figure 2.2 Illustration of alternative calculation



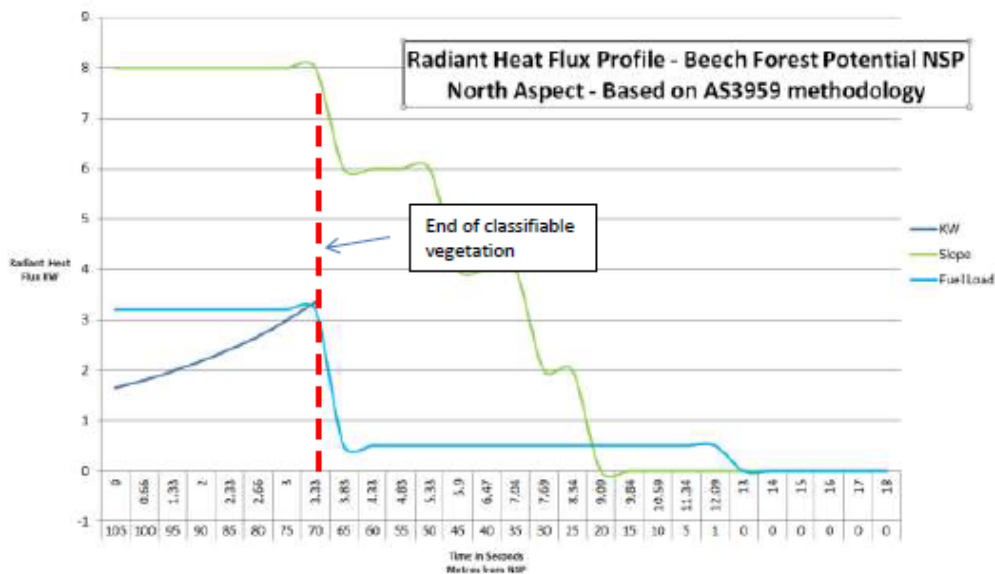
Potential Beech Forest Open Space NSP-PLR - Alternative Assessment

Effectively, the land form has reduced the view angle and the corresponding radiant heat by 35%. In effect this has resulted in changing the effective flame length from 7.98m to 5.2m. The radiant heat was recalculated in the AS 3959 radiant heat calculator to this extent and was found to reduce the radiant heat flux at the NSP boundary from 3.35 kW/m<sup>2</sup> to 2.18 kW/m<sup>2</sup>.

The following graph (figure 3) shows the radiant heat profile, slope and fuel profile out from the potential NSP boundary to 105 metres in a northerly direction. Also shown is radiant heat in terms of time, which is based on the rate of spread. It gives an understanding of the time exposure of the corresponding radiant heat based on the original assessment. The time in seconds where the classifiable vegetation yields a radiant heat flux over the 2 kW/m<sup>2</sup> threshold is in the order 2 seconds. If we added a residence time of 15 seconds, this could be reasonably be pushed to 18 seconds exposure over the 2 kW threshold up to the assessed preliminary assessed value of 3.33kw.

Rate of spread calculation is based on the supplied rate of spread in the initial CFA Preliminary Assessment Report.

Figure 3. Radiant heat flux profile – potential Beech Forest NSP-PLR north aspect (AS 3959 methodology)



The following extract from (Raj 2008) indicates that exposure of this length even at the original assessment is unlikely to be fatal.

According to the model in Raj 2008, in the event there were no further radiant heat attenuating factors at the site, a user would experience radiant heat of 3.35kW/m<sup>2</sup> for 18 seconds\*, and the model indicates unprotected skin can experience this degree of radiant heat for 21 seconds without breaching the pain correlation.

\* The 18 seconds is derived from the 3 seconds it takes for the fire to pass the 95m mark (at the assessed rate of spread) to the edge of the classifiable vegetation, plus a 15 second fire residence time.

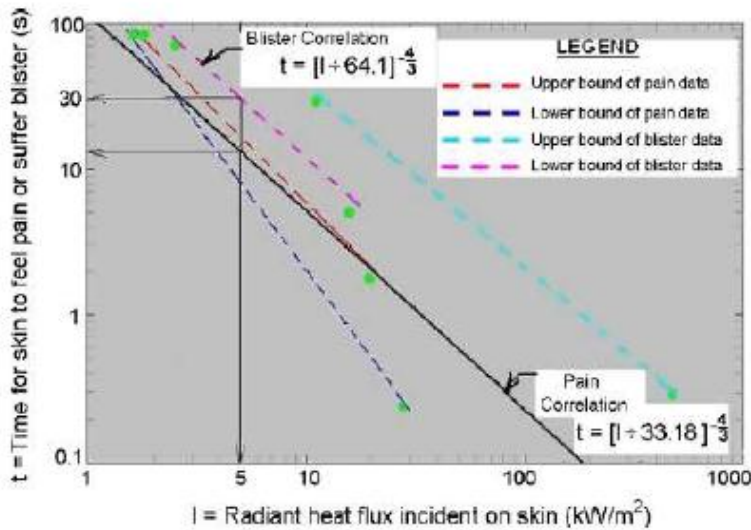


Fig. 1. Range of experimental data on skin pain and skin burns and correlations of time for injury vs. incident radiant flux.

Using the above equation  $Time = (Intensity / 33.18)^{4/3}$  and placing the originally assessed 3.3 Kw, results in a 21 second time exposure until the pain correlation is met, according to the model.

Source: A review of the criteria for people exposure to radiant heat flux from fires Phani K. Raj \* Technology & Management Systems, Inc., Burlington, MA 01803, United States

## East Aspect

The East aspect is separated into two parts:

- the grassland, which is compliant and
- the forest which is non-compliant.

If we re-evaluate the forest to the east and attempt to build in the radiant heat attenuation provided by the ground slope and the trees in the parkland, we can get an understanding of what effect this would have on the actual radiant heat flux at the site.

### CFA Preliminary Assessment Report – East Aspect



#### BUSHFIRE ATTACK ASSESSMENT REPORT

For Site Located at: Beech Forest - East aspect

##### 1. User's Input

Vegetation: Wet sclerophyll forest  
 Slope (degree): 8  
 Distance(m): 196  
 Flame Angle (degree): 77  
 Elevation of Radiation Receiver (m): 2  
 Site Slope (degree): 0

##### 2. Program's Settings

Flame Width (m): 100  
 Flame Temperature (K): 1200  
 Flame Emissivity: .95  
 Surface Available Fuel Load (t/ha): 25  
 Overall Fuel Load (t/ha): 35  
 Vegetation Height (m): 20  
 Fire Danger Index: 120  
 Wind Speed (km/h): 45  
 Heat of Combustion (kJ/kg): 18500  
 Rate of Fire Spread Calculated by: Forest Mk 5  
 Flame Length Calculated by: Modified McArthur Forest Mk 5  
 Modelling Atmosphere Attenuation: Yes

##### 3. Output

Rate of Fire Spread (km/h): 6.25  
 Fire Intensity (kW/m): 113061  
 Transmissivity: .691  
 Flame Length (m): 44.84  
 Radiant Heat Flux (kW/m<sup>2</sup>): 2.7  
 Category of Attack: Low  
 Level of Construction Required: No Requirement

Date Assessed: Tuesday, 26 May 2015      Assessed By: Phill Wall



Model Comparison – east aspect

Figure 4.1. Illustration of AS 3935 radiant heat model – east aspect

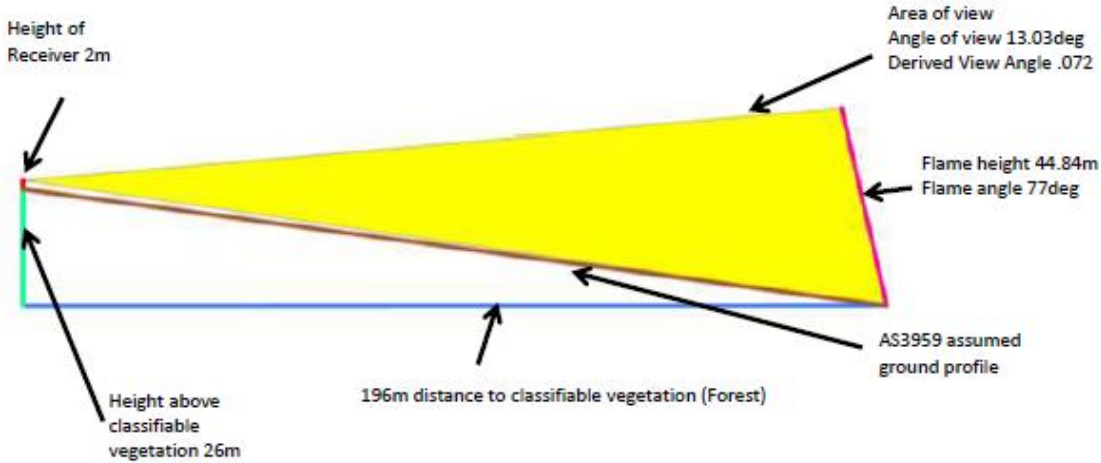
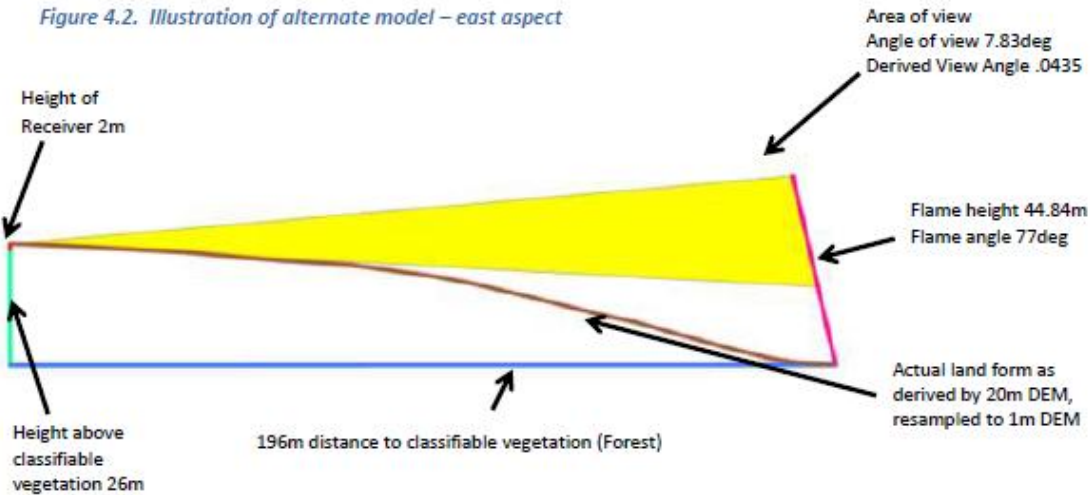


Figure 4.2. Illustration of alternate model – east aspect



Discussion

Effectively the land form has reduced the view angle and the corresponding radiant heat by 40%. The result of changing the effective flame length from 44.84m to 26.9m in the AS 3959 radiant heat calculator to this extent has reduced the radiant heat flux at the NSP boundary from 2.7kW/m<sup>2</sup> to 1.62kW/m<sup>2</sup>. This figure would be further reduced if the effect of the radiant heat attenuation of the parkland trees was included, but as the slope attenuation reduced the radiant heat flux below the 2kW/m<sup>2</sup> threshold, the calculations were not included.

## South Aspect

The South aspect was re-evaluated in the knowledge that the actual shape of the ground at the site was different to that used in the original assessment, and that this difference would attenuate some of the radiant heat and thus lower the value in the report.

The diagrams below illustrate how the two approaches vary.

In reality, view angle is a 3D function of height, depth and width. In the example below only height and width are measured, with depth assumed to be constant across that plane.

All inputs were taken from the original assessment.

### CFA Preliminary Assessment Report – South Aspect



#### BUSHFIRE ATTACK ASSESSMENT REPORT

For Site Located at: Beech Forest – South aspect

##### 1. User's Input

Vegetation: Grassland(pasture)  
Slope (degree): 8  
Distance(m): 75  
Flame Angle (degree): 86  
Elevation of Radiation Receiver (m): 2  
Site Slope (degree): 0

##### 2. Program's Settings

Flame Width (m): 100  
Flame Temperature (K): 1200  
Flame Emissivity: .95  
Surface Available Fuel Load (t/ha): 2.3  
Overall Fuel Load (t/ha): 2.3  
Vegetation Height (m): .2  
Fire Danger Index: 120  
Wind Speed (km/h): 45  
Heat of Combustion (kJ/kg): 18600  
Rate of Fire Spread Calculated by: Grassland (Noble et al. 1980)  
Flame Length Calculated by: Nelson Equation  
Modelling Atmosphere Attenuation: Yes

##### 3. Output

Rate of Fire Spread (km/h): 27.09  
Fire Intensity (kW/m): 32195  
Transmissivity: .751  
Flame Length (m): 6.76  
Radiant Heat Flux (kW/m<sup>2</sup>): 2.53  
Category of Attack: Low  
Level of Construction Required: No Requirement

Date Assessed: Tuesday, 26 May 2015      Assessed By: Phill Wall

Model Comparison – south aspect

Figure 5.1 Illustration of AS 3959 radiant heat model – south aspect

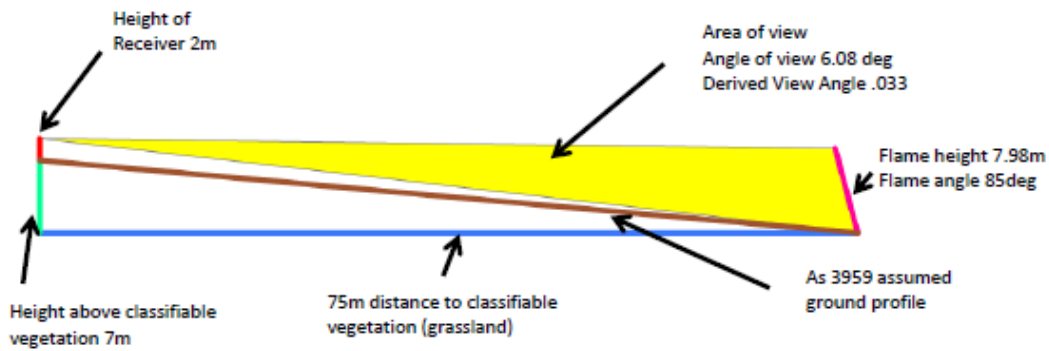
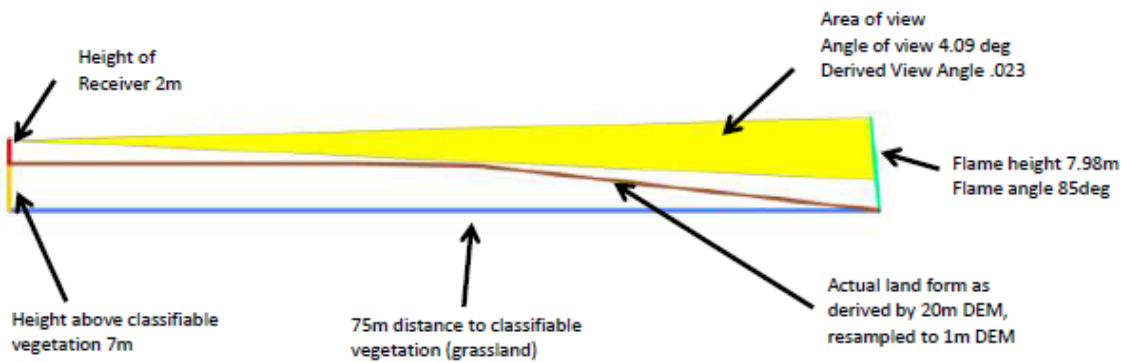


Figure 5.2 Alternative calculation – south aspect



Discussion

Effectively the land form has reduced the view factor and the corresponding radiant heat by 33%. The effect of changing the effective flame length from 7.98m to 5.36m has reduced the radiant heat flux from 2.99kW/m<sup>2</sup> to 2.01/m<sup>2</sup>. (This is at a fuel of 3.2 t/ha, not 2.3 t/ha as in the original measurement, which is assumed to be an oversight.)

Potential Beech Forest Open Space NSP-PLR - Alternative Assessment

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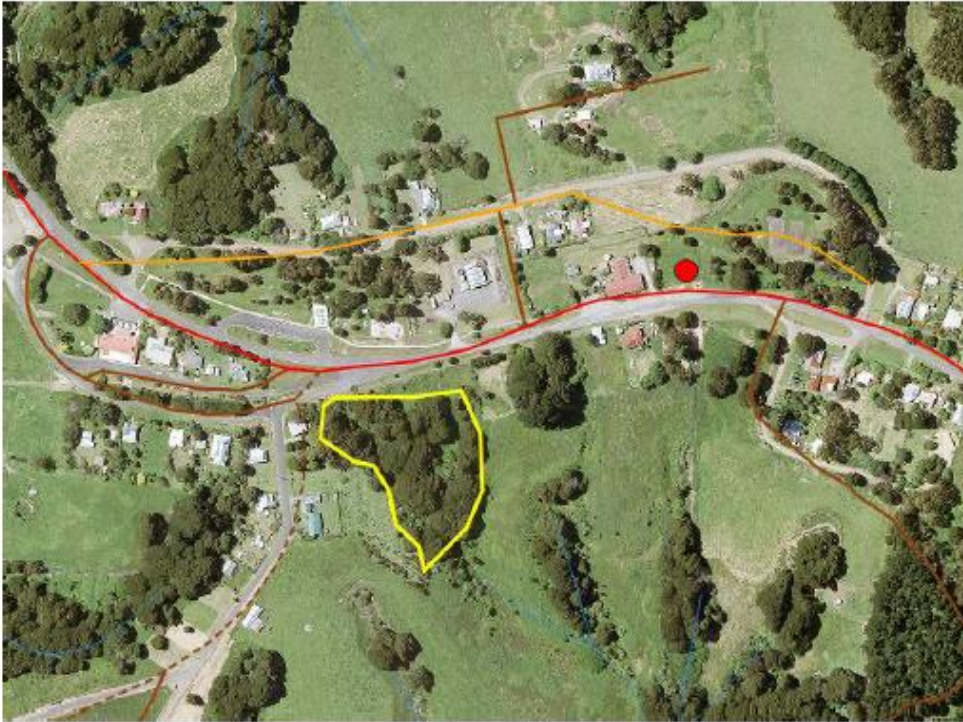
Figure 6. Southern aspect of the proposed Beech Forest NSP-PLR site.



### West Aspect

The vegetation in question in the west aspect is shown within the yellow boundary in figure 7 below. The size of this vegetation patch is around 1 hectare. The potential NSP is shown as the red dot.

Figure 7. Aerial of proposed NSP-PLR and relevant vegetation for radiant heat assessment



There are three separate grounds for the re-evaluation of this aspect of the site:

- the radiant heat attenuation arising from the slope,
- the reduction in radiant heat due to the relevant vegetation patch not being continuous with the surrounding vegetation and,
- the radiant heat attenuation from the trees between the potential NSP-PLR and the vegetation in question.

CFA Preliminary Assessment Report – west aspect



**BUSHFIRE ATTACK ASSESSMENT REPORT**

For Site Located at: Beech Forest - West aspect

**1. User's Input**

Vegetation: Wet sclerophyll forest  
 Slope (degree): 6  
 Distance(m): 208  
 Flame Angle (degree): 79  
 Elevation of Radiation Receiver (m): 2  
 Site Slope (degree): 0

**2. Program's Settings**

Flame Width (m): 100  
 Flame Temperature (K): 1200  
 Flame Emissivity: .95  
 Surface Available Fuel Load (t/ha): 25  
 Overall Fuel Load (t/ha): 35  
 Vegetation Height (m): 20  
 Fire Danger Index: 120  
 Wind Speed (km/h): 45  
 Heat of Combustion (kJ/kg): 18600  
 Rate of Fire Spread Calculated by: Forest Mk 5  
 Flame Length Calculated by: Modified McArthur Forest Mk 5  
 Modelling Atmosphere Attenuation: Yes

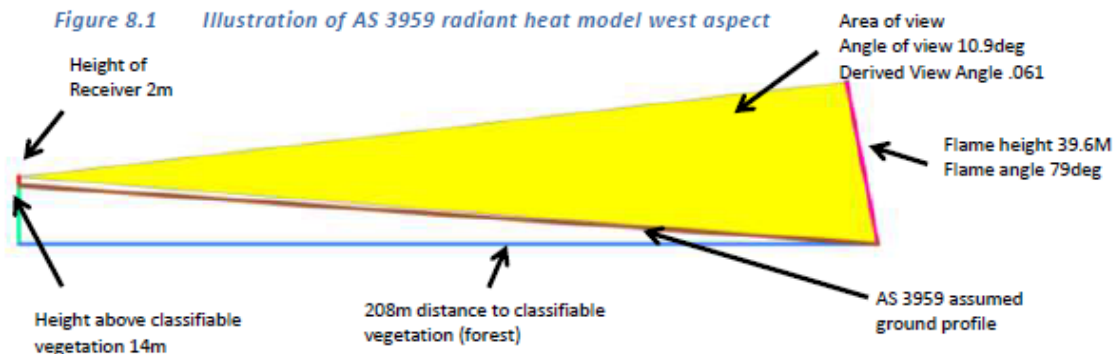
**3. Output**

Rate of Fire Spread (km/h): 5.45  
 Fire Intensity (kW/m): 98487  
 Transmissivity: .68  
 Flame Length (m): 39.6  
 Radiant Heat Flux (kW/m<sup>2</sup>): 2.12  
 Category of Attack: Low  
 Level of Construction Required: No Requirement

Date Assessed: Tuesday, 26 May 2015 Assessed By: Phil Wall

Model Comparison – west aspect

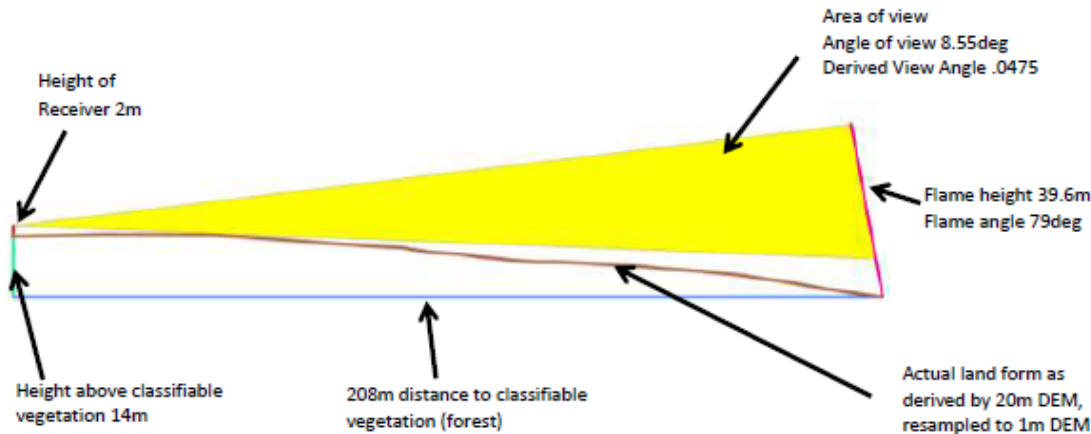
Figure 8.1 Illustration of AS 3959 radiant heat model west aspect



Peter Ashton, Otways Bushfire Planning Collaboration

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Figure 8.2 Illustration of alternative calculation - west aspect



### Discussion

Under a more detailed analysis of the land form, the view factor is reduced by 22% and subsequent effective flame length from 39.6m to 30.88m. The corresponding reduction in the radiant heat flux takes the assessment from 2.13kW/m<sup>2</sup> to 1.66kW/m<sup>2</sup> on the western aspect.

In this example, the radiant heat reduction associated with the small, patchy, non-contiguous vegetation and the attenuation effect of trees located between the classifiable vegetation patch and the NSP-PLR boundary was not included in the calculation because the attenuation effect of the slope alone results in bringing the radiant heat assessment to below the 2 kW/m<sup>2</sup> threshold. However, in reality the inclusion of these other two factors would further reduce the radiant heat flux at the potential NSP-PLR boundary.

A further attenuating factor for this western aspect is the location of the Beech Forest Hotel. The building can however provide a radiant heat source worthy of exploration. The closest part of the building is 15 meters from the potential NSP-PLR boundary. The radiant heat profile experiment undertaken by CSIRO (Figure 9, below) shows that at 6 metres from the heat source, the radiant heat peaks at 8kW/m<sup>2</sup> (as show by the green line). In the event that the hotel building were to become involved in the fire, through the application of the radiation/distance inverse square law to estimate the heat profile beyond the distances measure in the experiment, it could be expected that the radiant heat flux at a 15 m distance would be less than 1 kW/m<sup>2</sup> from fire coming from a window. However, if the entire building was on fire that this value would increase. In dealing with the radiant heat that may eventuate from the building, it is believed that there is enough area at the proposed NSP site to move away from this heat source and the construction of a steel fence on boundary will further reduce potential radiant heat. In addition to this, Figure 11 shows the modelled radiation at 3 distances with the use of a 2.4m high fence, assuming the flame height is 6m and the width is 12m. This model shows that at the 3 modelled distances that the radiation is below the 2kw level.

Figure 9 Radiation emitted from a burning house experiment (source: Justin Leonard CSIRO)

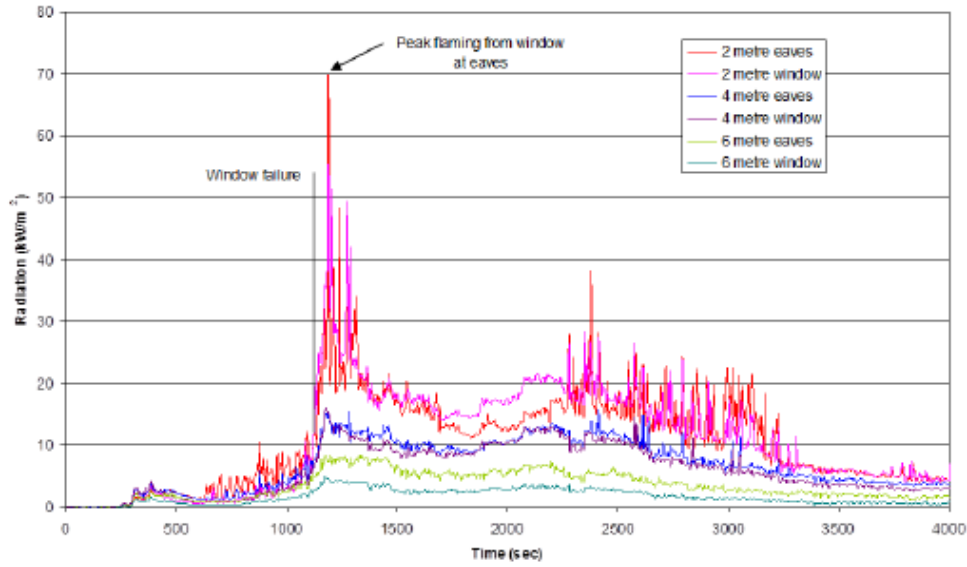


Figure 10. Radiant heat/distance inverse square graphed against CSIRO burning house experiment

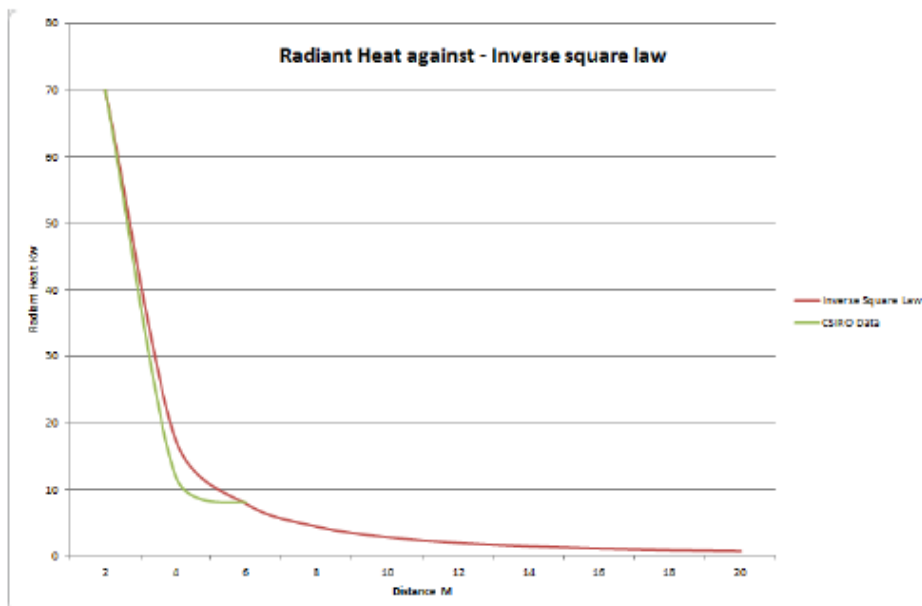
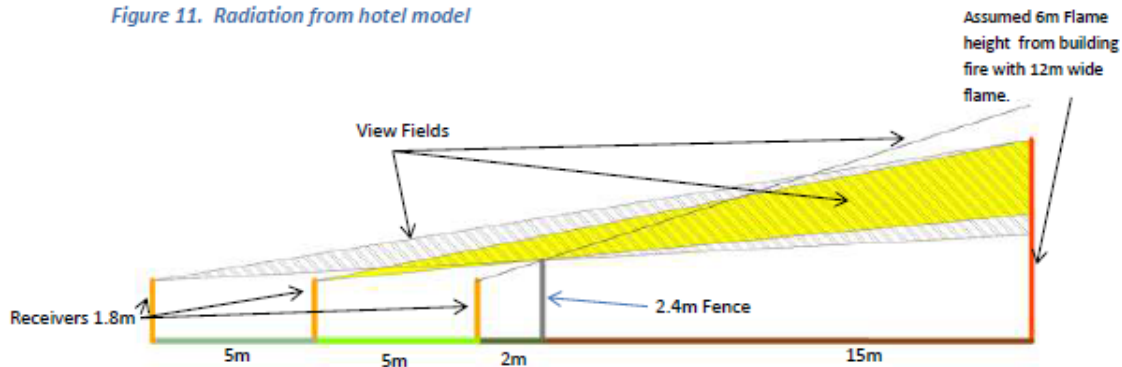




Figure 11. Radiation from hotel model



| Receiver   | Distance from fame | Flame height in view | Radiant Heat     |
|------------|--------------------|----------------------|------------------|
| Receiver 1 | Distance 17m       | 0                    | Nil from Flame   |
| Receiver 2 | Distance 22m       | 2.3m                 | 1.61 kw/metre sq |
| Receiver 3 | Distance 27m       | 2.7m                 | 1.31 kw/metre sq |

### Summary of findings

Table 1 below, outlines the difference between the radiant heat assessments at each of the four boundaries of the proposed NSP-PLR for the AS 3959 model and the alternate model. The alternate model consistently delivers lower radiant heat assessment outcomes for this site because of the attenuation of the slope of the ground between the assessed vegetation and the boundaries of the proposed NSP-PLR. It is submitted that this is still a conservative result because the input data assessment presumes a 100m flame width and therefore a fully developed fire. While this may be the case for some aspects, others may not experience fire this way.

Table 1. Radiant heat comparison for proposed Beech Forest NSP-PLR – two methods

| Aspect | AS 3959 radiant heat assessment kW/m <sup>2</sup><br>Undertaken by CFA | AS 3959 modified based on attenuated radiant heat assessment (2D) kW/m <sup>2</sup> |
|--------|--|---|
| North  | 3.35   | 2.18  |
| East   | 2.7  | 1.62  |
| South  | 2.53   | 2.01  |
| West   | 2.12   | 1.66  |

## SITE DESIGN PROPOSAL

As the north aspect of this proposed NSP-PLR is assessed above the threshold under both radiant heat assessment methods, further attenuation is proposed through site design as detailed in Figure 11.

Design features were refined during and an onsite meeting with CFA and shire staff.

Figure 12. Proposed site design to achieve further radiant heat attenuation and safety



In summary, these include:

- creation of gravel pad for the NSP-PLR,
- installation of 1.8m high steel fence on the north and 2.4m high fence on western sides, including an internal separation of car included and car-free spaces,
- all trees near the site to be up-pruned to a minimum of 2m height,
- timber power pole to be replaced with concrete pole,
- hotel garden to be replanted/re-configured with low flammability plants and fire resistant design,
- maintenance of non-classifiable vegetation surrounding the site to a minimal fuel condition.

Potential Beech Forest Open Space NSP-PLR - Alternative Assessment

## ASSESSMENT STEPS

Assessment of a site for designation as an NSP-PLR through an alternate pathway is not clear cut and requires careful navigation. The steps proposed for this approach, and the progress to date are outlined in the table below.

| Step   | Progress at 31 March 2016                           |
|--|---|
| Undertake an exhaustive examination of all sites within the identified high risk town and determine which site, if any, is the best fit for a potential NSP-PLR  | completed   |
| Request a CFA assessment of the best fit site  | completed   |
| If the site meets CFA assessment, proceed with Council assessment  | N/A   |
| If the site does not meet CFA assessment and there are other factors which may further attenuate radiant heat – either existing site characteristics or the potential for constructed solutions, seek initial specialist advice on feasibility.  | completed   |
| If specialist advice indicates a more detailed examination may yield a complaint outcome, determine a methodology for, and undertake detailed assessment.  | Completed and approach described within this report |
| Determine the requirement for CFA sign-off on assessment of methodology and site assessment undertaken   | In progress   |
| Seek CFA sign-off on site assessment   | In progress   |
| If CFA sign off a favourable assessment, undertake community consultation on the NSP potential and specifically any site changes required  | Not commenced                                       |
| If community consultation reveals a community desire for establishing an NSP-PLR given site changes required, progress the approval process (including budget requirements): <ul style="list-style-type: none"> <li>• seek MFMP approval</li> <li>• Seek MEMPC approval</li> <li>• Seek council endorsement for and designation of NSP</li> <li>• Establish NSP <ul style="list-style-type: none"> <li>○ Site design</li> <li>○ Signage</li> <li>○ Ongoing management</li> </ul> </li> </ul> | Not commenced                                       |

## Appendix D

### Considerations for a Neighbourhood Safer Place at Beech Forest – Dr Kevin Tolhurst AM, Senior Fellow (Hon.), University of Melbourne.



**TOLHURST BUSHFIRE SERVICES**  
ABN: 77 560 282 209



Mr Simon Howland  
Emergency Management Coordinator  
Environment and Community Safety  
Colac Otway Shire  
P.O. Box 283  
Colac, Vic. 3250

25 July 2018

RE: Considerations for a Neighbourhood Safer Place at Beech Forest

Dear Simon,

Thank you for organizing our site meeting at Beech Forest today and inviting along a range of other representatives. I found it very instructive to see the site being considered for use as a Neighbourhood Safer Place (NSP). I offer you the following observations and suggestions:

#### *Bushfire Exposure - Radiation*

1. One of the main assessment criteria used for selecting suitable sites to be used as a NSP is the calculation of the possible maximum level of radiation exposure that might be expected from a bushfire under catastrophic fire weather conditions. The site inspected today, to the east of the Beech Forest Hotel, fits within the criteria of being potentially exposed to less than 2 kW/m<sup>2</sup> from each of the cardinal compass points. These calculations are probably on the upper end of what is likely to occur, because it assumes that an approaching fire front will be at least 100 m wide and more than 30 or so metres deep. This is unlikely to be the case, given the broken terrain and patchy nature of the vegetation and fuels. It is more likely, that there will be several "fingers" of fire impacting on the possible NSP site over a period of time.
2. The 2 kW/m<sup>2</sup> radiation threshold assumes that a person will be standing on the site, fully exposed to the approaching flaming front. In reality, the level of exposure could be significantly reduced if that person sat down or lay down on the ground to reduce the level of exposure, or sheltered behind an object such as car, fence, tree or the like. Taking shelter and reducing the level of exposure would be a natural thing to do even without training.
3. Radiation is an important method of heat transfer because it travels through the air equally in all directions (unaffected by gravity), but it does decrease with the square of the distance, so if you double the distance from the source of radiation (the flames), you quarter the amount of radiation received by an object (person). Alternatively, if you put a solid object in its path (such as a wall or fence), the radiation will be blocked. Radiation is a well-recognized lethal force. However, radiation is only responsible for about 20% of all the heat output from the fire; about 80% of the heat released is in the form of convection – movement of hot gases.

#### *Bushfire Exposure - Convection*

4. Convection, on the other hand, is mainly released upwards because the hot air is less dense than its surroundings and therefore tends to be buoyant and rise due to gravity. However, depending on the strength of the winds and the steepness of the terrain, the hot gases may move along the ground for a period of time before lifting into the air above. If this happens, it can also be deadly to humans and dramatically increase the rate of fire spread due to rapid

pre-heating and increasing the chance of buildings and other structures catching on fire. Under some circumstances, the hot gases may even be brought downward through an eddying process or via downbursts. On Black Saturday 2009, houses on lee slopes (eastern and southern slopes) were more likely to be destroyed than those on exposed slopes (northern and western). The site being considered as a NSP is on the top of the ridge which will reduce the chances of it being affected by lee-slope eddies. Also, none of the gullies below the ridge, on the north or south side, channel directly into the NSP site. Therefore, I would consider that the chance of having abnormally high levels of convective heat on the site in question is not very high. The site is likely to experience hot, smoky air from the fire, but exposure to this could be limited by the sitting in a vehicle or building or in the lee of a wall or fence.

#### *Bushfire Exposure - Breathing*

5. The hot air and gases, including the smoke, produced by the fire could make breathing difficult for people using the NSP. It would be unlikely for oxygen to be limiting for breathing, but the hot air may make absorption of oxygen in the lungs difficult or impossible at least for a period of time. Again, shelter in a vehicle or building may be sufficient to endure the passage of these hot air conditions. Alternatively, lying face-down on the ground will access cooler, cleaner air.

#### *Bushfire Exposure – Burning Embers*

6. The site is likely to be subjected to showers of burning embers. This could start local spotfires that would need to be extinguished. This could also lead to skin burns, so people using the NSP site would need to be wearing protective, non-flammable clothing and/or sheltering in vehicles or buildings.

#### *Bushfire Exposure – Duration of hours, not minutes*

7. Given the patchiness of the fuels (vegetation) and the variability in the local terrain, I would expect that it would be unlikely for a continuous line of fire to move across the NSP site, but rather that there will be “fingers” of fire impacting on the site from varying directions over a period of 2 to 3 hours. Occupants of the site would need to be prepared to spend a number of hours on the site.

#### *Bushfire Exposure – Only after prolonged drought*

8. Given the nature of the vegetation and climate in the area, a bushfire requiring the use of the NSP would be a rare event and could only occur after a prolonged period of severe drought. In order for the gullies to dry and the grass to cure, a drought lasting for 3 years or more would be needed before a bushfire could become a large-scaled event in this area.

### **Suggestions / Recommendations**

#### *Trees and Branches*

1. Winds driving the fire, or fire-induced winds are likely to result in branches or even whole trees being broken off and falling. This is most likely for eucalypt trees in this location. It would be my suggestion that any eucalypt within two tree-heights of the NSP should be removed. This will also remove all eucalypt bark, a source of burning embers and spotfires.
2. Conversely, trees and shrubs with tightly held bark and little or no suspended dead leaf, bark or branch material should be retained to help mitigate the local exposure to wind, radiation and embers. Blackwood Wattle (*Acacia melanoxylon*), Myrtle Beech (*Nothofagus cunninghamii*) and introduced deciduous trees fit this criteria and should be retained around the NSP.
3. The wooden powerpole on the corner of the NSP site should be shifted across the road, or at least replaced with a concrete pole to prevent it burning and falling after the passage of a fire.

#### *100 metre Buffer*

4. An area for approximately 100 m around the NSP should be maintained in a low fuel state through slashing, grazing, and weed clearing. This 100 m buffer would ensure that the exposure to radiation, convection and embers would be reduced on the NSP site. Scattered low-flammability trees and shrubs could and should be retained in the buffer.

5. The NSP and the 100 m buffer should be kept in a low-fuel state, including under retained trees and shrubs. Even the cypress hedge on the private land to the north-east should be retained as a wind and ember shelter, but clearing under the trees should be undertaken to reduce the chances of fire getting into the trees.

*Non-combustible Barrier*

6. Give the proximity of the hotel and the slope to the north of the NSP site, a non-combustible fence, wall or earth bank should be constructed to the north and west of the NSP site to provide a radiation, ember, wind and heat shield.

*Include the Hotel in the planning*

7. The proximity of the hotel should be considered an advantage as an emergency source of water, communications and possibly shelter. The owners should be encouraged and helped to maintain their property in a low bushfire risk state.

*Passive/Intuitive Control*

8. All works on the NSP site should aim to induce passive control of potential users. Such things as obvious tracks into and out of the site, parking areas and areas to avoid should be self-apparent without the use of signs or the need for marshals/wardens.

I offer you these observations, suggestions and recommendations in good faith. I have based them on my professional experience and judgement and not on detailed scientific analysis. I don't believe further detailed analysis is warranted given all the uncertainties and the vagaries of human behaviour in a disaster.

I will leave it to others to decide on how my thoughts and suggestions are used. I hope I have been of assistance.

Yours sincerely,



Dr Kevin Tolhurst AM  
Senior Fellow (Hon.), University of Melbourne

## Appendix E Signage Locations Map

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Figure 4. Location of Bushfire Place of Last Resort signs

**Appendix F**  
**NSP-BPLR Plan Criteria – Auditing Tool**

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# Neighbourhood Safer Places Plan Criteria – Auditing Tool

**Location:** Beech Forest

**Date:** July 2018

Date:

Time:

| <b>NSP Plan CRITERIA – ASSESSMENT TOOL</b>            |   |                            |  |              |              |
|---|---|----------------------------|--|--------------|--------------|
| <b>Potential NSP:</b>                                 | <b>Beech Forest Open Space</b>  |                            |  |              |              |
| <b>Address:</b>                                       | <b>Vacant land adjacent Beechy Hotel and Old Beechy Rail Trail, Main Road</b> |                            |  |              |              |
| <b>Map Reference:</b>                                 | <b>SVSW 8409 242204 (2018)</b>  |                            |  |              |              |
| <b>ASSESSMENT TEAM MEMBERS</b>                        |   |                            |  |              |              |
| <b>Name</b>   | <b>Position</b>   | <b>Agency</b>              | <b>Phone</b>   | <b>Email</b> |              |
| Tristan Crews   | Fire Awareness Officer  | Colac Otway Shire          |  |              |              |
| Simon Howland   | EM Coordinator  | Colac Otway Shire          |  |              |              |
| Peter Ashton  | Coordinator Community<br>Emergency Management                                 | Surf Coast Shire           |  |              |              |
| Aaron Ledden  | Ranger in Charge, Fire and<br>Emergency                                       | Parks Vic                  |  |              |              |
| Justin Leonard  |   | CSIRO                      |  |              |              |
| Dr Kevin Tolhurst                                     |   | University of<br>Melbourne |  |              |              |
|   |   |                            |  |              |              |
| <b>OWNERSHIP DETAILS</b>                              |   |                            |  |              |              |
| <b>SITE OWNERSHIP DETAILS</b>                         |   |                            |  |              |              |
|   | <b>Yes/No</b>   | <b>Name</b>                | <b>Address</b>   | <b>Phone</b> | <b>Email</b> |
| Site Owner  | Yes   | DELWP                      | Cnr Fenwick & Little Malop<br>Streets, Geelong.  | 03 5226 4667 |              |
| Private Landholder                                    | No  |                            |  |              |              |
| Is the land Leased                                    | No  |                            |  |              |              |
| Occupier/Tenant Details                               | N/A   |                            |  |              |              |
| <b>CONSENT AND RIGHTS TO ACCESS – DEED OF CONSENT</b> |   |                            |  |              |              |
|   | <b>Yes / No / Highly Likely</b>   |                            | <b>Comments</b>  |              |              |
| Consent to use for NSP                                | Yes   |                            | Vacant land is Crown Land with Colac Otway Shire as Committee of<br>Management.<br>Community use area – Recreation Trails<br>Consent for works - D19/86556 |              |              |
| Consent to Access to Site                             | Yes   |                            |  |              |              |
| Consent to Erect Signage at Site                      | Yes   |                            |  |              |              |
| Consent to Erect Signage on Private Land              | Yes   |                            |  |              |              |

| SITE DETAILS   |                     |                   |                      |                                    |   |              |              |
|--|---------------------|-------------------|----------------------|------------------------------------|---|--------------|--------------|
| POTENTIAL NSP VEGETATION SEPARATION DISTANCE   |                     |                   |                      |                                    |   |              |              |
| Open Space – Greater than 310 metres   |                     |                   |                      | Building – Greater than 140 metres |   |              |              |
| North  | East                | South             | West                 | North                              | East  | South        | West         |
| .....70..... Metres  | ....196..... Metres | ....75.... Metres | ...208..... Metres   | ..... Metres                       | ..... Metres  | ..... Metres | ..... Metres |
| <b>Comments:</b> Any grassland to the north and south of the NSP boundary shall be maintained in a minimum fuel load of < 100mm during the FDP for a distance of 81m from the outer edge of the NSP boundary. This site is compliant subject to the Council Alternative Assessment supplied. |                     |                   |                      |                                    |   |              |              |
| OPENING OF BUILDING  |                     |                   |                      |                                    |   |              |              |
| Available opening hours of potential NSP during FDP  |                     |                   | Nil/ <del>24Hr</del> |                                    | Comments: Not applicable - Open space   |              |              |
| Is there potential for damage to the NSP during times that it is open and available for use, but not being used as a NSP?  |                     |                   | Yes/ <del>No</del>   |                                    | Comments: Not applicable - Open space   |              |              |
| Is there the possibility that the NSP could be used for unintended purposes, such as a refuge?   |                     |                   | Yes/ <del>No</del>   |                                    | Comments: Not applicable - Open space   |              |              |
| Estimated potential cost to Council  |                     |                   | \$                   |                                    | Comments: Property is currently maintained as part of normal business activities due to COS being CoM.  |              |              |
| Are these costs reasonable and capable of being borne by Council   |                     |                   | Yes/ <del>No</del>   |                                    | Comments:   |              |              |
| DEFENDABILITY  |                     |                   |                      |                                    |   |              |              |
| Is there sufficient open space to enable CFA to conduct asset protection and fire suppression activities   |                     |                   | Yes/ <del>No</del>   |                                    | Comments: Area surrounding the NSP-BPLR has sufficient space for CFA to conduct asset protection and fire suppression activities.   |              |              |
| Has Council sought expert advice from CFA to determine whether the building is likely to be subject to extreme ember attack?   |                     |                   | Yes/ <del>No</del>   |                                    | Comments: CFA and FFM have been consulted for expert advice. In an effort to seek further specialist advice from Dr Kevin Tolhurst AM, Senior Fellow (Hon.), University of Melbourne (D19/86554). |              |              |
| Can this risk be reduced?  |                     |                   | Yes/ <del>No</del>   |                                    | Comments: Refer to Alternative Assessment (D19/86557).  |              |              |
| SURROUNDING OPEN SPACE   |                     |                   |                      |                                    |   |              |              |
| Is the open space free of obstacles (e.g. fences, buildings, other)?   |                     |                   | Yes/ <del>No</del>   |                                    | Comments: The open space NSP-BPLR is delineated from the surrounding area by bollards.  |              |              |
| Adequate Parking at Site Available.  |                     |                   | Yes/ <del>No</del>   |                                    | Comments: Yes – along Main Rd and in grassed area adjacent.   |              |              |
| Are there any hazards that may exist for persons   |                     |                   | Yes/ <del>No</del>   |                                    | Comments: Beech forest does not have paved footpaths but the land   |              |              |

|   |                    |   |
|---|--------------------|---|
| accessing the place by foot?  |                    | surrounding the NSP-BPLR, and along Main Rd is relatively flat.   |
| <b>SIGNAGE</b>  |                    |   |
| Can appropriate signage be erected at the entry to the potential NSP?   | Yes/ <del>No</del> | <b>Location:</b> As per Emergency Management Victoria Signage Manual October 2015.  |
| Can appropriate signage be erected in the vicinity of the potential NSP?  | Yes/ <del>No</del> | <b>Location:</b> As per Emergency Management Victoria Signage Manual October 2015.  |
| <b>MAINTENANCE &amp; MAINTAINABILITY</b>  |                    |   |
| Is the potential NSP capable of being maintained to ensure continuing compliance with CFA's Assessment Guidelines | Yes/ <del>No</del> | <b>Comments:</b> Property surrounding is under Shire CoM and is currently maintained to standards as a public outdoor recreational space.   |
| Is the potential NSP capable of being maintained to ensure continuing compliance with Council's NSPP Criteria     | Yes/ <del>No</del> | <b>Comments:</b> Property surrounding is under Shire CoM and is currently maintained to standards as a public outdoor recreational space.   |
| Would adjoining landowners be required to provide a level of maintenance to their land to achieve compliance      | Yes/ <del>No</del> | <b>Comments:</b> The property owners with assessable grassland within 81m (to the north & south) will be asked to sign a landowner agreement to maintain their properties to the CFA's minimal fuel standards during the declared fire danger period. Those where an agreement cannot be signed will have properties inspected and issued fire prevention notices by Shire's MFPO where required. |
| <b>DISABLED ACCESS</b>  |                    |   |
| Is there clear means of access to the potential NSP   | Yes/ <del>No</del> | <b>Comments:</b> Vehicle access and via sheeted driveway.   |
| <b>SEPARATION &amp; DEMARCATION OF AREA</b>   |                    |   |
| If the potential NSP is located in an open area, is it possible to demarcate the boundaries of the potential NSP? | Yes/ <del>No</del> | <b>Comments:</b> Space demarcated by highly visible bollards.   |
| Is it necessary to erect barriers around or within the potential NSP?   | Yes/ <del>No</del> | <b>Comments:</b> Space demarcated by highly visible bollards.   |
| <b>COMMUNITY COMMUNICATION</b>  |                    |   |
| Will it be possible to ensure that there will be good community awareness of the location of the potential NSP    | Yes/ <del>No</del> | <b>Comments:</b> Community engagement session will be run upon designation of the NSP-BPLR, and publicised via the local newsletter and social media sites.   |
| Will it be possible to ensure that there will be good   | Yes/ <del>No</del> | <b>Comments:</b> The local community have already been made aware of the  |

|   |   |  |
|---|---|--|
| community awareness of the risks associated with using the potential NSP  |   | proposed development, with ongoing awareness programs once designated.   |
| <b>ACCESS &amp; EGRESS</b><br>Council must assess whether there is sufficient access to the potential NSP which will allow: <ul style="list-style-type: none"> <li>• Anticipated potential numbers of people to move to and from the place; and</li> <li>• CFA and other emergency services to attend the place for asset and personal protection activities and operations.</li> </ul> |   |  |
| <b>ACCESS ROADS</b>   |   |  |
| Road Name: Main Road  | Road Owner: Regional Roads Victoria   |  |
| Surface Condition/Type: Sealed  | Type & Amount of Vegetation: Highly modified, non-continuous vegetation with slashed verges past table drain. Mixture of Eucalyptus and Acacia. |  |
| Estimated Surface Fuel Load: Low  | Estimated Elevated Fuel Load: Low-moderate  |  |
| Estimated Bark Hazard: Low-moderate   | Estimated Overall Fuel Load: Moderate   |  |
| Capacity of Road to accommodate potential large numbers of vehicles, and to accommodate potential vehicle breakdowns  | Yes/No  | Comments: Low-threat vegetation and non-vegetated areas are excluded from assessment under the BMO and AS 3959–2009 on the basis that they constitute a non-hazardous condition.<br>Low-threat vegetation includes grasslands managed in a minimal fuel condition (<100 millimetres in height), maintained lawns, golf courses (fairways), maintained public reserves and parklands, vineyards, orchards, cultivated gardens, commercial nurseries, nature strips and windbreaks. A windbreak is defined as a single row of trees located on a property boundary or fence line or forming a curtilage to a residential dwelling. |
| Road Name: Beech Forest – Lavers Hill Rd  | Road Owner: Regional Roads Victoria   |  |
| Surface Condition/Type: Sealed  | Type & Amount of Vegetation: Highly modified, non-continuous vegetation with slashed verges past table drain. Mixture of Eucalyptus and Acacia. |  |
| Estimated Surface Fuel Load: Low  | Estimated Elevated Fuel Load: Low-moderate  |  |
| Estimated Bark Hazard: Low-moderate   | Estimated Overall Fuel Load: Moderate   |  |
| Capacity of Road to accommodate potential large numbers of vehicles, and to accommodate potential vehicle breakdowns  | Yes/No  | Comments: Low-threat vegetation and non-vegetated areas are excluded from assessment under the BMO and AS 3959–2009 on the basis that they constitute a non-hazardous condition.<br>Low-threat vegetation includes grasslands managed in a minimal fuel condition (<100 millimetres in height), maintained lawns, golf courses (fairways), maintained public reserves and parklands, vineyards, orchards, cultivated gardens, commercial nurseries, nature strips and windbreaks. A windbreak is defined as a single row of trees located on a property boundary or fence line or forming a curtilage to a residential dwelling. |

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|--|---|--|
|  |   |  |
| Road Name: Beech Forest – Mt Sabine Rd   | Road Owner: Regional Roads Victoria   |  |
| Surface Condition/Type: Sealed   | Type & Amount of Vegetation: Highly modified, non-continuous vegetation with slashed verges past table drain. Mixture of Eucalyptus and Acacia. |  |
| Estimated Surface Fuel Load: Low   | Estimated Elevated Fuel Load: Low-moderate  |  |
| Estimated Bark Hazard: Low-moderate  | Estimated Overall Fuel Load: Moderate   |  |
| Capacity of Road to accommodate potential large numbers of vehicles, and to accommodate potential vehicle breakdowns | Yes/ <del>No</del>  | <p>Comments: Low-threat vegetation and non-vegetated areas are excluded from assessment under the BMO and AS 3959–2009 on the basis that they constitute a non-hazardous condition.</p> <p>Low-threat vegetation includes grasslands managed in a minimal fuel condition (&lt;100 millimetres in height), maintained lawns, golf courses (fairways), maintained public reserves and parklands, vineyards, orchards, cultivated gardens, commercial nurseries, nature strips and windbreaks. A windbreak is defined as a single row of trees located on a property boundary or fence line or forming a curtilage to a residential dwelling.</p> |
| Road Name:   | Road Owner:   |  |
| Surface Condition/Type:  | Type & Amount of Vegetation:  |  |
| Estimated Surface Fuel Load:   | Estimated Elevated Fuel Load:   |  |
| Estimated Bark Hazard:   | Estimated Overall Fuel Load:  |  |
| Capacity of Road to accommodate potential large numbers of vehicles, and to accommodate potential vehicle breakdowns | Yes/No  | Comments:  |



|                                      |
|--------------------------------------|
| <b>Colac Otway Shire MEMPC</b>       |
| Colac CFA                            |
| Thursday 8 <sup>th</sup> August 2019 |
| 1:00pm – 3:00pm                      |

## MINUTES

|   | ITEMS & ACTIONS   |
|---|---|
| 1 | <p><b>ATTENDEES</b></p> <p>Stew Anderson (Chair), Callum Fairnie, Tristan Crews, Brenda Bagally, Ken Slingsby, Aaron Ledden, Greg Fletcher. Cr. Chris Potter, Mark Steven, Mark Hilderbrandt, Lovella Ashley-Coop, Elaine Anderson, Terry Murrhly, Stephanie Ryan, Rachael Raby, Dave Ferrari, Jerome Payton</p>  |
| 2 | <p><b>APOLOGIES</b></p> <p>Ken Smith, Ian Seuren, Tony McGann, Andrea Cox, Matthew Chamberlain, Mark Gunning, Ian Carlton, Richard Curwell, Nerida Evans</p>  |
| 3 | <p><b>CONFIRMATION OF MINUTES FROM PREVIOUS MEETING (TONY MCGANN)</b></p> <p>Minutes for last meeting confirmed.</p> <p><b>Moved:</b> Lovella Ashley-Coop<br/><b>Seconded:</b> Ken Slingsby</p>   |
| 4 | <p><b>INCOMING CORRESPONDENCE (CALLUM FAIRNIE)</b></p> <ul style="list-style-type: none"> <li>• Neighbourhood Safer Places - Places of Last Resort Assessment (<b>Beech Forest</b>)</li> <li>• Neighbourhood Safer Places - Places of Last Resort Assessment (<b>Barwon Downs</b>)</li> </ul> <p><b>OUTGOING CORRESPONDENCE</b></p> <p>Nil</p>  |
| 5 | <p><b>BUSINESS ARISING/ UPDATE ON ACTIONS FROM PREVIOUS MEETING</b></p> <ol style="list-style-type: none"> <li>1. Send out minutes from BSW MEMEG Meeting (Callum Fairnie).<br/><b>Complete.</b></li> <li>2. Update MEMPC on relevant sections of EM Legislation Amendment Act 2018 (inc. community involvement in MEMPC) (Callum Fairnie).<br/><b>Complete - to occur today.</b></li> <li>3. Discuss CERA processes inc. community led risk assessments (Callum Fairnie /</li> </ol> |

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|---|---|
|   | <p>Ian Carlton).<br/> <b>Complete.</b></p> <p>4. Discuss SES availability with VFRR review when date is known. See 9. Sub-Committee Reports opening (Tristan Crews / Ian Carlton).<br/> <b>Not Complete – update on this (and VFRR processes) to occur at November meeting.</b></p> <p>5. Blackouts update: implications of potential blackouts during summer for region (Brenda Bagally).<br/> <b>Partially Complete – Brenda do follow up on documentation around this to send to group.</b></p> <p>6. Parking Strategy update (Tony McGann).<br/> <b>Not Complete – to occur at November meeting.</b></p> <p>7. Update on works on Colac-Lavers Hill road re: landslide risks (Stew Anderson).<br/> <b>Complete.</b></p> <p>8. Update Beech Forest &amp; Carlisle River population figures in MEMP (Callum Fairnie).<br/> <b>Complete.</b></p> |
| 6 | <p><b>MEMPC MEMBERSHIP/CONTACT LIST (Callum Fairnie)</b></p> <p>Nigel Howard (VicPol) to be removed. Terry (DHHS) to send updated list to the group</p>   |
| 7 | <p><b>AGENCY REPORTS – ROUND TABLE (NB// see attached reports for main agency updates)</b></p> <p><u>CFA:</u></p> <p>There has been work done in investigating the risk of cladding in at risk buildings. Some of these have been identified in Colac Otway Shire. Group to be updated at a later stage about this.</p> <p><u>Ambulance VIC:</u></p> <p>Restructure has been undertaken with more alignment now with the EM sector.</p> <p><u>Victoria Police</u></p> <p>∴<br/> Pre-season Fire season briefings to occur in October (17<sup>th</sup>/22<sup>nd</sup>). Further information will be available in EMCOP.</p> <p><u>VCC</u></p> <p>Lovella's role now in the VCC-EM organisation, which is a separate entity to VCC.</p>  |



|    |  |
|----|--|
|    | <p><u>Red Cross</u></p> <p>Recruitment to occur in spring with Colac being the next area to be targeted</p>  |
| 8  | <p><b>SUB-COMMITTEE REPORTS (AGENCIES)</b></p> <p><u>MFMP</u></p> <p>NSPs</p> <p>Tristan gave an overview on the 2 x NSP- BPLRs that had been submitted for approval to the CFA. Beech Forest and Barwon Downs assessments have now been approved through the CFA. The COS MFMP has endorsed this earlier today.</p> <p>Ken thanked Tristan Crews for all the work he has put into this. Tristan added that his work was built on the efforts of Pete Ashton when he was the MERP for Colac Otway Shire.</p> <p><b>Motion:</b> <i>THE MEMPC to recommend to Council that consideration be given to the designations of Barwon Downs and Beech Forrest as Neighbourhood Safer Places - Bushfire Places of Last Resort (NSP-BPLR)</i></p> <p><b>Moved:</b> Callum Fairnie<br/><b>Seconded:</b> Ken Slingsby</p> <p><b><u>Motion Carried</u></b></p> <p><b>ACTION – Tristan Crews to prepare report for Council to consider the adoption of Beech Forest and Barwon Downs as Neighbourhood Safer Places - Bushfire Places of Last Resort (NSP-BPLR)</b></p> |
| 9  | <p><b>CERA (IAN CARLTON)</b></p> <p>N/A</p>  |
| 10 | <p><b>GENERAL BUSINESS</b></p> <ol style="list-style-type: none"> <li>1. Water Safety Working Group – update (Callum Fairnie)<br/>Callum updated group on 1<sup>st</sup> formal Water Safety Working Group Meeting. Pre Incidents plans will be looked as a longer term solution, with the highest priority being placed on replacement of damaged signs (inc. some areas where there are no signs).</li> <li>2. Community involvement in MEMPC (Callum Fairnie)<br/>Callum summarised the impact of legislation at the MEMPC level. Callum updated the group on discussions with the BSW MEMEG group around community involvement with MEMPC and MEMP planning processes. Also have had discussions with Yarra Ranges Council on their approach to community involvement.</li> </ol>  |

**ACTION – Callum to prepare options paper for community involvement in MEMPC for the next meeting**

Brenda updated the group on a regional meeting with EMV around EM Planning. State EM Planning the 1<sup>st</sup> priority, which will lead to a new EMMV. November 19 has been earmarked for this to be endorsed by the State Crisis and Resilience Council. The next priority is for 3 x pilot Regional EM Plans to be developed, which includes Barwon South West. Brenda is keen to work with Colac Otway Shire to look at aligning the COS MEMPC into this pilot.

**ACTION – Brenda to liaise with Stew/ Callum on the BSW EM Planning pilot.**

3. CFA Sirens (Mark Steven)

Mark has been discussing changes to CFA Brigade Sirens at Wye River and Lavers Hill. Subsequent discussions with EMV led to Karl Henderson (EMV) recommended that the COS MEMPC minute and endorse the changes required to the sirens.

- i) Wye River: Limit the use of the sirens to between 7am and 7pm outside of the Fire Danger Period.
- ii) Lavers Hill (Otways CFA): Cease the use of the CFA brigade siren altogether. The community siren will be unchanged.

Tristan – Has the community been consulted around this?

Mark- Yes. Both brigade captains, who have had discussions in regards to this, are well connected to the community: Andrew Hack (Wye River) and Erika Nash (Otways) – both are supporting the required changes.

**Motion:** *The MEMPC to support that the use of the CFA Brigade siren at Wye River be limited to between 7am – 7pm, outside of the Fire Danger Period.*

**Moved:** Ken Slingsby

**Seconded:** Stephanie Ryan

**Motion:** *The MEMPC to support that the use of the CFA Brigade siren at Lavers Hill be ceased entirely.*

**Moved:** Tristan Crews

**Seconded:** Stephanie Ryan

**Both motions were carried.**

4. Kings Track Bridge – Priority asset for FFMV (Aaron Leddon)

Aaron mentioned that there had been conversations with a landholder and a Parks Vic representative around the upgrade of a bridge to his property, by Council Otway Shire, to meet the bridge tonnage rating to allow for firefighting activities.

Callum asked if Parks Vic could confirm that this bridge was a critical asset to support firefighting activities, so Council could re-prioritise the upgrade in its work program.

Aaron to discuss this further with PV/ DELWP before sending through an email confirming this.

**ACTION – Aaron to send Callum a response, via e-mail, on Parks Victoria's**

|           |  |
|-----------|--|
|           | <b>position on the criticality of the King Track bridge in providing access to support firefighting for Parks Victoria/ DELWP.</b> |
| <b>11</b> | <b>NEXT MEETING: THURSDAY 14<sup>th</sup> November, 1-3PM</b>  |
| <b>12</b> | <b>MEETING CLOSED 2.27 PM</b>  |

### **ACTIONS**

|          |  |  |                     |
|----------|--|--|---------------------|
| <b>1</b> | Ian Carlton & Tristan Crews to discuss SES availability on VIC Fire Risk Register when VFRR Date is known. See 9. Sub-Committee Reports  | <b>Ian Carlton &amp; Tristan Crews</b> | <b>November 19</b>  |
| <b>2</b> | Brenda Bagally to send documentation on blackouts at next meeting: implications of potential blackouts during summer for region  | <b>Brenda Bagally</b>                  | <b>November 19</b>  |
| <b>3</b> | Tony McGann to provide update at next MEMPC on parking strategy  | <b>Tony McGann</b>                     | <b>November 19</b>  |
| <b>4</b> | Tristan Crews to prepare report for Council to consider the adoption of Beech Forest and Barwon Downs as Neighbourhood Safer Places - Bushfire Places of Last Resort (NSP-BPLR)              | <b>Tristan Crews</b>                   | <b>August 19</b>    |
| <b>5</b> | Callum to send Options paper to MEMPC on Community involvement with the MEMPC, to be discussed at the November Meeting.  | <b>Callum Fairnie</b>                  | <b>October 19</b>   |
| <b>6</b> | Brenda to liaise with Stew/ Callum on the BSW Emergency Management Plan pilot.   | <b>Brenda Bagally</b>                  | <b>November 19</b>  |
| <b>7</b> | Aaron to send Callum a response, via e-mail, on Parks Victoria's position on the criticality of the King Track bridge in providing access to support firefighting for Parks Victoria/ DELWP. | <b>Aaron Ledden</b>                    | <b>September 19</b> |



Our Ref: D18/117064

28 August 2019

Organisation  
Name  
Email:

Dear Name

### **Programmed works for development of Beech Forest Neighbourhood Safer Place – Bushfire Place of Last Resort.**

Beech Forest is an identified high risk bushfire town in the Colac Otway Shire. Council has recently been successful in meeting the mandatory CFA radiant heat requirements for the block in question, assessed as an open space NSP-BPLR.

Colac Otway Shire has been granted permission from Department of Environment, Land, Water & Planning (DELWP) to complete development works on land at Beech Forest for which Council is the Committee of Management (COM). The block in question (see below) is located on Main Road in the township of Beech Forrest and forms part of the Old Beechy Rail siding. Support was also confirmed with the OBRT Committee at a meeting on 9 October 2018.

In order to progress this site as a potential NSP-BPLR for the Beech Forrest community a number of other works would be required to be undertaken in order to increase the potential survivability beyond the minimal radiant heat requirements (e.g. factors relating to convective heat issues, potential ember attack and unclassifiable vegetation/assets etc.)

- Creation of 100mm gravel pad for the NSP-BPLR (shaded green);
- Installation 2.4m high fence on western boundary of the Gravel Pad to create separation from the neighbouring building (shaded pink);
- Removal of old posts and replacement with bollards;
- Minor building up existing earth wall embankment (with removed topsoil from pad site - shaded yellow);
- All trees near the site to be up-pruned to a minimum of 2m height (this would include two Acacia melanoxylon located on the site);
- Installation of NSP-BPLR signage.

Council is endeavouring to complete these works as soon as possible in order to provide potential refuge for the coming fire season. If there are any queries about the proposed works please contact Council's Fire Awareness Officer on the details below.

**Colac Otway Shire**  
PO Box 283  
Colac Victoria 3250  
E: [inq@colacotway.vic.gov.au](mailto:inq@colacotway.vic.gov.au)  
[www.colacotway.vic.gov.au](http://www.colacotway.vic.gov.au)

**Customer Service Centre**  
Colac: 2-6 Rae Street  
Apollo Bay: 69-71 Nelson Street  
P: (03) 5232 9400  
F: (03) 5232 9586





Figure showing location of gravelled area (green), steel fence (pink) & earth mound (yellow).

More information about what a Bushfire Place of Last Resort is can be found at <https://www.cfa.vic.gov.au/plan-prepare/neighbourhood-safer-places/>.

Remember, leaving early is the safest option to protect yourself and your family. Leaving early means leaving the area before a fire starts – not when you can see flames or smell smoke. Leaving early means avoiding panic, being trapped, making the wrong choices and risking serious injury or death. Talk to your family and friends about how you'll know when to leave and where to go to stay safe.

If you have any enquiries concerning this matter, or other fire prevention activities, please contact me on 5232 9400 or email [tristan.crews@colacotway.vic.gov.au](mailto:tristan.crews@colacotway.vic.gov.au)

Yours sincerely

Tristan Crews  
**Fire Awareness Officer**  
**Municipal Fire Prevention Officer**



Item: 10.3

## Certification of 2018/19 In Principle Financial and Performance Statements

|                        |  |
|------------------------|--|
| <b>OFFICER</b>         | Jason Clissold   |
| <b>GENERAL MANAGER</b> | Errol Lawrence   |
| <b>DIVISION</b>        | Corporate Services   |
| <b>ATTACHMENTS</b>     | <ol style="list-style-type: none"> <li>1. In Principle 2018/19 Financial Statements [<b>10.3.1</b> - 42 pages]</li> <li>2. In Principle Performance Statement 2018-19 [<b>10.3.2</b> - 14 pages]</li> <li>3. VAGO Closing Report 2018/19 [<b>10.3.3</b> - 17 pages]</li> <li>4. VAGO Final Management Letter 2018/19 [<b>10.3.4</b> - 11 pages]</li> </ol> |
| <b>PURPOSE</b>         | To approve and certify the 2018/19 'In Principle' Financial & Performance Statements for submission to Victorian Auditor-General   |

### 1. EXECUTIVE SUMMARY

This report provides an overview of the 2018/19 Financial Statements (Attachment 1) and 2018/19 Performance Statement (Attachment 2) to facilitate the certification of the two 'in principle' statements in accordance with Section 132 of the Local Government Act 1989.

The attached Management Letter and Closing Report do not raise any concerns over the audit and indicate that an unmodified audit opinion is expected to be issued for both statements.

Once certified the Statements will be formally lodged with the Victorian Auditor-General's Office (VAGO), who will then issue a formal Audit Opinion on each, allowing the Annual Report to be finalised and submitted to the Minister for Local Government by 30 September.

The Management Letter discloses one moderate and four low rated risks. These are all from previous financial years and are consistent with the interim audit conducted earlier in 2019. One moderate risk issue has been resolved since the interim audit, being the development of a Creditors Masterfile changes policy.

## 2. RECOMMENDATION

**That Council:**

- 1. Receives the 'in principle' 2018/19 Financial and Performance Statements and notes the recommendation from the Audit Committee dated 11 September 2019;**
- 2. Approves, in principle, the 2018/19 Financial Statements, subject to any changes that are recommended or agreed by the auditor in accordance with section 132(2) of the Local Government Act 1989;**
- 3. Approves, in principle, the 2018/19 Performance Statement, subject to any changes that are recommended or agreed by the auditor in accordance with Section 132(2) of the Local Government Act 1989;**
- 4. Will refer the 2018/19 Financial Statements and Performance Statement back to the Audit committee for information, if there is any significant change prior to certification;**
- 5. Authorises Councillors Jason Schram and Brian Crook to certify the final Financial Statements and Performance Statement in accordance with section 132(5)(a) of the Local Government Act 1989; and**
- 6. Records its thanks to the Audit Committee and to those Council staff and staff of McLaren Hunt Financial Group who were involved with the preparation of the 2018/19 Annual Statements and Audit Processes.**

## 3. KEY INFORMATION

Council's Financial Statements and Performance Statement for 2018/19 were audited independently by McLaren Hunt as the contract agent on behalf of the Victorian Auditor-General's Office. Representatives of McLaren Hunt conducted the final audit for 2018/19 on Wednesday 7 August 2019.

The attached Management Letter and Closing Report do not raise any concerns over the audit and indicate that an unmodified audit opinion is expected to be issued for both statements.

The Management Letter discloses one moderate and four low rated risks. These are all from previous financial years and are consistent with the interim audit conducted earlier in 2019. One moderate risk issue has been resolved since the interim audit, being the development of a Creditors Masterfile changes policy.

Council's Audit Committee considered the draft 2018/19 Financial Statements and Performance Statement on 11 September 2019 and resolved as follows:

**The Audit Committee recommends that Council:**

- 1. Approves, in principle, the 2018/19 Financial Statements, subject to any changes that are recommended or agreed by the auditor in accordance with section 132(2) of the Local Government Act 1989;**
- 2. Approves, in principle, the 2018/19 Performance Statement, subject to any changes that are recommended or agreed by the auditor in accordance with Section 132(2) of the Local Government Act 1989;**

3. **Makes provision for the 2018/19 Financial Statements and Performance Statement to be referred back to the Audit committee for information, if there is any significant change prior to certification;**
4. **Authorises Crs Jason Schram and Brian Crook to certify the final Financial Statements and Performance Statement in accordance with section 132(5)(a) of the Local Government Act 1989;**
5. **Receives Draft Closing Report and Final Management letter 2018/19 noting;**
  - a. **that there are no high risk findings;**
  - b. **recommendations and Management comments; and**
  - c. **that an unmodified audit opinion will be recommended for both the Financial Statements and Performance Statement.**
6. **Records its thanks to both Council staff and staff of McLaren Hunt Financial Group who were involved with the preparation of the 2018/19 Annual Accounts and Audit Processes.**

Subsequent to the audit committee there were minor changes made to both the Financial Statements and Performance Statement. Those changes involved the following:

1. Further explanation on contingent assets disclosed in Note 8.1 (a) of the Financial Statements
2. Disclosure relating to Legal Action resolved since balance date in Note 8.5 of the Financial Statements
3. Improved commentary relating to the 'Food Safety indicator' in the Performance Statement
4. Correction of the 'Efficiency' indicator results for 2023 in the Performance Statement.

## Financial Performance

We are committed to providing accurate, understandable and fair reporting on our financial performance for 2018/19 and our financial position at the end of the period. It enables an assessment of our ability to deliver current services and maintain existing facilities in the longer-term.

### In brief

The 2018/19 results show that Council remains financially sustainable with the following key results.

- Net Surplus \$6.97m
- Adjusted Underlying Result \$2.37m
- Cash Balance \$20.5m
- Working Capital Ratio 204% (Current Assets/Current Liabilities)
- Capital Works program \$18.97m, of which 68% related to asset renewal projects

The \$8.9m favourable result compared to budget primarily relates to the following:

- \$14m of unbudgeted grants, including:
  - \$5.6m received in relation to Flood and Bushfire recovery.
  - \$3.7m of 2019/20 Federal Assistance Grants received in advance.
  - \$1.6m relating to the management of Port of Apollo Bay.
  - \$1.3m received for various road projects.
- \$701k of additional Rates and Charges. This resulted from an increase in the number of assessments and the commissioning of the Mt Gellibrand Windfarm.



- \$6.5m of additional Materials and Services expense, including:
  - \$2.36m Expensed Capital - Some capital works did not meet the capitalisation threshold and have been treated as operational expenditure.
  - \$1.71m Carry Forwards - Items that were not completed at the end of the 2017-18 year and were carried forward to the 2018-19 year.
  - \$1.02m Port of Apollo Bay Expenditure - Lead Lights Project, Barrum Replacement Project and other operational activities. This expenditure is fully funded.
  - \$217k Aged Care – There has been an increase in the quantity of home care packages provided. There has been an increase in associated income.
  
- \$1.1m of additional employee benefits including:
  - \$301k Expensed Capital - Some capital works did not meet the capitalisation threshold and have been treated as operational expenditure.
  - \$227k Long Service Leave Provision - Expense is a result of a change in the discount rate used for LSL provision. This rate is provided by the State Government - Treasury and Finance.
  - \$235k Workcover - Expenditure incurred as a result of employees being on Workcover. Council have been reimbursed \$143k, which was allocated as 'other income'.
  - \$103k Aged Care – There has been an increase in the quantity of home care packages provided. There has been an increase in associated income.
  - \$102k Bluewater Fitness Centre - Employee costs increased as a result of increasing operational hours to 24/7. There was an associated increase in income generated.

For more information on the actual variances to budget please refer to the 'In Principle' Financial Statements Note 1 – Performance against budget.

We ended the financial year with a total cash balance of \$20.5 million. This is a decrease of \$3 million from the prior year primarily due to;

- Timing of payments and receipts;
- funding 100% (\$18.97m) of the capital works program from operating cash and cash reserves.
- No additional loans and borrowings were undertaken in 2018/19 and \$649k of existing loans and borrowings were repaid which further reduced Council's cash balance.

### **Operating results**

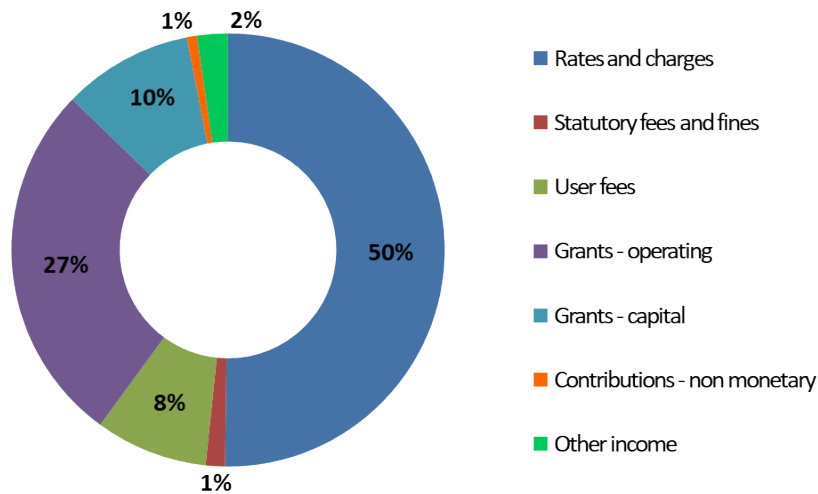
We achieved a \$6.97 million surplus in 2018/19, compared to a surplus of \$3.75 million in 2017/18.

Our major challenge in future years is to continue generating sufficient cash to fund infrastructure renewal requirements whilst maintaining service levels. This challenge is further impacted given the current restrictions on Council's ability to raise revenue within the rate cap, set under the State Government's Fair Go Rates System.

Council is currently undertaking a project to develop a more robust long term financial plan that will assist in meeting these renewal requirements.

## Revenue.

Our total revenue for 2018/19 was \$61.6 million (budgeted \$45.4 million) compared with \$53.9 million for 2017/18. Further detail on our income can be seen in the Comprehensive Income Statement.

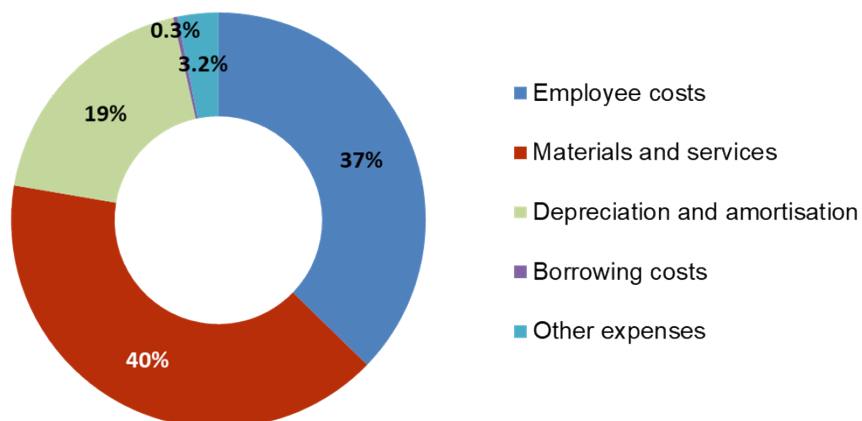


An analysis of Council's revenue sources highlights that 77% of our income is derived from two income categories:

- Rates and charges 50%
- Operating grants 27%

## Expenditure

Our total expenses for 2018/19 were \$54.6 million; \$4.5 million more than the \$50.1 million spent in 2017/18 (detailed in the Comprehensive Income Statement).

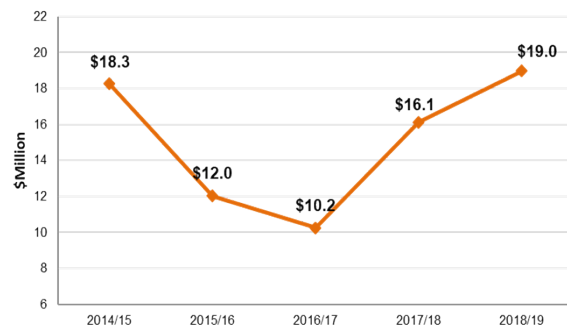


An analysis of expenses indicates that 96% were in the following three categories:

- Employee benefits 37%
- Materials and services 40%
- Depreciation and amortisation 19%

## Capital Works

In 2018/19 our Capital Works activities increased by \$2.9 million from last year, to a total of \$19 million. Renewal of our existing assets accounted for \$12.9 million, new assets accounted for \$3 million and upgrade to existing assets totalled \$3.1 million. The investment in capital works is a strategic approach to maintaining or renewing the community's existing assets as they age. Council is currently undertaking a large body of work to review existing and develop new asset management plans.



Activities included:

- \$9.6 million on road works.
- \$2.6 million on drainage and storm water
- \$2.1 million on footpaths and cycle ways.
- \$1.1 million on buildings.
- \$0.9 million on renewal of Council's plant, machinery and equipment.
- \$0.6 million on bridge works.

## Assets

Our total assets are valued at \$342 million; 99% consisting of:

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

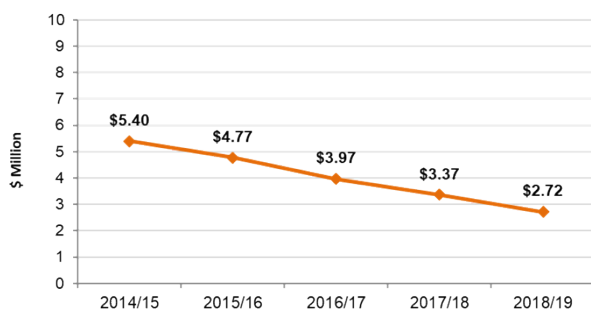
## Liabilities

Our total liabilities were \$20.9 million as at 30 June 2019. Liabilities included loans, amounts owed to suppliers, provisions for landfill rehabilitation and amounts owed to employees for leave entitlements. Liabilities decreased by \$0.7 million, in comparison with 2017/18.

Provisions for employee benefits increased by \$0.23 million, predominately due to more leave accruing than what was taken and due to a change in the prescribed inflation rate used in calculating the long service leave provision.

## Loan liability

Council's borrowings liability levels reduced from \$3.37 million in 2017/18 to \$2.72 million in 2018/19.



During 2018/19 Council made total loan payments of \$0.83 million (\$0.65 million repayment and \$0.18 million interest). Council's current loans and borrowing are well under the prudential ratio limits previously used by the Victorian State Government.

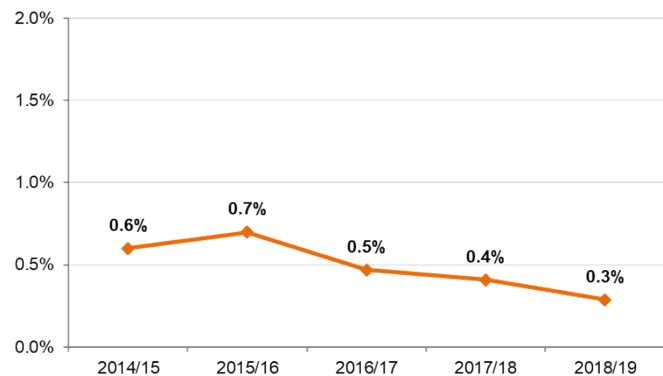
## Financial Indicators

The financial indicators included in this report provide information on performance trends over time.

### Debt Servicing Ratio

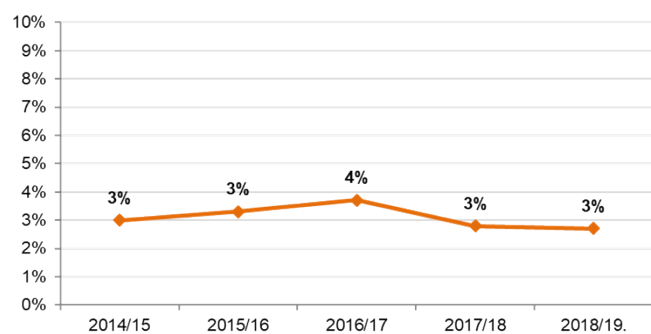
The Debt Servicing Ratio essentially shows how much we spend on maintaining our outstanding debts compared with how much revenue we earn. These debt-servicing costs refer to the payment of interest on loan borrowings and any lease interest. The ratio expresses the amount of interest paid as a percentage of our total revenue.

The ratio of 0.3% is very low and indicates that we are comfortably able to service existing debt levels and have further capacity to borrow if required.



### Debt Repayment Ratio

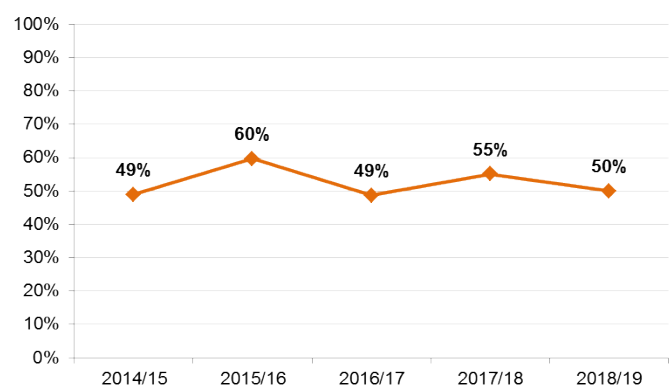
The Debt Repayment Ratio is used to illustrate how much of our rate revenue is used to fund our existing debt for the year. This includes the payment of principal and interest relating to loans and leases. The rate at which the ratio either increases or decreases is a reflection of our debt redemption strategy. The debt repayment ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.



Our Debt Repayment Ratio remains under the 5% threshold adopted within Council's borrowing policy.

### 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 for a reliance on rates and other commercial revenue, with a low dependency on government grants.



## 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, councils 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 following seven indicators are utilised and published by the Victorian Auditor General annually, to assess the financial viability of councils. The figures for the financial years 2014/15 to 2017/18 are taken from the Victorian Auditor-General's Office (VAGO) report that can be found at:

<https://www.audit.vic.gov.au/sites/default/files/2018-12/20181912-Local-Government.pdf>

The 2018/19 figures in the graphs are our calculations of the ratios.

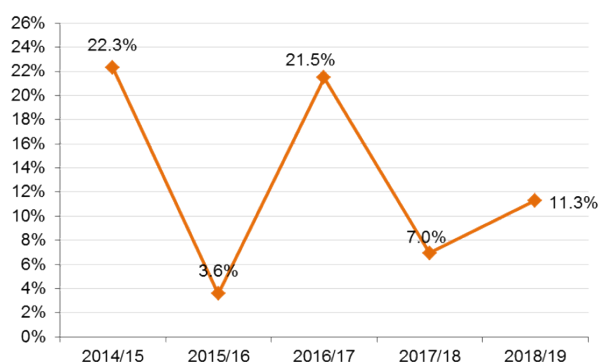
The following table summarises Colac Otway Shire Council's result for 2018/19, with five of the seven indicators at Low risk.

| Indicators                 | Colac Otway Result | Risk Levels            |                               |                   |
|----------------------------|--------------------|------------------------|-------------------------------|-------------------|
|                            |                    | High                   | Medium                        | Low               |
| Net Result Ratio           | 11.3%              | Less than Negative 10% | Between negative 10% and zero | Greater than zero |
| Adjusted underlying result | 4.2%               | Less than 0%           | Between 0% and 5%             | Greater than 5%   |
| Liquidity Ratio            | 204.0%             | Less than 100%         | Between 100% and 150%         | Greater than 150% |
| Indebtedness Ratio         | 23.5%              | Greater than 60%       | Between 40% and 60%           | Less than 40%     |
| Internal Financing Ratio   | 88.0%              | Less than 75%          | Between 75% and 100%          | Greater than 100% |
| Capital Replacement        | 185.0%             | Less than 100%         | Between 100% and 150%         | Greater than 150% |
| Renewal Gap                | 156.0%             | Less than 50%          | Between 50% and 100%          | Greater than 100% |

The following information provides a definition for each indicator and the five year trend for each:

### Net Result Ratio

This measures how much of each dollar collected as revenue translates to net result. A positive result indicates a surplus, and the larger the percentage, the stronger the result.

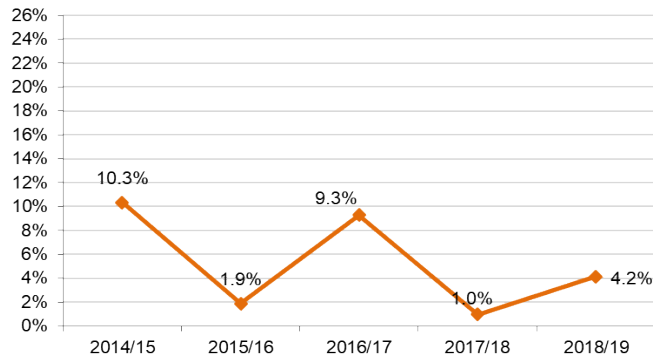


This ratio includes capital grants and grants received in advance that aid in generating a surplus. This can be utilised for new assets or asset renewal. This result places Council within the 'Low' risk category for financial sustainability.

**Note:** This Ratio was revised by the Victorian Auditor General's Office in 2015/16, with prior year figures updated to reflect the new calculation methodology

### Adjusted Underlying Result

This measures an entity's ability to generate surplus in the ordinary course of business—excluding non-recurrent capital grants, non-monetary asset contributions, and other contributions to fund capital expenditure from the net result. A surplus or increasing surplus suggests an improvement in the operating position.

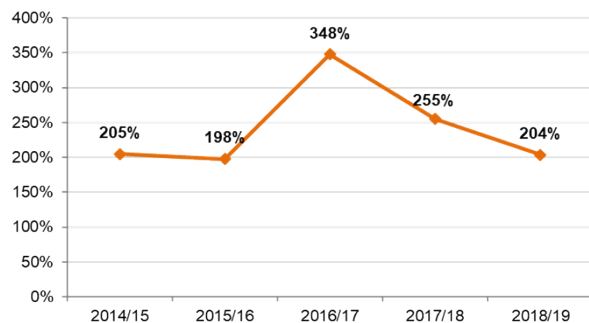


It is important to note that this indicator has been positively impacted by receiving \$3.7 million of 2019/20 Federal Assistance Grants in advance. Excluding the receipt of these funds the result would have been negative.

### Working Capital Ratio

This measures an entity's ability to pay existing liabilities in the next 12 months. A ratio greater than 100% means there are more cash and liquid assets than short-term liabilities.

The Working Capital Ratio expresses the level of current assets, such as cash and investments, that

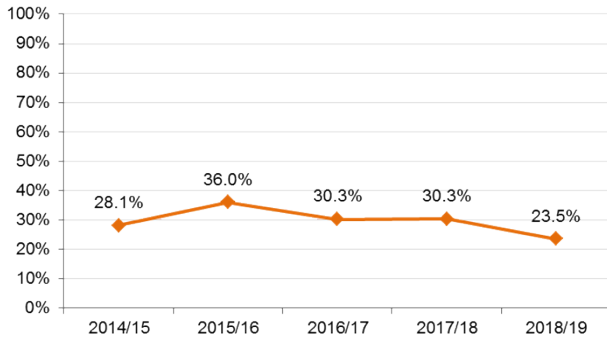


Council has available to meet our current liabilities. This includes outstanding creditors and employee entitlements.

Our current ratio of 204% is well over the recommended target for low risk, but does include \$3.7 million of cash received in advance.

### Indebtedness Ratio

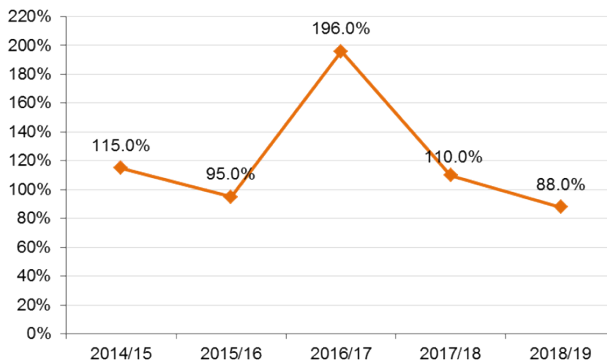
This assesses an entity’s ability to pay the principal and interest on borrowings, as and when they fall due, from the funds it generates. The lower the ratio, the less revenue the entity is required to use to repay its total debt. Own-sourced revenue is used, rather than total revenue, because it does not include grants or contributions.



This ratio indicates our ability to repay debt from our own sources of revenue, such as rates and charges. The ratio is comfortably in the low risk category, indicating that we are generating sufficient funds to cover debt without requiring outside assistance.

### Internal Financing Ratio

This measures an entity’s ability to finance capital works using cash generated by its operating cash flows. The higher the percentage, the greater the ability for the entity to finance capital works from its own funds.

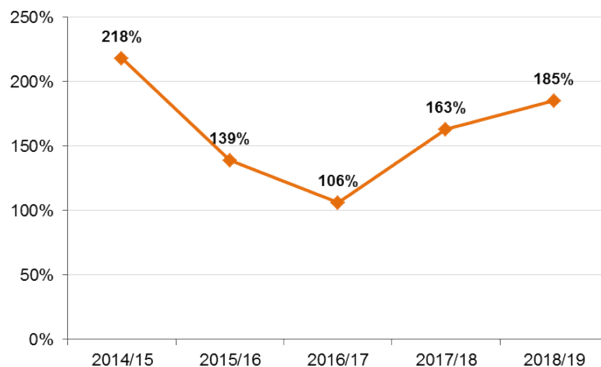


Results indicate that Council’s ability to generate sufficient cash from operations to fund the renewal of existing assets has declined over the last two years.

**Note:** This Ratio was revised by the Victorian Auditor General’s Office in 2015/16, with prior year figures updated to reflect the new calculation methodology.

### Capital Replacement Ratio

This compares the rate of spending on infrastructure, property, plant and equipment, and intangibles with its depreciation and amortisation. This is a long-term indicator, as capital expenditure can differ in the short term if there are insufficient funds available from operations, and borrowing is not an option. A ratio less than 100% means the spending on capital works has not kept pace with consumption of assets.

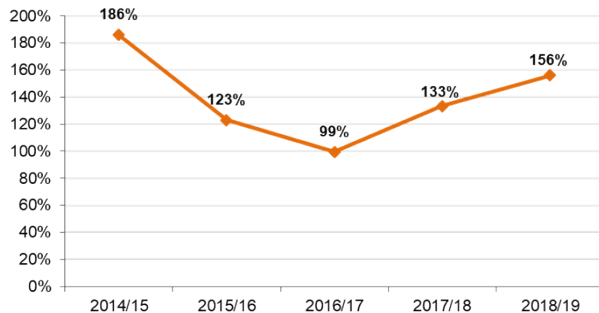


This ratio is about the overall spending on assets, both new and existing.

**Note:** This Ratio was revised by the Victorian Auditor General’s Office in 2015/16, with prior year figures updated to reflect the new calculation methodology.

## Renewal Gap Ratio

This compares the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation. Ratios higher than 100% indicate that spending on existing assets is faster than the depreciation rate.



This ratio is about the renewal and upgrade of our existing assets (i.e. replacing one asset with another of the same or better quality).

## PERFORMANCE STATEMENT

The data and indicators contained in the attached 'In Principle' Performance Statement has been carefully collated and reviewed to ensure it is consistent with the Local Government Performance Report Framework Indicator Workbook.

Any material variation or commentary has been provided against each indicator.

## 4. COMMUNITY CONSULTATION & ENGAGEMENT

The preparation of Annual Financial Statements and Performance Statement is a legislative requirement and once the documents have been finalised and adopted by Council, they will be made available, as part of Council's Annual Report, to the community at Council's Customer Service Centres and via Council's website

## 5. ALIGNMENT TO COUNCIL PLANS, POLICIES OR STRATEGIES

Alignment to Council Plan 2017-2021:

Theme 4 - Our Leadership & Management

1. Effectively manage financial resources.
2. Openness and accountability in decision making.
3. Organisational development and legislative compliance.
4. Provide value for money services for our community.
5. Communicate regularly with our community and involve them in decision-making.



## 6. CONSIDERATIONS

### **ENVIRONMENTAL, SOCIAL & CULTURAL, & ECONOMIC**

This report does not have any environmental, social & cultural or economic impact to the community.

### **LEGAL & RISK**

All legislative and accounting standard requirements as set out in the attached Financial Statements and Performance Statements.

### **FINANCIAL & BUDGETARY**

The Financial report clearly sets out how Colac Otway Shire utilises valuable ratepayer funds to ensure the Council achieves Best Value.

## 7. IMPLEMENTATION STRATEGY

The Financial Statements and Performance Statement are compiled with great care and attention over several months beginning around April/May each year culminating in the presentation to the Audit Committee and adoption by Council in an open Council meeting in September.

### **COMMUNICATION**

Following their adoption in September, the Financials Statements and Performance Statement form part of the Council Annual Report which is published in October each year and brought to open Council.

### **TIMELINE**

Following the certification of the statements they will be submitted to the Victorian Auditor-General's Office for final clearance and forwarded onto the Minister for Local Government prior to 30 September 2019, as part of Council's Annual Report.

## 8. OFFICER DIRECT OR INDIRECT INTEREST

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

**Colac Otway Shire Council  
ANNUAL FINANCIAL REPORT**

*For the Year Ended 30 June 2019*

**Colac Otway Shire Council  
Financial Report  
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## Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, the Australian Accounting Standards and other mandatory professional reporting requirements.

*Jason Clissold FCPA*  
**Principal Accounting Officer**

**Date :**

*Colac*

In our opinion the accompanying financial statements present fairly the financial transactions of Colac Otway Shire Council for the year ended 30 June 2019 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.

*Cr Jason Shram*  
**Councillor**

**Date :**

*Colac*

*Cr Brian Crook*  
**Councillor**

**Date :**

*Colac*

*Peter Brown*  
**Chief Executive**

**Date :**

*Colac*

**Colac Otway Shire Council  
2018/2019 Financial Report**

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### Comprehensive Income Statement For the Year Ended 30 June 2019

|  | Note | 2019<br>\$'000 | 2018<br>\$'000 |
|--|------|----------------|----------------|
| <b>Income</b>  |      |                |                |
| Rates and charges  | 3.1  | 30,905         | 29,654         |
| Statutory fees and fines   | 3.2  | 885            | 795            |
| User fees  | 3.3  | 5,167          | 4,535          |
| Grants - operating   | 3.4  | 16,719         | 9,663          |
| Grants - capital   | 3.4  | 5,984          | 6,386          |
| Contributions - monetary   | 3.5  | 180            | 325            |
| Contributions - non monetary   | 3.5  | 457            | 1,598          |
| Net gain (or loss) on disposal of property, infrastructure, plant and equipment    | 3.6  | 202            | (87)           |
| Share of net profits (or loss) of associates and joint ventures                    | 6.2  | 35             | 16             |
| Other income   | 3.7  | 1,037          | 968            |
| <b>Total income</b>  |      | <b>61,570</b>  | <b>53,855</b>  |
| <b>Expenses</b>  |      |                |                |
| Employee costs   | 4.1  | 20,329         | 18,910         |
| Materials and services   | 4.2  | 22,047         | 17,998         |
| Depreciation and amortisation  | 4.3  | 10,268         | 9,905          |
| Bad and doubtful debts   | 4.4  | 47             | 3              |
| Borrowing costs  | 4.5  | 178            | 223            |
| Other expenses   | 4.6  | 1,729          | 3,066          |
| <b>Total expenses</b>  |      | <b>54,599</b>  | <b>50,105</b>  |
| <b>Surplus/(deficit) for the year</b>  |      | <b>6,971</b>   | <b>3,750</b>   |
| <b>Other comprehensive income</b>  |      |                |                |
| <b>Items that will not be reclassified to surplus or deficit in future periods</b> |      |                |                |
| Net asset revaluation increment/(decrement)  | 6.1  | 20,920         | (815)          |
| Share of other comprehensive income of associates and joint ventures               | 6.2  | -              | -              |
| <b>Total comprehensive result</b>  |      | <b>27,891</b>  | <b>2,934</b>   |

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

**Balance Sheet**  
**As at 30 June 2019**

|  | Note | 2019<br>\$'000 | 2018<br>\$'000 |
|--|------|----------------|----------------|
| <b>Assets</b>  |      |                |                |
| <b>Current assets</b>  |      |                |                |
| Cash and cash equivalents                                      | 5.1  | 20,524         | 6,093          |
| Trade and other receivables                                    | 5.1  | 3,304          | 3,181          |
| Other financial assets   | 5.1  | -              | 17,419         |
| Inventories  | 5.2  | 149            | 151            |
| Other assets   | 5.2  | 431            | 367            |
| <b>Total current assets</b>                                    |      | <b>24,408</b>  | <b>27,211</b>  |
| <b>Non-current assets</b>                                      |      |                |                |
| Intangible assets  | 5.2  | -              | 2              |
| Property, infrastructure, plant and equipment                  | 6.1  | 316,910        | 286,913        |
| Investments in associates, joint arrangements and subsidiaries | 6.2  | 390            | 355            |
| <b>Total non-current assets</b>                                |      | <b>317,300</b> | <b>287,271</b> |
| <b>Total assets</b>  |      | <b>341,708</b> | <b>314,482</b> |
| <b>Liabilities</b>   |      |                |                |
| <b>Current liabilities</b>                                     |      |                |                |
| Trade and other payables                                       | 5.3  | 3,900          | 4,781          |
| Trust funds and deposits                                       | 5.3  | 802            | 392            |
| Interest-bearing liabilities                                   | 5.4  | 1,697          | 649            |
| Provisions   | 5.5  | 5,540          | 4,863          |
| <b>Total current liabilities</b>                               |      | <b>11,939</b>  | <b>10,685</b>  |
| <b>Non-current liabilities</b>                                 |      |                |                |
| Interest-bearing liabilities                                   | 5.4  | 1,024          | 2,721          |
| Provisions   | 5.5  | 7,967          | 8,189          |
| <b>Total non-current liabilities</b>                           |      | <b>8,991</b>   | <b>10,910</b>  |
| <b>Total liabilities</b>                                       |      | <b>20,930</b>  | <b>21,595</b>  |
| <b>Net assets</b>  |      | <b>320,778</b> | <b>292,887</b> |
| <b>Equity</b>  |      |                |                |
| Accumulated surplus  |      | 122,134        | 116,159        |
| Reserves   | 9.1  | 198,644        | 176,728        |
| <b>Total Equity</b>  |      | <b>320,778</b> | <b>292,887</b> |

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



### Statement of Changes in Equity For the Year Ended 30 June 2019

| 2019  | Note | Total<br>\$'000 | Accumulated<br>Surplus<br>\$'000 | Revaluation<br>Reserve<br>\$'000 | Other<br>Reserves<br>\$'000 |
|---|------|-----------------|----------------------------------|----------------------------------|-----------------------------|
| Balance at beginning of the financial year  |      | 292,887         | 116,159                          | 155,098                          | 21,630                      |
| Surplus/(deficit) for the year              |      | 6,971           | 6,971                            | -                                | -                           |
| Net asset revaluation increment/(decrement) | 6.1  | 20,920          | -                                | 20,920                           | -                           |
| Transfers to other reserves                 | 9.1  | -               | (15,644)                         | -                                | 15,644                      |
| Transfers from other reserves               | 9.1  | -               | 14,648                           | -                                | (14,648)                    |
| <b>Balance at end of the financial year</b> |      | <b>320,778</b>  | <b>122,134</b>                   | <b>176,018</b>                   | <b>22,626</b>               |

| 2018  |     | Total<br>\$'000 | Accumulated<br>Surplus<br>\$'000 | Revaluation<br>Reserve<br>\$'000 | Other<br>Reserves<br>\$'000 |
|---|-----|-----------------|----------------------------------|----------------------------------|-----------------------------|
| Balance at beginning of the financial year  |     | 289,952         | 112,300                          | 155,913                          | 21,739                      |
| Surplus/(deficit) for the year              |     | 3,750           | 3,750                            | -                                | -                           |
| Net asset revaluation increment/(decrement) | 6.1 | (815)           | -                                | (815)                            | -                           |
| Transfers to other reserves                 | 9.1 | -               | (17,003)                         | -                                | 17,003                      |
| Transfers from other reserves               | 9.1 | -               | 17,112                           | -                                | (17,112)                    |
| <b>Balance at end of the financial year</b> |     | <b>292,887</b>  | <b>116,159</b>                   | <b>155,098</b>                   | <b>21,630</b>               |

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

### Statement of Cash Flows For the Year Ended 30 June 2019

|   | Note | 2019<br>Inflows/<br>(Outflows)<br>\$'000 | 2018<br>Inflows/<br>(Outflows)<br>\$'000 |
|---|------|--|--|
| <b>Cash flows from operating activities</b>                         |      |  |  |
| Rates and charges   |      | 30,758                                   | 29,616                                   |
| Statutory fees and fines  |      | 885                                      | 761                                      |
| User fees   |      | 5,636                                    | 4,334                                    |
| Grants - operating  |      | 16,714                                   | 11,038                                   |
| Grants - capital  |      | 5,984                                    | 6,386                                    |
| Contributions - monetary  |      | 180                                      | 325                                      |
| Interest received   |      | 270                                      | 621                                      |
| Trust funds and deposits taken/(paid)                               |      | 410                                      | (71)                                     |
| Other receipts  |      | 731                                      | 493                                      |
| Net GST refund/payment  |      | 1,684                                    | (238)                                    |
| Employee costs  |      | (20,103)                                 | (19,049)                                 |
| Materials and services  |      | (24,899)                                 | (15,572)                                 |
| Other payments  |      | (1,729)                                  | (1,237)                                  |
| <b>Net cash provided by/(used in) operating activities</b>          |      | <b>16,521</b>                            | <b>17,405</b>                            |
| <b>Cash flows from investing activities</b>                         |      |  |  |
| Payments for property, infrastructure, plant and equipment          | 6.1  | (18,970)                                 | (16,123)                                 |
| Proceeds from sale of property, infrastructure, plant and equipment | 3.6  | 288                                      | 361                                      |
| Payments for investments  |      | (41,500)                                 | (48,528)                                 |
| Proceeds from sale of investments                                   |      | 58,918                                   | 52,500                                   |
| <b>Net cash provided by/(used in) investing activities</b>          |      | <b>(1,263)</b>                           | <b>(11,790)</b>                          |
| <b>Cash flows from financing activities</b>                         |      |  |  |
| Finance costs   |      | (178)                                    | (223)                                    |
| Repayment of borrowings   |      | (649)                                    | (604)                                    |
| <b>Net cash provided by/(used in) financing activities</b>          |      | <b>(827)</b>                             | <b>(827)</b>                             |
| Net increase (decrease) in cash and cash equivalents                |      | 14,431                                   | 4,788                                    |
| Cash and cash equivalents at the beginning of the financial year    |      | 6,093                                    | 1,304                                    |
| <b>Cash and cash equivalents at the end of the financial year</b>   |      | <b>20,524</b>                            | <b>6,093</b>                             |
| Restrictions on cash assets   | 5.1  |  |  |
| Financing arrangements  | 5.6  |  |  |

The above statement of cash flows should be read in conjunction with the accompanying notes.

**Statement of Capital Works  
For the Year Ended 30 June 2019**

|  | Note | 2019<br>\$'000 | 2018<br>\$'000 |
|--|------|----------------|----------------|
| <b>Property</b>                        |      |                |                |
| Land                                   |      | 58             | -              |
| <b>Total land</b>                      |      | <b>58</b>      | <b>-</b>       |
| Buildings                              |      | 1,098          | 1,266          |
| <b>Total buildings</b>                 |      | <b>1,098</b>   | <b>1,266</b>   |
| <b>Total property</b>                  |      | <b>1,156</b>   | <b>1,266</b>   |
| <b>Plant and equipment</b>             |      |                |                |
| Plant, machinery and equipment         |      | 883            | 1,360          |
| Fixtures, fittings and furniture       |      | 229            | 134            |
| Computers and telecommunications       |      | -              | 249            |
| <b>Total plant and equipment</b>       |      | <b>1,112</b>   | <b>1,743</b>   |
| <b>Infrastructure</b>                  |      |                |                |
| Roads                                  |      | 9,643          | 6,207          |
| Bridges                                |      | 580            | 554            |
| Footpaths and cycleways                |      | 2,107          | 3,404          |
| Drainage                               |      | 2,597          | 1,020          |
| Other infrastructure                   |      | 1,774          | 1,929          |
| <b>Total infrastructure</b>            |      | <b>16,702</b>  | <b>13,114</b>  |
| <b>Total capital works expenditure</b> | 6.1  | <b>18,970</b>  | <b>16,123</b>  |
| <b>Represented by:</b>                 |      |                |                |
| New asset expenditure                  |      | 2,986          | 2,909          |
| Asset renewal expenditure              |      | 12,900         | 11,436         |
| Asset upgrade expenditure              |      | 3,084          | 1,778          |
| <b>Total capital works expenditure</b> |      | <b>18,970</b>  | <b>16,123</b>  |

The above statement of capital works should be read in conjunction with the accompanying notes.

## OVERVIEW

### Introduction

The Colac Otway Shire Council was established by an Order of the Governor in Council on 23 September 1994 and is a body corporate. The Council's main office is located at 2-6 Rae Street Colac Victoria 3250.

### Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

### Significant accounting policies

#### (a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

#### (b) 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.

#### (c) Abbreviation

The letter 'k' has been used to represent thousands ('000's) and the letter 'm' has been used to represent millions ('000,000's).

**Note 1 Performance against budget**

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$500,000 where further explanation is warranted. 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 detailed below are those adopted by Council on 27 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning 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.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

**1.1. Income and expenditure**

|  | Budget<br>2019<br>\$'000 | Actual<br>2019<br>\$'000 | Variance<br>2019<br>\$'000 | Variance<br>% | Ref |
|--|--------------------------|--------------------------|----------------------------|---------------|-----|
| <b>Income</b>  |                          |                          |                            |               |     |
| Rates and charges  | 30,204                   | 30,905                   | 701                        | 2             | 1   |
| Statutory fees and charges   | 796                      | 885                      | 89                         | 11            | 2   |
| User fees and charges  | 4,654                    | 5,167                    | 512                        | 11            | 3   |
| Grants - Operating   | 7,101                    | 16,719                   | 9,618                      | 135           | 4   |
| Grants - Capital   | 1,835                    | 5,984                    | 4,149                      | 226           | 5   |
| Contributions - monetary   | 57                       | 180                      | 123                        | 216           | 6   |
| Contributions - non-monetary   | -                        | 457                      | 457                        | 100           | 7   |
| Net gain/(loss) on disposal of property, infrastructure, plant and equipment | 147                      | 202                      | 55                         | 38            | 8   |
| Share of net profits/(losses) of associates and joint ventures               | 35                       | 35                       | 0                          | 0             |     |
| Other income   | 593                      | 1,037                    | 444                        | 75            | 9   |
| <b>Total income</b>  | <b>45,421</b>            | <b>61,570</b>            | <b>16,149</b>              | <b>36</b>     |     |
| <b>Expenses</b>  |                          |                          |                            |               |     |
| Employee costs   | 19,217                   | 20,329                   | (1,112)                    | (6)           | 10  |
| Materials and services   | 15,596                   | 22,047                   | (6,451)                    | (41)          | 11  |
| Bad and doubtful debts   | 2                        | 47                       | (45)                       | (2,270)       | 12  |
| Depreciation and amortisation  | 10,350                   | 10,268                   | 82                         | 1             |     |
| Borrowing costs  | 181                      | 178                      | 3                          | 2             |     |
| Other expenses   | 2,017                    | 1,729                    | 287                        | 14            | 13  |
| <b>Total expenses</b>  | <b>47,363</b>            | <b>54,599</b>            | <b>(7,236)</b>             | <b>(15)</b>   |     |
| <b>Surplus/(deficit) for the year</b>  | <b>(1,942)</b>           | <b>6,971</b>             | <b>8,913</b>               | <b>(459)</b>  |     |

## Note 1 Performance against budget

## 1.1. Income and expenditure (cont'd)

## (i) Explanation of material variations

| Variance Ref | Item   | Explanation   |
|--------------|--|---|
| 1            | Rates and charges  | Revenue in lieu of rates received from the Wind Farm was not budgeted. Revenue received from supplementary rates was also more than budget.   |
| 2            | Statutory fees and charges   | Statutory fees received were above budget due to town planning fees significantly exceeding budget (\$132k). The result was favourable despite revenue from infringements being below budget.   |
| 3            | User fees and charges  | This favourable variance is largely due to Leisure centre fees being above budget due to an increase in the operational hours of Bluewater. The user fees generated from Aged services were significantly above expectations due to an increase in the number of clients provided with Home Care Packages.  |
| 4            | Grants - Operating   | Funding was received for the Wye River and Separation Creek Flooding event which was not budgeted (\$3.96m). Unbudgeted funding was also received for the Port of Apollo Bay harbour dredging project (\$1.05m). The Victorian Grants Commission brought forward 50% of the 2019-20 grant allocation, which was not budgeted (\$3.66m).   |
| 5            | Grants - Capital   | Funding was received for the Bushfire Recovery at Wye River and Separation Creek Township, which had not been budgeted (\$1.7m). Funding was also received for capital works that will be completed in 2019-20, including State Grants to complete Forest St, Jacksons Track and Upper Gellibrand Road Bridges (\$396k), and Binns Road Design & Construction (\$883k).   |
| 6            | Contributions - monetary   | Monetary contribution that were received include a contribution from Irrewarra Redbacks Cricket Club (\$50k) for new clubrooms that was not budgeted.   |
| 7            | Contributions - Non-monetary   | Colac Otway received the following gifted assets from developers for subdivision works not budgeted for:<br>- \$222k Roads<br>- \$169k Drainage<br>- \$ 67k Footpaths   |
| 8            | Net gain/(loss) on disposal of property, infrastructure, plant and equipment | This favourable variance relates to the timing of motor vehicle disposal and reflects selling prices exceeding the written-down value of the assets sold.   |
| 9            | Other income   | Additional interest on investment (\$75k) was received due to higher than expected cash balances. This was a result of major project funding carried forward to 2018-19 and Victorian Grants Commission funding received in advance. Insurance reimbursements were received in 2018-19 that were not budgeted for (\$143k).   |
| 10           | Employee costs   | Employee costs were higher than budgeted due to a range of factors. This includes a change in the discount rates applied to the leave provision, resulting in a large unfavourable impact to employee expenditure. Fully-funded staff completing Disaster Recovery work were not budgeted. Increased staff were required to deliver additional Home Care Packages, which results in increased employee costs, and an increase in user fees. |
| 11           | Materials and services   | There were several Port of Apollo Bay projects expended during the year which had not been budgeted, including Port of Apollo Bay Lead Lights (\$249k) and the Barrum Replacement Project (\$271k). These projects were fully-funded. There was also expenditure on Major Projects carried forward from previous years that had not been included in the 2018-19 budget.  |
| 12           | Bad and doubtful debts   | There has been a movement in the Doubtful Debts Provision of \$44k, reflecting expected funds owing to Colac Otway Shire that are no longer expected to be recovered.   |

Note 1 Performance against budget

1.1. Income and expenditure (cont'd)

(i) Explanation of material variations

| Variance<br>Ref | Item           | Explanation  |
|-----------------|----------------|--|
| 13              | Other expenses | This favourable variance relates to the General Ledger rebuild, which has ensured more consistent classification in 2018-19. Port of Apollo Bay expenditure that was Budgeted as 'other expenditure', was more appropriately categorised as 'materials and services' (\$113k). |

## Note 1 Performance against budget

## 1.2. Capital works

|  | Budget<br>2019<br>\$'000 | Actual<br>2019<br>\$'000 | Variance<br>2019<br>\$'000 | Variance<br>2019<br>% | Ref |
|--|--------------------------|--------------------------|----------------------------|-----------------------|-----|
| <b>Property</b>                        |                          |                          |                            |                       |     |
| Land                                   | -                        | 58                       | 58                         | 100                   | 1   |
| Buildings                              | 765                      | 1,098                    | 333                        | 44                    | 2   |
| <b>Total property</b>                  | <b>765</b>               | <b>1,156</b>             | <b>391</b>                 | <b>51</b>             |     |
| <b>Plant and equipment</b>             |                          |                          |                            |                       |     |
| Plant, machinery and equipment         | 1,865                    | 883                      | (982)                      | (53)                  | 3   |
| Fixtures, fittings and furniture       | 160                      | 229                      | 70                         | 44                    | 4   |
| Computers and telecommunications       | 585                      | -                        | (585)                      | (100)                 | 5   |
| <b>Total plant and equipment</b>       | <b>2,610</b>             | <b>1,112</b>             | <b>(1,497)</b>             | <b>(57)</b>           |     |
| <b>Infrastructure</b>                  |                          |                          |                            |                       |     |
| Roads                                  | 5,556                    | 9,643                    | 4,087                      | 74                    | 6   |
| Bridges                                | 650                      | 580                      | (70)                       | (10)                  |     |
| Footpaths and cycleways                | 375                      | 2,107                    | 1,732                      | 462                   | 7   |
| Drainage                               | 400                      | 2,597                    | 2,197                      | 549                   | 8   |
| Other infrastructure                   | 746                      | 1,774                    | 1,028                      | 138                   | 9   |
| <b>Total infrastructure</b>            | <b>7,727</b>             | <b>16,702</b>            | <b>8,975</b>               | <b>116</b>            |     |
| <b>Total capital works expenditure</b> | <b>11,102</b>            | <b>18,970</b>            | <b>7,868</b>               | <b>71</b>             |     |
| <b>Represented by:</b>                 |                          |                          |                            |                       |     |
| New asset expenditure                  | 767                      | 2,986                    | 2,219                      | 289                   |     |
| Asset renewal expenditure              | 8,530                    | 12,900                   | 4,370                      | 51                    |     |
| Asset upgrade expenditure              | 1,805                    | 3,084                    | 1,279                      | 71                    |     |
| <b>Total capital works expenditure</b> | <b>11,102</b>            | <b>18,970</b>            | <b>7,868</b>               | <b>71</b>             |     |

## (i) Explanation of material variations

| Variance<br>Ref | Item                             | Explanation  |
|-----------------|----------------------------------|--|
| 1               | Land                             | Strategic acquisition of land adjacent to the Colac Airfield for future development.   |
| 2               | Buildings                        | A number of unbudgeted works carried-forward from 2017-18 were completed during 2018-19. This includes the Irrewarra Netball Court Upgrades.   |
| 3               | Plant, machinery and equipment   | At the end of the financial year there were a number of outstanding orders which are due to be filled in the 2019-20 financial year.   |
| 4               | Fixtures, fittings and furniture | This includes unbudgeted works completed in the 2018-19 year due to receiving unexpected grants, conditional on the completion of works. This includes the Wydinia Kindergarten playground project.                      |
| 5               | Computers and telecommunications | Strategic delay in the implementation of the ICT Strategy along with a number of items not meeting the capitalisation threshold, which were expensed as materials and services.  |
| 6               | Roads                            | Completion of a number of projects carried-forward from the 2017-18 financial year are included within this figure. These projects include Queen Street Widening and Conns lane.   |
| 7               | Footpaths and cycleways          | Completion of a number of projects carried-forward from the 2017-18 financial year are included within this figure. These projects include Queen Street Widening and Lake Colac Foreshore Masterplan Implementation.     |
| 8               | Drainage                         | The overspend is related to the Wye River and Separation Creek reticulated drainage works. These works were unbudgeted in 2018-19, however they are funded by the State and Federal Government.                          |
| 9               | Other infrastructure             | The overspend is related to Flood Recovery works completed in the 2018-19 year. These works include a large amount of retaining wall works across the shire. These works are funded by the State and Federal Government. |



**Note 2 Analysis of Council****Note 2.1. Analysis of Council results by program**

Council delivers its functions and activities through the following programs.

**(a) Chief Executive**

Chief Executive provides efficient, effective and proactive support services to include the Mayor and Councillors. Chief Executive provides effective governance oversight of the organisation. Service areas include governance, enterprise risk and legal services.

**Corporate Services**

Corporate Services Management provides efficient, effective and proactive support services across council to enable the delivery of policy commitments, council vision and mission. The provision of these services includes finance services, digital information and technology, property and procurement, strategy and program delivery and program integration and development. Human resource management provides support to the organisation and ensures councils customer focus includes communication and community engagement processes.

**Development and Community Services**

Development and Community Services Management provides high quality community focused programs, service delivery and communication to residents. Development and Community Services Management is comprised of community care, connected communities, family services and health communities. The planning services area includes the assessment of town development, health and local laws, planning strategy and urban growth. Economic Development supports local festivals and events and advocates on behalf of the community for major events, tourism and cultural opportunities.

**Infrastructure and Leisure Services**

Infrastructure and Leisure Services Management is responsible for constructing new infrastructure and maintaining existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community. These assets include capital works engineering services, waste, parks and gardens, emergency management and municipal resources. Infrastructure and Leisure Services Management is responsible for arts and culture, Port of Apollo Bay, leisure management and services and operations of council assets.

**(b) Summary of revenues, expenses, assets and capital expenses by program**

|  | Income | Expenses | Surplus/<br>(Deficit) | Grants<br>included in<br>income | Total assets |
|--|--------|----------|-----------------------|---------------------------------|--------------|
|  | \$'000 | \$'000   | \$'000                | \$'000                          | \$'000       |
| <b>2019</b>                                    |        |          |                       |                                 |              |
| Chief Executive                                | 1      | 1,514    | (1,512)               | -                               | 1,099        |
| Corporate Services Management                  | 40,795 | 21,713   | 19,081                | 11,375                          | 6,453        |
| Development and Community Services Management  | 6,524  | 11,631   | (5,108)               | 2,704                           | 12,807       |
| Infrastructure and Leisure Services Management | 14,251 | 19,741   | (5,491)               | 8,623                           | 296,551      |
|  | 61,570 | 54,599   | 6,971                 | 22,702                          | 316,910      |
|  |        |          |                       |                                 |              |
|  |        |          |                       |                                 |              |
|  |        |          |                       |                                 |              |
|  |        |          |                       |                                 |              |
| <b>2018</b>                                    |        |          |                       |                                 |              |
| Chief Executive                                | 19     | 1,726    | (1,707)               | -                               | 1,146        |
| Corporate Services Management                  | 33,526 | 2,020    | 31,506                | 9,638                           | 6,203        |
| Development and Community Services Management  | 6,557  | 11,690   | (5,133)               | 2,208                           | 13,284       |
| Infrastructure and Leisure Services Management | 13,753 | 34,669   | (20,916)              | 4,203                           | 266,281      |
|  | 53,855 | 50,105   | 3,750                 | 16,049                          | 286,913      |

|  |               |               |
|--|---------------|---------------|
| <b>Note 3 Funding for the delivery of our services</b> | <b>2019</b>   | <b>2018</b>   |
| <b>3.1. Rates and charges</b>                          | <b>\$'000</b> | <b>\$'000</b> |

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 of the land plus buildings and other improvements.

The valuation base used to calculate general rates for 2018/19 was \$6,195 million (2017/18 \$5,801 million).

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| General rates residential             | 15,750        | 14,986        |
| General rates farm / rural            | 5,617         | 5,737         |
| General rates commercial / industrial | 3,259         | 3,199         |
| Municipal charge                      | 2,730         | 2,653         |
| Garbage charge                        | 3,147         | 2,932         |
| Interest on rates and charges         | 162           | 146           |
| Special rates and charges             | 22            | -             |
| Revenue in lieu of rates              | 217           | -             |
| <b>Total rates and charges</b>        | <b>30,905</b> | <b>29,654</b> |

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation will be first applied in the rating year commencing 1 July 2019.

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

### 3.2. Statutory fees and fines

|                                       |            |            |
|---------------------------------------|------------|------------|
| Town planning fees                    | 466        | 334        |
| Health regulations                    | 171        | 168        |
| Building permits                      | 103        | 103        |
| Infringements and costs               | 94         | 186        |
| Land information certificates         | 31         | -          |
| Special Charge schemes                | 19         | -          |
| Freedom of information                | 1          | 1          |
| Engineering fees                      | -          | 4          |
| <b>Total statutory fees and fines</b> | <b>885</b> | <b>795</b> |

Statutory 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.

### 3.3. User fees

|  |              |              |
|--|--------------|--------------|
| Aged services fees                                 | 1,618        | 1,329        |
| Leisure centre fees                                | 1,357        | 1,056        |
| Colac livestock selling centre fees                | 488          | 455          |
| Colac Otway performing arts & cultural centre fees | 394          | 493          |
| Visitor information centre fees                    | 300          | 364          |
| Parking, animal control and local laws fees        | 287          | 259          |
| Council properties fees and rental                 | 211          | 64           |
| Waste disposal fees                                | 198          | 174          |
| Apollo bay harbour fees                            | 118          | 109          |
| Child care children's programs                     | 93           | 40           |
| Town planning and building services fees           | 64           | 36           |
| Other fees and charges                             | 38           | 156          |
| <b>Total user fees</b>                             | <b>5,167</b> | <b>4,535</b> |

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

| Note 3 Funding for the delivery of our services    | 2019          | 2018          |
|--|---------------|---------------|
| 3.4. Funding from other levels of government       | \$'000        | \$'000        |
| Grants were received in respect of the following : |               |               |
| <b>Summary of grants</b>                           |               |               |
| Commonwealth funded grants                         | 10,157        | 12,037        |
| State funded grants                                | 12,545        | 4,012         |
| <b>Total grants received</b>                       | <b>22,702</b> | <b>16,049</b> |
| <b>(a) Operating Grants</b>                        |               |               |
| <b>Recurrent - Commonwealth Government</b>         |               |               |
| Financial Assistance Grant - untied base grant     | 4,939         | 3,784         |
| Financial Assistance Grant - local roads           | 2,154         | 2,478         |
| Aged and disability services                       | 91            | 56            |
| Family and community services                      | 493           | 338           |
| Diesel rebate scheme                               | 178           | 37            |
| Public Health                                      | 2             |               |
| <b>Recurrent - State Government</b>                |               |               |
| Port management                                    | 1,060         | -             |
| Aged and disability services                       | 1,271         | 1,220         |
| Maternal and child health                          | 417           | 258           |
| Recreation and culture                             | 105           | 125           |
| Environment and protection services                | 65            | 75            |
| School crossing supervisors                        | 54            | 66            |
| Public Health                                      | 24            | 6             |
| Family and community services                      | 15            | 10            |
| <b>Total recurrent operating grants</b>            | <b>10,868</b> | <b>8,453</b>  |
| <b>Non-recurrent - Commonwealth Government</b>     |               |               |
| Environment and protection services                | 200           | -             |
| <b>Non-recurrent - State Government</b>            |               |               |
| Disaster recovery                                  | 3,998         | 1,013         |
| Environment  | 61            | -             |
| Recreation and culture                             | 50            | -             |
| Strategic Planning                                 | 104           | -             |
| Port management                                    | 1,427         | 20            |
| Economic Development                               | 11            |               |
| Aged and disability services                       | -             | 178           |
| <b>Total non-recurrent operating grants</b>        | <b>5,851</b>  | <b>1,211</b>  |
| <b>Total operating grants</b>                      | <b>16,719</b> | <b>9,663</b>  |
| <b>(b) Capital Grants</b>                          |               |               |
| <b>Recurrent - Commonwealth Government</b>         |               |               |
| Roads to recovery                                  | 1,954         | 4,774         |
| <b>Total recurrent capital grants</b>              | <b>1,954</b>  | <b>4,774</b>  |
| <b>Non-recurrent - Commonwealth Government</b>     |               |               |
| Recreation and culture                             | 146           | -             |
| Bluewater leisure centre building upgrade          | -             | 571           |
| <b>Non-recurrent - State Government</b>            |               |               |
| Disaster recovery                                  | 1,742         | -             |
| Recreation and culture                             | 743           | 155           |
| Port management                                    | -             | 532           |
| Roads  | 1,112         | -             |
| Family and community services                      | 286           | 354           |
| <b>Total non-recurrent capital grants</b>          | <b>4,030</b>  | <b>1,612</b>  |
| <b>Total capital grants</b>                        | <b>5,984</b>  | <b>6,386</b>  |

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| Note 3 Funding for the delivery of our services   | 2019         | 2018         |
|---|--------------|--------------|
| 3.4. Funding from other levels of government (cont'd)                                   | \$'000       | \$'000       |
| <b>(c) Unspent grants received on condition that they be spent in a specific manner</b> |              |              |
| Balance at start of year  | 3,705        | 918          |
| Received during the financial year and remained unspent at balance date                 | 2,447        | 3,700        |
| Received in prior years and spent during the financial year                             | (3,470)      | (914)        |
| Balance at year end   | <u>2,682</u> | <u>3,705</u> |

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal).

**3.5. Contributions**

|                            |            |              |
|----------------------------|------------|--------------|
| Monetary                   | 180        | 325          |
| Non-monetary               | 457        | 1,598        |
| <b>Total contributions</b> | <u>637</u> | <u>1,923</u> |

*Contributions of non monetary assets were received in relation to the following asset classes.*

|   |            |              |
|---|------------|--------------|
| Drainage                                | 169        | 710          |
| Roads                                   | 222        | 302          |
| Retaining Structures                    | -          | 273          |
| Kerb and Channel                        | -          | 233          |
| Footpath                                | 67         | 81           |
| <b>Total non-monetary contributions</b> | <u>457</u> | <u>1,598</u> |

Monetary and non monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

**3.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment**

|   |            |             |
|---|------------|-------------|
| Proceeds of sale  | 288        | 361         |
| Written down value of assets disposed   | (86)       | (448)       |
| <b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b> | <u>202</u> | <u>(87)</u> |

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

**3.7. Other income**

|  |              |            |
|--|--------------|------------|
| Other income                                       | 413          | 214        |
| Reimbursements                                     | 305          | 259        |
| Interest   | 306          | 475        |
| Rates Legal Costs Recovered                        | 8            | -          |
| Colac Otway performing arts & cultural centre fees | 4            | -          |
| Scheme Interest Received                           | 1            | -          |
| Licensing fees                                     | -            | 19         |
| <b>Total other income</b>                          | <u>1,037</u> | <u>968</u> |

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

| <b>Note 4 The cost of delivering services</b> | <b>2019</b>   | <b>2018</b>   |
|---|---------------|---------------|
| <b>4.1. (a) Employee costs</b>                | <b>\$'000</b> | <b>\$'000</b> |
| Wages and salaries                            | 14,330        | 13,210        |
| Employee leave                                | 2,154         | 1,888         |
| Superannuation                                | 1,664         | 1,541         |
| Casual staff                                  | 1,204         | 1,119         |
| Sick leave                                    | 567           | 513           |
| Other employee benefits                       | 102           | 319           |
| Fringe benefits tax                           | 146           | 149           |
| WorkCover                                     | 161           | 171           |
| <b>Total employee costs</b>                   | <b>20,329</b> | <b>18,910</b> |

**(b) Superannuation**

Council made contributions to the following funds:

**Defined benefit fund**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

|  |            |            |
|--|------------|------------|
|  | 101        | 120        |
|  | <u>101</u> | <u>120</u> |

Employer contributions payable at reporting date.

|  |   |   |
|--|---|---|
|  | - | - |
|--|---|---|

**Accumulation funds**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

|  |     |     |
|--|-----|-----|
|  | 911 | 849 |
|--|-----|-----|

Employer contributions - other funds

|  |     |     |
|--|-----|-----|
|  | 652 | 572 |
|--|-----|-----|

|  |              |              |
|--|--------------|--------------|
|  | <u>1,563</u> | <u>1,421</u> |
|--|--------------|--------------|

Employer contributions payable at reporting date.

|  |     |     |
|--|-----|-----|
|  | 152 | 139 |
|--|-----|-----|

Refer to note 9.3 for further information relating to Council's superannuation obligations.

**4.2. Materials and services**

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| Contract Payments                   | 10,553        | 8,458         |
| Materials                           | 4,900         | 2,762         |
| Subscriptions and memberships       | 1,315         | 1,073         |
| Agency staff                        | 1,067         | 855           |
| Plant and equipment maintenance     | 1,065         | 979           |
| Consultants                         | 963           | 1,643         |
| Utilities                           | 906           | 1,119         |
| Legal costs                         | 520           | 345           |
| Insurances                          | 388           | 363           |
| Training costs                      | 301           | 243           |
| Hire costs                          | 60            | 152           |
| Other                               | 10            |               |
| Permits                             | 1             | 5             |
| <b>Total materials and services</b> | <b>22,047</b> | <b>17,998</b> |

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| Note 4 The cost of delivering services     | 2019          | 2018         |
|--|---------------|--------------|
| 4.3. Depreciation and amortisation         | \$'000        | \$'000       |
| Infrastructure                             | 7,554         | 6,912        |
| Plant and equipment                        | 1,394         | 1,682        |
| Property                                   | 1,318         | 1,303        |
| <b>Total depreciation</b>                  | <b>10,266</b> | <b>9,897</b> |
| Intangible assets                          | 2             | 9            |
| <b>Total depreciation and amortisation</b> | <b>10,268</b> | <b>9,905</b> |

Refer to note 5.2( c ) and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4. Bad and doubtful debts

|                                     |           |          |
|-------------------------------------|-----------|----------|
| Other debtors                       | 47        | 3        |
| <b>Total bad and doubtful debts</b> | <b>47</b> | <b>3</b> |

**Movement in provisions for doubtful debts**

|   |           |          |
|---|-----------|----------|
| Balance at the beginning of the year                          | 8         | 10       |
| New provisions recognised during the year                     | 44        | 8        |
| Amounts already provided for and written off as uncollectible | (8)       | (10)     |
| Amounts provided for but recovered during the year            | -         |          |
| Balance at end of year  | <b>44</b> | <b>8</b> |

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.5. Borrowing costs

|                              |            |            |
|------------------------------|------------|------------|
| Interest - Borrowings        | 178        | 223        |
| <b>Total borrowing costs</b> | <b>178</b> | <b>223</b> |

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.6. Other expenses

|   |              |              |
|---|--------------|--------------|
| Community grants and donations  | 588          | 512          |
| Waste management*   | 537          | 2,013        |
| Councillors' allowances   | 253          | 257          |
| Other   | 192          | 98           |
| Fire services levy  | 58           | 63           |
| Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals | 46           | 51           |
| Rates and charges written off   | 26           | 37           |
| Animal registration levy  | 19           | 17           |
| Royalties and commissions   | 10           | 17           |
| <b>Total other expenses</b>   | <b>1,729</b> | <b>3,066</b> |

\*Waste management expense includes changes to the landfill provision. This landfill provision increased by \$1.83m in 2017-18 and increased \$229k in 2018-19.

| Note 5 Our financial position          | 2019          | 2018          |
|--|---------------|---------------|
| 5.1. Financial assets                  | \$'000        | \$'000        |
| <b>(a) Cash and cash equivalents</b>   |               |               |
| Cash on hand                           | 5             | 5             |
| Cash at bank                           | 5,319         | 87            |
| Term deposits                          | 15,200        | 6,000         |
| <b>Total cash and cash equivalents</b> | <b>20,524</b> | <b>6,093</b>  |
| <b>(b) Other financial assets</b>      |               |               |
| Term deposits - current                | -             | 17,419        |
| <b>Total other financial assets</b>    | <b>-</b>      | <b>17,419</b> |
| <b>Total financial assets</b>          | <b>20,524</b> | <b>23,512</b> |

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

|  |               |               |
|--|---------------|---------------|
| - Trust funds and deposits                                 | 802           | 391           |
| - Statutory reserves                                       | 768           | 725           |
| - Conditional grants unspent (Excludes Port of Apollo Bay) | 1,083         | 3,705         |
| - Port of Apollo Bay reserve cash held                     | 2,022         | 1,173         |
| - Disaster recovery reserve                                | 2,155         | 1,789         |
| <b>Total restricted funds</b>                              | <b>6,830</b>  | <b>7,783</b>  |
| <b>Total unrestricted cash and cash equivalents</b>        | <b>13,695</b> | <b>15,728</b> |

#### Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by

|  |               |               |
|--|---------------|---------------|
| - Other reserve funds allocated for specific future purposes . | 14,310        | 13,974        |
| - Carried forward capital works committed.                     | 3,485         | 2,611         |
| <b>Total funds subject to intended allocations</b>             | <b>17,795</b> | <b>16,585</b> |

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

| Note 5 Our financial position                | 2019                | 2018                |
|--|---------------------|---------------------|
| 5.1. Financial assets (cont'd)               | \$'000              | \$'000              |
| (c) Trade and other receivables              |                     |                     |
| <b>Current</b>                               |                     |                     |
| <i>Statutory receivables</i>                 |                     |                     |
| Rates Debtor                                 | 1,691               | 1,221               |
| Government operating grants                  | 763                 | 590                 |
| Net GST receivable                           | 268                 | 577                 |
| Special rate assesment                       | 40                  | 40                  |
| Parking infringement debtor                  | 52                  | 34                  |
| Other infringements                          | 117                 | 104                 |
| Other debtors                                | 418                 | 623                 |
| Provision for doubtful debts - other debtors | (44)                | (8)                 |
| Total current trade and other receivables    | <u>3,304</u>        | <u>3,181</u>        |
| <b>Total trade and other receivables</b>     | <b><u>3,304</u></b> | <b><u>3,181</u></b> |

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

**(d) Ageing of Receivables**

The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

|                                   |            |            |
|-----------------------------------|------------|------------|
| Current (not yet due)             | 242        | 479        |
| Past due by up to 30 days         | 69         | 32         |
| Past due between 31 and 180 days  | 26         | 9          |
| Past due between 181 and 365 days | 28         | 13         |
| Past due by more than 1 year      | 8          | 74         |
| Total trade and other receivables | <u>374</u> | <u>607</u> |

**(e) Ageing of individually impaired Receivables**

At balance date, other debtors representing financial assets with a nominal value of \$17,418 (2018: \$8,170) were impaired. The amount of the provision raised against these debtors was \$17,418 (2018: \$8,170). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

|                                   |           |          |
|-----------------------------------|-----------|----------|
| Current (not yet due)             | -         | -        |
| Past due by up to 30 days         | -         | 0        |
| Past due between 31 and 180 days  | 7         | 2        |
| Past due between 181 and 365 days | 5         | 4        |
| Past due by more than 1 year      | 32        | 1        |
| Total trade & other receivables   | <u>44</u> | <u>7</u> |



**Note 5 Our financial position**

| 5.2. Non-financial assets         | 2019       | 2018       |
|-----------------------------------|------------|------------|
| (a) Inventories                   | \$'000     | \$'000     |
| Inventories held for distribution | 17         | 8          |
| Inventories held for sale         | 132        | 142        |
| <b>Total inventories</b>          | <b>149</b> | <b>151</b> |

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

**(b) Other assets**

|                           |            |            |
|---------------------------|------------|------------|
| Prepayments               | 239        | 255        |
| Accrued income            | 192        | 104        |
| Other                     | -          | 8          |
| <b>Total other assets</b> | <b>431</b> | <b>367</b> |

**(c) Intangible assets**

|                         |                 |               |
|-------------------------|-----------------|---------------|
| Software                | -               | 2             |
| Total intangible assets | -               | 2             |
|                         | <b>Software</b> | <b>Total</b>  |
|                         | <b>\$'000</b>   | <b>\$'000</b> |

**Gross carrying amount**

|                         |   |   |
|-------------------------|---|---|
| Balance at 1 July 2018  | 2 | 2 |
| Other additions         | - | - |
| Balance at 30 June 2019 | 2 | 2 |

**Accumulated amortisation and impairment**

|                         |     |     |
|-------------------------|-----|-----|
| Balance at 1 July 2018  | -   | -   |
| Amortisation expense    | (2) | (2) |
| Balance at 30 June 2019 | (2) | (2) |

|                                |   |   |
|--------------------------------|---|---|
| Net book value at 30 June 2018 | 2 | 2 |
| Net book value at 30 June 2019 | - | - |

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

| 5.3. Payables                         | 2019         | 2018         |
|---------------------------------------|--------------|--------------|
| (a) Trade and other payables          | \$'000       | \$'000       |
| Trade payables                        | 2,723        | 3,603        |
| Accrued expenses                      | 1,178        | 1,178        |
| <b>Total trade and other payables</b> | <b>3,900</b> | <b>4,781</b> |
| <b>(b) Trust funds and deposits</b>   |              |              |
| Refundable deposits                   | 440          | 283          |
| Fire services levy                    | 307          | 71           |
| Retention amounts                     | 55           | 37           |
| <b>Total trust funds and deposits</b> | <b>802</b>   | <b>392</b>   |

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

*Purpose and nature of items*

Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

**Note 5 Our financial position**

| <b>5.4. Interest-bearing liabilities</b> | <b>2019</b>   | <b>2018</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| <b>Current</b>                           |               |               |
| Borrowings - secured                     | 1,697         | 649           |
|  | <b>1,697</b>  | <b>649</b>    |
| <b>Non-current</b>                       |               |               |
| Borrowings - secured                     | 1,024         | 2,721         |
|  | <b>1,024</b>  | <b>2,721</b>  |
| <b>Total</b>                             | <b>2,721</b>  | <b>3,370</b>  |

Borrowings are secured by council rates and charges

(a) The maturity profile for Council's borrowings is:

|   |              |              |
|---|--------------|--------------|
| Not later than one year                           | 1,697        | 649          |
| Later than one year and not later than five years | 1,024        | 2,721        |
| Later than five years                             | -            | -            |
|   | <b>2,721</b> | <b>3,370</b> |

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

**5.5. Provisions**

|   | <b>Employee</b> | <b>Landfill<br/>restoration</b> | <b>Total</b>   |
|---|-----------------|---------------------------------|----------------|
|   | <b>\$ '000</b>  | <b>\$ '000</b>                  | <b>\$ '000</b> |
| <b>2019</b>   |                 |                                 |                |
| Balance at beginning of the financial year  | 4,015           | 9,036                           | 13,051         |
| Additional provisions   | 1,696           | -                               | 1,696          |
| Amounts used  | (1,470)         | (147)                           | (1,617)        |
| Change in the discounted amount arising because of time and the effect of any change in the discount rate | -               | 377                             | 377            |
| Balance at the end of the financial year  | <b>4,241</b>    | <b>9,265</b>                    | <b>13,507</b>  |
| <b>2018</b>   |                 |                                 |                |
| Balance at beginning of the financial year  | 4,155           | 7,206                           | 11,361         |
| Additional provisions   | 1,407           | 1,830                           | 3,237          |
| Amounts used  | (1,547)         | -                               | (1,547)        |
| Change in the discounted amount arising because of time and the effect of any change in the discount rate | -               | -                               | -              |
| Balance at the end of the financial year  | <b>4,015</b>    | <b>9,036</b>                    | <b>13,051</b>  |
|   | <b>2019</b>     | <b>2018</b>                     |                |
|   | <b>\$'000</b>   | <b>\$'000</b>                   |                |
| <b>(a) Employee provisions</b>  |                 |                                 |                |
| <b>Current provisions expected to be wholly settled within 12 months</b>                                  |                 |                                 |                |
| Annual leave  | 1,146           | 1,118                           |                |
| Long service leave  | 202             | 210                             |                |
| Time in lieu  | 99              | 83                              |                |
|   | <b>1,447</b>    | <b>1,411</b>                    |                |
| <b>Current provisions expected to be wholly settled after 12 months</b>                                   |                 |                                 |                |
| Annual leave  | 246             | 182                             |                |
| Long service leave  | 2,309           | 2,209                           |                |
|   | <b>2,555</b>    | <b>2,391</b>                    |                |
| Total current employee provisions   | <b>4,002</b>    | <b>3,802</b>                    |                |
| <b>Non-current</b>  |                 |                                 |                |
| Long service leave  | 239             | 213                             |                |
| Total non-current employee provisions   | <b>239</b>      | <b>213</b>                      |                |
| Aggregate carrying amount of employee provisions:   |                 |                                 |                |
| Current   | 4,002           | 3,802                           |                |
| Non-current   | 239             | 213                             |                |
| Total aggregate carrying amount of employee provisions  | <b>4,241</b>    | <b>4,015</b>                    |                |

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

**Note 5 Our financial position****5.5. Provisions (cont'd)****(a) Employee provisions***Wages and salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

*Long service leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

## Key assumptions:

|                 |       |       |
|-----------------|-------|-------|
| - discount rate | 1.04% | 1.54% |
| - index rate    | 1.75% | 1.75% |

|                                 | <b>2019</b>   | <b>2018</b>   |
|---------------------------------|---------------|---------------|
|                                 | <b>\$'000</b> | <b>\$'000</b> |
| <b>(b) Landfill restoration</b> |               |               |
| Current                         | 1,537         | 1,061         |
| Non-current                     | 7,728         | 7,975         |
|                                 | <b>9,265</b>  | <b>9,036</b>  |

Council is obligated to restore various landfill sites to a particular standard. The forecast life of the sites are based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

## Key assumptions:

|                 |       |       |
|-----------------|-------|-------|
| - discount rate | 1.46% | 2.51% |
| - index rate    | 2.00% | 2.20% |

**5.6. Financing arrangements**

The Council has the following funding arrangements in place as at 30 June 2019.

|  |           |           |
|--|-----------|-----------|
| Business Card Facility (balance cleared monthly) | 50        | 50        |
| Total facilities                                 | <u>50</u> | <u>50</u> |
| Used facilities                                  | -         | -         |
| Unused facilities                                | <u>50</u> | <u>50</u> |

**Note 5 Our financial position****5.7. Commitments**

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

| 2019                   | Not later than 1 | Later than 1                          | Later than 2                           | Later than 5 | Total        |
|------------------------|------------------|---------------------------------------|--|--------------|--------------|
|                        | year             | year and not<br>later than 2<br>years | years and not<br>later than 5<br>years | years        |              |
|                        | \$'000           | \$'000                                | \$'000                                 | \$'000       | \$'000       |
| <b>Operating</b>       |                  |                                       |  |              |              |
| Garbage collection     | 3,034            | 759                                   | -                                      | -            | 3,793        |
| Consultancies          | 61               | 61                                    | -                                      | -            | 122          |
| Street Lighting        | 600              | -                                     | -                                      | -            | 600          |
| Information Technology | 52               | -                                     | -                                      | -            | 52           |
| <b>Total</b>           | <b>3,748</b>     | <b>820</b>                            | <b>-</b>                               | <b>-</b>     | <b>4,567</b> |
| <b>Capital</b>         |                  |                                       |  |              |              |
| Civil Works            | 2,293            | 1,617                                 | 1,350                                  | -            | 5,260        |
| Plant and Equipment    | 250              | 250                                   | 250                                    | -            | 750          |
| <b>Total</b>           | <b>2,543</b>     | <b>1,867</b>                          | <b>1,600</b>                           | <b>-</b>     | <b>6,010</b> |

| 2018                   | Not later than 1 | Later than 1                          | Later than 2                           | Later than 5 | Total        |
|------------------------|------------------|---------------------------------------|--|--------------|--------------|
|                        | year             | year and not<br>later than 2<br>years | years and not<br>later than 5<br>years | years        |              |
|                        | \$'000           | \$'000                                | \$'000                                 | \$'000       | \$'000       |
| <b>Operating</b>       |                  |                                       |  |              |              |
| Consultancies          | 41               | -                                     | -                                      | -            | 41           |
| Garbage collection     | 2,258            | 2,258                                 | 565                                    | -            | 5,081        |
| Street lighting        | 600              | 600                                   | -                                      | -            | 1,200        |
| Information technology | 133              | 61                                    | -                                      | -            | 194          |
| <b>Total</b>           | <b>3,032</b>     | <b>2,919</b>                          | <b>565</b>                             | <b>-</b>     | <b>6,516</b> |
| <b>Capital</b>         |                  |                                       |  |              |              |
| Civil works            | 6,316            | -                                     | -                                      | -            | 6,316        |
| <b>Total</b>           | <b>6,316</b>     | <b>-</b>                              | <b>-</b>                               | <b>-</b>     | <b>6,316</b> |

|                                    | 2019   | 2018   |
|------------------------------------|--------|--------|
|                                    | \$'000 | \$'000 |
| <b>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                           | -        | 16        |
| Later than one year and not later than five years | -        | -         |
| Later than five years                             | -        | -         |
|   | <b>-</b> | <b>16</b> |

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.

## Note 6 Assets we manage

## 6.1. Property, infrastructure, plant and equipment

## Summary of property, infrastructure, plant and equipment

|                     | At Fair Value<br>30 June 2018 | Additions | Contributions | Revaluation | Depreciation | Disposal | Write-off | Transfers | At Fair Value 30<br>June 2019 |
|---------------------|-------------------------------|-----------|---------------|-------------|--------------|----------|-----------|-----------|-------------------------------|
|                     | \$'000                        | \$'000    | \$'000        | \$'000      | \$'000       | \$'000   | \$'000    | \$'000    | \$'000                        |
| Property            | 69,255                        | 954       | -             | -           | (1,318)      | (3)      | -         | 268       | 69,156                        |
| Plant and equipment | 6,637                         | 1,020     | -             | -           | (1,394)      | (81)     | -         | -         | 6,183                         |
| Infrastructure      | 205,802                       | 9,788     | 457           | 20,920      | (7,554)      | -        | -         | 2,251     | 231,664                       |
| Work in progress    | 5,217                         | 7,208     | -             | -           | -            | -        | -         | (2,519)   | 9,907                         |
|                     | 286,913                       | 18,970    | 457           | 20,920      | (10,266)     | (84)     | -         | -         | 316,910                       |

## Summary of Work in Progress

|                     | Opening WIP | Additions | Write-off | Transfers | Closing WIP |
|---------------------|-------------|-----------|-----------|-----------|-------------|
|                     | \$'000      | \$'000    | \$'000    | \$'000    | \$'000      |
| Property            | 443         | 202       | -         | (268)     | 377         |
| Plant and equipment | 171         | 91        | -         | -         | 262         |
| Infrastructure      | 4,604       | 6,915     | -         | (2,251)   | 9,268       |
| Total               | 5,217       | 7,208     | -         | (2,519)   | 9,907       |

## (a) Property

|  | Land -<br>specialised | Land - non<br>specialised | Land under<br>roads | Total Land &<br>Land<br>Improvements | Buildings -<br>specialised | Buildings -<br>non<br>specialised | Total Buildings | Work In<br>Progress | Total Property |
|--|-----------------------|---------------------------|---------------------|--------------------------------------|----------------------------|-----------------------------------|-----------------|---------------------|----------------|
|  | \$'000                | \$'000                    | \$'000              | \$'000                               | \$'000                     | \$'000                            | \$'000          | \$'000              | \$'000         |
| At fair value 1 July 2018                    | 3,304                 | 21,786                    | 224                 | 25,314                               | 71,115                     | 16,153                            | 87,267          | 443                 | 113,025        |
| Accumulated depreciation at 1 July 2018      | -                     | -                         | -                   | -                                    | (36,744)                   | (6,583)                           | (43,327)        | -                   | (43,327)       |
|  | 3,304                 | 21,786                    | 224                 | 25,314                               | 34,371                     | 9,570                             | 43,940          | 443                 | 69,698         |
| <b>Movements in fair value</b>               |                       |                           |                     |                                      |                            |                                   |                 |                     |                |
| Additions                                    | 58                    | -                         | -                   | 58                                   | 639                        | 257                               | 896             | 202                 | 1,156          |
| Revaluation                                  | -                     | -                         | -                   | -                                    | -                          | -                                 | -               | -                   | -              |
| Disposal                                     | -                     | (3)                       | -                   | (3)                                  | -                          | -                                 | -               | -                   | (3)            |
| Transfers                                    | -                     | -                         | -                   | -                                    | 235                        | 33                                | 268             | (268)               | -              |
|  | 58                    | (3)                       | -                   | 55                                   | 874                        | 290                               | 1,164           | (66)                | 1,153          |
| <b>Movements in accumulated depreciation</b> |                       |                           |                     |                                      |                            |                                   |                 |                     |                |
| Depreciation and amortisation                | -                     | -                         | -                   | -                                    | (1,089)                    | (228)                             | (1,318)         | -                   | (1,318)        |
|  | -                     | -                         | -                   | -                                    | (1,089)                    | (228)                             | (1,318)         | -                   | (1,318)        |
| At fair value 30 June 2019                   | 3,362                 | 21,784                    | 224                 | 25,369                               | 71,989                     | 16,443                            | 88,432          | 377                 | 114,178        |
| Accumulated depreciation at 30 June 2019     | -                     | -                         | -                   | -                                    | (37,834)                   | (6,811)                           | (44,645)        | -                   | (44,645)       |
|  | 3,362                 | 21,784                    | 224                 | 25,369                               | 34,156                     | 9,631                             | 43,787          | 377                 | 69,533         |

## (b) Plant and Equipment

|  | Plant<br>machinery and<br>equipment | Fixtures fittings<br>and furniture | Computers and<br>telecomms | Work in<br>Progress | Total plant<br>and<br>equipment |
|--|-------------------------------------|------------------------------------|----------------------------|---------------------|---------------------------------|
|  | \$'000                              | \$'000                             | \$'000                     | \$'000              | \$'000                          |
| At fair value 1 July 2018                    | 9,584                               | 9,780                              | 1,350                      | 171                 | 20,885                          |
| Accumulated depreciation at 1 July 2018      | (5,401)                             | (7,600)                            | (1,076)                    | -                   | (14,077)                        |
|  | 4,183                               | 2,180                              | 274                        | 171                 | 6,808                           |
| <b>Movements in fair value</b>               |                                     |                                    |                            |                     |                                 |
| Additions                                    | 883                                 | 137                                | -                          | 91                  | 1,112                           |
| Disposal                                     | (506)                               | -                                  | -                          | -                   | (506)                           |
| Transfers                                    | -                                   | -                                  | -                          | -                   | -                               |
|  | 377                                 | 137                                | -                          | 91                  | 606                             |
| <b>Movements in accumulated depreciation</b> |                                     |                                    |                            |                     |                                 |
| Depreciation and amortisation                | (914)                               | (352)                              | (128)                      | -                   | (1,394)                         |
| Accumulated depreciation of disposals        | 425                                 | -                                  | -                          | -                   | 425                             |
|  | (489)                               | (352)                              | (128)                      | -                   | (969)                           |
| At fair value 30 June 2019                   | 9,961                               | 9,917                              | 1,350                      | 262                 | 21,490                          |
| Accumulated depreciation at 30 June 2019     | (5,890)                             | (7,952)                            | (1,204)                    | -                   | (15,046)                        |
|  | 4,072                               | 1,965                              | 146                        | 262                 | 6,445                           |

## (c) Infrastructure

|  | Roads    | Bridges | Footpaths and<br>cycleways | Drainage | Other<br>Infrastructure | Work In<br>Progress | Total<br>Infrastructure |
|--|----------|---------|----------------------------|----------|-------------------------|---------------------|-------------------------|
|  | \$'000   | \$'000  | \$'000                     | \$'000   | \$'000                  | \$'000              | \$'000                  |
| At fair value 1 July 2018                    | 222,300  | 16,591  | 25,552                     | 41,540   | 6,141                   | 4,604               | 316,727                 |
| Accumulated depreciation at 1 July 2018      | (74,645) | (3,351) | (7,903)                    | (18,599) | (1,824)                 | -                   | (106,323)               |
|  | 147,655  | 13,240  | 17,649                     | 22,941   | 4,318                   | 4,604               | 210,405                 |
| <b>Movements in fair value</b>               |          |         |                            |          |                         |                     |                         |
| Additions                                    | 5,153    | 580     | 2,107                      | 189      | 1,758                   | 6,915               | 16,703                  |
| Contributions                                | 222      | -       | 67                         | 169      | -                       | -                   | 457                     |
| Revaluation                                  | 26,298   | -       | -                          | -        | -                       | -                   | 26,298                  |
| Transfers                                    | 2,146    | 38      | -                          | 61       | 6                       | (2,251)             | -                       |
|  | 33,819   | 618     | 2,174                      | 419      | 1,763                   | 4,664               | 43,459                  |
| <b>Movements in accumulated depreciation</b> |          |         |                            |          |                         |                     |                         |
| Depreciation and amortisation                | (5,625)  | (388)   | (618)                      | (506)    | (417)                   | -                   | (7,554)                 |
| Revaluation                                  | (5,378)  | -       | -                          | -        | -                       | -                   | (5,378)                 |
|  | (11,003) | (388)   | (618)                      | (506)    | (417)                   | -                   | (12,932)                |
| At fair value 30 June 2019                   | 256,119  | 17,210  | 27,726                     | 41,959   | 7,904                   | 9,268               | 360,187                 |
| Accumulated depreciation at 30 June 2019     | (85,648) | (3,739) | (8,522)                    | (19,105) | (2,241)                 | -                   | (119,255)               |
|  | 170,471  | 13,471  | 19,205                     | 22,854   | 5,663                   | 9,268               | 240,932                 |

**Note 6 Assets we manage****6.1. Property, infrastructure, plant and equipment (cont'd)***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 price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

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

|  | Depreciation Period | Threshold Limit |
|--|---------------------|-----------------|
|  |                     | \$'000          |
| <i>Asset recognition thresholds and depreciation periods</i> |                     |                 |
| <b>Land</b>  |                     |                 |
| land   | -                   | -               |
| land under roads   | -                   | -               |
| land improvements  | -                   | 5               |
| <b>Buildings</b>   |                     |                 |
| heritage buildings   | 90 - 180 years      | 5               |
| buildings  | 10 - 120 years      | 5               |
| shelters   | 10 - 90 years       | 5               |
| building improvements  | 10 - 180 years      | 5               |
| leasehold improvements                                       | 10 - 180 years      | 5               |
| <b><u>Plant and Equipment</u></b>                            |                     |                 |
| <b>Furniture</b>   |                     |                 |
| art work   | 0 - 100 years       | 4               |
| indoor furniture   | 5 - 30 years        | 4               |
| playground equipment   | 10 - 40 years       | 4               |
| <b>Plant</b>   |                     |                 |
| heritage plant and equipment                                 | -                   | 10              |
| fixed plant, machinery and equipment                         | 3 - 50 years        | 10              |
| fleet (vehicles)   | 3 - 30 years        | 10              |
| major plant  | 3 - 50 years        | 10              |
| minor plant  | 3 - 10 years        | 4               |
| <b>Equipment</b>   |                     |                 |
| appliances   | 3 - 60 years        | 4               |
| fixed equipment / fixtures and fittings                      | 5 - 55 years        | 4               |
| computers and telecommunications                             | 3 - 21 years        | 4               |
| leased plant and equipment                                   | -                   | 4               |
| <b><u>Infrastructure</u></b>                                 |                     |                 |
| <b>Roads</b>   |                     |                 |
| road and tarmac formation and earthworks                     | -                   | 10              |
| road and tarmac pavements                                    | 10 - 80 years       | 10              |
| road and tarmac substructure                                 | -                   | 10              |
| road and tarmac seals  | 10 - 60 years       | 10              |
| road and tarmac kerb, channel and minor culverts             | 45 - 80 years       | 2.5             |
| footpaths and cycleways                                      | 15 - 50 years       | 2.5             |
| <b>Bridges</b>   |                     |                 |
| bridges deck   | 10 - 70 years       | 10              |
| bridges substructure   | 10 - 70 years       | 10              |
| bridges major culverts                                       | 50 - 70 years       | 10              |
| <b>Drainage</b>  |                     |                 |
| open drainage network  | 10 - 100 years      | 10              |
| pit and pipe network   | 40 - 100 years      | 10              |
| water retention structures                                   | 80 - 100 years      | 10              |
| <b>Other Infrastructure</b>                                  |                     |                 |
| gardens and landscaping                                      | 5 - 25 years        | 10              |
| playing surfaces   | 10 - 70 years       | 10              |
| retaining structures   | 10 - 45 years       | 10              |
| off street car parks   | 25 - 100 years      | 10              |
| aerodromes   | 25 - 100 years      | 10              |
| <b><u>Intangible assets</u></b>                              |                     |                 |
| software   | 5 years             | 4               |

**Note 6 Assets we manage****6.1. Property, infrastructure, plant and equipment (cont'd)****Land under roads**

Council recognises land under roads it controls at fair value.

**Depreciation and amortisation**

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

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

Road earthworks are not depreciated 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.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

**Repairs and maintenance**

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.

**Valuation of land and buildings**

Valuation of land and buildings were undertaken 2017-2018 by a qualified independent valuer Mr Les Speed – Certified Practising Valuer – API Member No. 623379 of Preston Paterson Rowe. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value 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. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2019 are as follows:

|                  | Level 1 | Level2 | Level 3 |
|------------------|---------|--------|---------|
| Land             | -       | 21,784 | -       |
| Specialised land | -       | -      | 3,362   |
| Buildings        | -       | 9,631  | 34,156  |
| Total            | -       | 31,415 | 37,517  |

**Note 6 Assets we manage****6.1. Property, infrastructure, plant and equipment (cont'd)****Valuation of infrastructure**

Valuation of infrastructure assets has been determined in accordance with an internal valuation undertaken by Jeremy Rudd (B.Eng).

An index based revaluation was conducted in the current year, this valuation was based on the Construction Price Index, a full revaluation of these assets will be conducted in 2019/20.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2019 are as follows:

|                         | Level 1 | Level2 | Level 3        |
|-------------------------|---------|--------|----------------|
| Roads                   | -       | -      | 170,471        |
| Bridges                 | -       | -      | 13,471         |
| Footpaths and cycleways | -       | -      | 19,205         |
| Drainage                | -       | -      | 22,854         |
| Other infrastructure    | -       | -      | 5,663          |
| <b>Total</b>            | -       | -      | <b>231,664</b> |

**Description of significant unobservable inputs into level 3 valuations**

**Specialised land and land under roads** is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$270 per square metre.

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$200 to \$2,250 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 40 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 5 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

|   | 2019<br>\$'000 | 2018<br>\$'000 |
|---|----------------|----------------|
| <b>Reconciliation of specialised land</b> |                |                |
| Land under roads                          | 224            | 224            |
| Parks and reserves                        | 3,362          | 3,304          |
| <b>Total specialised land</b>             | <b>3,586</b>   | <b>3,528</b>   |



|  |               |               |
|--|---------------|---------------|
| <b>Note 6 Assets we manage</b>   | <b>2019</b>   | <b>2018</b>   |
| <b>6.2. Investments in associates, joint arrangements and subsidiaries</b> | <b>\$'000</b> | <b>\$'000</b> |

**(a) Investments in associates**

Investments in associates accounted for by the equity method are:

- Corangamite Regional Library Corporation
- Colac Community Library and Learning Centre

**Corangamite Regional Library Corporation***Background*

The Corangamite Regional Library Corporation is a corporation owned by four (4) councils: Colac Otway Shire, Corangamite Shire, Moyne Shire and Warrnambool City. Colac Otway Shire has a 24.05% equity interest in 2018/2019 (2017/2018 24.13%).

**Fair value of Council's investment in Corangamite Regional Library Corporation**

|   |   |
|---|---|
| - | - |
|---|---|

**Council's share of accumulated surplus/(deficit)**

|  |            |            |
|--|------------|------------|
| Council's share of accumulated surplus(deficit) at start of year | 293        | 287        |
| Reported surplus(deficit) for year                               | 34         | 16         |
| Transfers (to) from reserves                                     | 46         | (10)       |
| Council's share of accumulated surplus(deficit) at end of year   | <u>374</u> | <u>293</u> |

**Council's share of reserves**

|  |           |           |
|--|-----------|-----------|
| Council's share of reserves at start of year                     | 61        | 51        |
| Transfers (to) from reserves                                     | (46)      | 10        |
| Council's share of reserves at end of year (based on population) | <u>15</u> | <u>61</u> |

**Movement in carrying value of specific investment**

|   |            |            |
|---|------------|------------|
| Carrying value of investment at start of year   | 355        | 338        |
| Share of surplus(deficit) for year              | 34         | 16         |
| Share of asset revaluation                      | -          | -          |
| Change in equity share due to population change | 1          | 1          |
| Carrying value of investment at end of year     | <u>390</u> | <u>355</u> |

**Significant restrictions**

The associate is not required to repay dividends, loans or advances to Council.

**(b) Investments in joint ventures****Colac Community Library and Learning Centre***Background*

The Colac Community Library and Learning Centre is a joint venture between the Colac Otway Shire and Victorian Department of Education and Early Childhood Development and the Colac Secondary College, which results in Colac Otway Shire legally owning 50% of the assets.

The venture's purpose is to construct and operate a joint use library facility.

Council's commitment to the venture is limited to providing a contribution to the construction and fitout costs. Council's share is 50% of costs.

Council accounts for its interests in the joint venture by applying the proportionate consolidation method and by combining Council's share of each of the assets, liabilities, incomes and expenses of the jointly controlled entity with similar items line by line in council's financial statements.

**Council's share of accumulated surplus/(deficit)**

Council is not entitled to a share of any accumulated surplus or deficit.

**Council's share of reserves**

Council is not entitled to a share of any reserves

**Movement in carrying value of specific investment**

|   |              |              |
|---|--------------|--------------|
| Carrying value of investment at start of year | 2,880        | 2,628        |
| Change in asset revaluation                   | -            | 288          |
| Write back of annual depreciation             | (40)         | (36)         |
| Carrying value of investment at end of year   | <u>2,840</u> | <u>2,880</u> |

**Council's share of expenditure commitments**

Council is not exposed to any further expenditure commitments.

**Council's share of contingent liabilities and contingent assets**

There are no known contingencies outstanding as at 30 June 2019.

**Significant restrictions**

The joint venture is not required to repay dividends, loans or advances to Council.

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | No.           | No.           |
| <b>Note 7 People and relationships</b>   |               |               |
| <b>7.1. Council and key management remuneration</b>  |               |               |
| <b>(a) Related Parties</b>   |               |               |
| <i>Parent entity</i>   |               |               |
| Colac Otway Shire Council is the parent entity.  |               |               |
| <i>Subsidiaries and Associates</i>   |               |               |
| Interests in subsidiaries and associates are detailed in Note 6.2.   |               |               |
| <b>(b) Key Management Personnel</b>  |               |               |
| Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:      |               |               |
| <b>Councillors</b>   |               |               |
| Councillor Chris Potter  |               |               |
| Councillor Terry Woodcroft   |               |               |
| Councillor Stephen Hart  |               |               |
| Councillor Chris Smith   |               |               |
| Councillor Brian Crook   |               |               |
| Councillor Kate Hanson   |               |               |
| Councillor Joe McCracken (Mayor 01/07/18 to 14/11/18)  |               |               |
| Councillor Jason Schram (Mayor 15/11/18 to 30/06/19)   |               |               |
| <b>Chief Executive Officer and other Key Management Personnel</b>  |               |               |
| Chief Executive  |               |               |
| General Manager Corporate Services   |               |               |
| General Manager Infrastructure and Leisure Services  |               |               |
| General Manager Development & Community Services (position filled by two Officers in 2018-19)  |               |               |
| <b>Total Number of Councillors</b>   | 8             | 7             |
| <b>Total of Chief Executive Officer and other Key Management Personnel</b>   | 5             | 5             |
| <b>Total Number of Key Management Personnel</b>  | <u>13</u>     | <u>12</u>     |
| <b>(c) Remuneration of Key Management Personnel</b>  | <b>2019</b>   | <b>2018</b>   |
|  | <b>\$'000</b> | <b>\$'000</b> |
| Total remuneration of key management personnel was as follows:   |               |               |
| Short-term benefits  | 1,039         | 966           |
| Long-term benefits   | 142           | 93            |
| Termination benefits   | -             | 16            |
| <b>Total</b>   | <u>1,181</u>  | <u>1,075</u>  |
| The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands: |               |               |
| \$1 - \$9,999  | 1             | -             |
| \$20,000 - \$29,999  | 3             | 3             |
| \$30,000 - \$39,999  | 2             | 2             |
| \$40,000 - \$49,999  | 1             | 1             |
| \$50,000 - \$59,999  | -             | 1             |
| \$60,000 - \$69,999  | 1             | 1             |
| \$70,000 - \$79,999  | 1             | 1             |
| \$160,000 - \$169,999  | -             | 1             |
| \$180,000 - \$189,999  | 1             | -             |
| \$190,000 - \$199,999  | 2             | 2             |
| \$240,000 - \$249,999  | 1             | -             |
|  | <u>13</u>     | <u>12</u>     |
| <b>(d) Senior Officer Remuneration</b>   |               |               |
| A Senior Officer is an officer of Council, other than Key Management Personnel, who:   |               |               |
| a) has management responsibilities and reports directly to the Chief Executive; or   |               |               |
| b) whose total annual remuneration exceeds \$148,000   |               |               |
| The number of Senior Officers are shown below in their relevant income bands:  |               |               |
|  | <b>2019</b>   | <b>2018</b>   |
| Income Range:  | <b>No.</b>    | <b>No.</b>    |
| \$140,000 - \$149,999  | 1             | 3             |
| \$150,000 - \$159,999  | 2             | 1             |
| \$160,000 - \$169,999  | 1             | -             |
|  | <u>4</u>      | <u>4</u>      |
| Total Remuneration for the reporting year for Senior Officers included above, amounted to:   | <b>634</b>    | <b>606</b>    |

| Note 7 People and relationships | 2019   | 2018   |
|---------------------------------|--------|--------|
| 7.2. Related party disclosure   | \$'000 | \$'000 |

**(a) Transactions with related parties**

During the period Council entered into the following transactions with related parties.

|                      |    |    |
|----------------------|----|----|
| Employee benefit     | 22 | 41 |
| Materials & Services | 19 | 91 |
| Other Expenses       | 4  | -  |

The following is the aggregate amount of transactions with **Investments in associates**.

|   |     |     |
|---|-----|-----|
| Payments made to Corangamite Regional Library Corporation | 709 | 695 |
| Payments received from Corangamite Regional Library       | 28  | 76  |

**(b) Outstanding balances with related parties**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties.

|                     |   |    |
|---------------------|---|----|
| Accounts Receivable | - | -  |
| Accounts Payable    | 1 | 30 |

**(c) Loans to/from related parties**

There are no loans in existence at balance date that have been made, guaranteed or secured by the council to any related parties.

**(d) Commitments to/from related parties**

There are no commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party.

**Note 8 Managing uncertainties****8.1. Contingent assets and liabilities****(a) Contingent assets**

Council has a number of funding sources that are contingent on the completion of an acquittal report early in the 2019/20 financial year resulting in revenue being recognised, and cash received, in 2019/20, rather than 2018/19.

**(b) Contingent liabilities****Superannuation**

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

**Financial Assurances**

Council is obligated under Section 194 (2A) and 21 of the Environment Protection Act 1970 to provide financial assurance for any remedial action, rehabilitation and site aftercare costs in relation to the Alvie tip site. The purpose of this provision is to ensure that Council does not impose any undue burden on Council's ratepayers to address any of these costs during the operation or after the closure of its operating landfill sites. The amount of the financial assurance provided to the Environment Protection Authority (EPA) is \$322,500.

**Legal matters**

Council has identified a potential liability (or the probability of a material expense arising) as a result of a workplace death during the course of the 2016-2017 financial year. As at balance date an amount and timing of any potential expense is not known.

**(c) Guarantees for loans to other entities**

Council has no guarantees in place for loans to other entities.

**8.2. Change in accounting standards**

The following new AAS's have been issued that are not mandatory for the 30 June 2019 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

*Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)*

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

*Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)*

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

*Leases (AASB 16) (applies 2019/20)*

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of zero in lease related assets and an equivalent liability.

*Income of Not-for-Profit Entities (AASB 1058 )*

This standard is expected to apply to certain transactions currently accounted for under AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

**Note 8 Managing uncertainties****8.3. Financial instruments****(a) Objectives and policies**

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

**(b) Market risk**

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

**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. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

**(c) Credit risk**

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council have a policy for establishing credit limits for the entities council deal with;
  - council may require collateral where appropriate; and
  - council only invest surplus funds with financial institutions which have a recognised credit rating specified in
- Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

**Note 8 Managing uncertainties****8.3. Financial instruments (cont'd)****(d) Liquidity risk**

Liquidity risk includes the risk that, as a result of council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- 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 instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**(e) Sensitivity disclosure analysis**

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 0.75% and -0.75% in market interest rates (AUD) from year-end rates of 1.63%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

**8.4. Fair value measurement***Fair value hierarchy*

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

*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 of disposal 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.

**Note 8 Managing uncertainties****8.4. Fair value measurement (cont'd)***Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. 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.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 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 reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

**8.5. Events occurring after balance date**

The legal matter disclosed in 8.1 (b) has since been resolved in favour of Council.

**Note 9 Other matters****9.1. Reserves**

|   | Balance at<br>beginning of<br>reporting period<br>\$'000 | Increment<br>(decrement)<br>\$'000 | Balance at end of<br>reporting period<br>\$'000 |
|---|--|------------------------------------|---|
| <b>(a) Asset revaluation reserves</b>   |  |                                    |   |
| <b>2019</b>                             |  |                                    |   |
| <b>Property</b>                         |  |                                    |   |
| Land                                    | 16,529   | -                                  | 16,529  |
| Buildings                               | 8,570  | -                                  | 8,570   |
|   | 25,099   | -                                  | 25,099  |
| <b>Plant and Equipment</b>              |  |                                    |   |
| Fixed plant, furniture and equipment    | 293  | -                                  | 293   |
|   | 293  | -                                  | 293   |
| <b>Infrastructure</b>                   |  |                                    |   |
| Roads                                   | 88,521   | 20,920                             | 109,441   |
| Bridges                                 | 7,914  | -                                  | 7,914   |
| Footpaths and cycleways                 | 7,312  | -                                  | 7,312   |
| Kerb and channelling                    | 11,619   | -                                  | 11,619  |
| Drainage                                | 14,341   | -                                  | 14,341  |
|   | 129,706  | 20,920                             | 150,626   |
| <b>Total asset revaluation reserves</b> | <b>155,098</b>   | <b>20,920</b>                      | <b>176,018</b>                                  |
| <b>2018</b>                             |  |                                    |   |
| <b>Property</b>                         |  |                                    |   |
| Land                                    | 15,775   | 753                                | 16,529  |
| Buildings                               | 8,783  | (213)                              | 8,570   |
|   | 24,558   | 540                                | 25,099  |
| <b>Plant and Equipment</b>              |  |                                    |   |
| Fixed plant, furniture and equipment    | 293  | -                                  | 293   |
|   | 293  | -                                  | 293   |
| <b>Infrastructure</b>                   |  |                                    |   |
| Roads                                   | 88,521   | -                                  | 88,521  |
| Bridges                                 | 9,270  | (1,356)                            | 7,914   |
| Footpaths and cycleways                 | 7,312  | -                                  | 7,312   |
| Kerb and channelling                    | 11,619   | -                                  | 11,619  |
| Drainage                                | 14,341   | -                                  | 14,341  |
|   | 131,061  | (1,356)                            | 129,706   |
| <b>Total asset revaluation reserves</b> | <b>155,913</b>   | <b>(815)</b>                       | <b>155,098</b>                                  |

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

## Note 9 Other matters

## 9.1. Reserves (cont'd)

## (b) Other reserves

## 2019

|  | Balance at<br>beginning of<br>reporting period<br>\$'000 | Transfer from<br>accumulated<br>surplus<br>\$'000 | Transfer to<br>accumulated<br>surplus<br>\$'000 | Balance at end of<br>reporting period<br>\$'000 |
|--|--|---|---|---|
| Carried Forward Projects                           | 3,970  | -   | (598)   | 3,372   |
| Port of Apollo Bay                                 | 1,173  | 2,690   | (1,842)   | 2,022   |
| Kerbside bin replacement                           | 1,778  | 3,156   | (2,929)   | 2,004   |
| Long Service Leave reserve                         | 2,631  | 2,750   | (2,809)   | 2,572   |
| Landfill rehabilitation (Alvie)                    | 866  | 57  | -   | 923   |
| Recreational lands                                 | 725  | 43  | -   | 768   |
| Colac livestock selling centre                     | 124  | 488   | (586)   | 26  |
| Rehabilitation reserve                             | 646  | 143   | -   | 789   |
| Plant replacement                                  | 2,082  | 1,783   | (1,424)   | 2,441   |
| Tirrengower Drainage Scheme                        | 11   | 22  | (23)  | 11  |
| Local Government Financial Vehicle                 |  |   |   |   |
| Sinking Funds                                      | 1,004  | 100   | (104)   | 1,000   |
| Unallocated Surplus Reserve                        | 934  | -   | (934)   | -   |
| Contingent Liability Reserve                       | 500  | -   | -   | 500   |
| Strategic Projects Reserve                         | 200  | 382   | (200)   | 382   |
| Financial Assistance Grants received in<br>advance | 3,199  | 3,663   | (3,199)   | 3,663   |
| Disaster Recovery Reserve                          | 1,789  | 366   | -   | 2,155   |
| <b>Total Other reserves</b>                        | <b>21,630</b>  | <b>15,644</b>                                     | <b>(14,648)</b>                                 | <b>22,627</b>                                   |

## 2018

|  |               |               |                 |               |
|--|---------------|---------------|-----------------|---------------|
| Carried Forward Projects                           | 3,076         | 1,830         | (936)           | 3,970         |
| Port of Apollo Bay                                 | 1,611         | 863           | (1,301)         | 1,173         |
| Kerbside bin replacement                           | 1,538         | 3,008         | (2,767)         | 1,778         |
| Long Service Leave reserve                         | 1,999         | 5,984         | (5,352)         | 2,631         |
| Landfill rehabilitation (Alvie)                    | 809           | 57            | -               | 866           |
| Recreational lands                                 | 694           | 61            | (30)            | 725           |
| Colac livestock selling centre                     | 246           | 475           | (596)           | 124           |
| Rehabilitation reserve                             | 503           | 143           | -               | 646           |
| Plant replacement                                  | 2,399         | 2,656         | (2,973)         | 2,082         |
| Tirrengower Drainage Scheme                        | 33            | -             | (21)            | 11            |
| Local Government Financial Vehicle                 |               |               |                 |               |
| Sinking Funds                                      | 904           | 100           | -               | 1,004         |
| Unallocated Surplus Reserve                        | 177           | 757           | -               | 934           |
| Contingent Liability Reserve                       | 500           | -             | -               | 500           |
| Strategic Projects Reserve                         | 200           | -             | -               | 200           |
| Financial Assistance Grants received in<br>advance | 3,114         | 85            | -               | 3,199         |
| Disaster Recovery Reserve                          | 3,938         | 984           | (3,133)         | 1,789         |
| <b>Total Other reserves</b>                        | <b>21,740</b> | <b>17,003</b> | <b>(17,112)</b> | <b>21,630</b> |



## Note 9 Other matters

## 9.1. Reserves (cont'd)

**Purposes for Reserves****Carried forward projects reserve**

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.

**Port of Apollo Bay reserve**

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 cash assets owed.

**Kerbside bin replacement reserve**

This reserve was set up as a source of funding the replacement of kerbside bins. All funds in this reserve are collected from the waste collection service charge and are to be used only in connection with the waste collection service.

**Long service leave reserve**

The purpose of this reserve is to ensure that the nominal long service leave balances owing to employees are maintained.

**Landfill rehabilitation (Alvie) reserve**

This reserve relates to the funds required to restore the Alvie Tip. The rehabilitation reserve will continue to grow until the Tip closes, at which time, the funds will be utilised to meet this obligation.

**Recreational lands reserve**

Statutory reserve to be used for the development of recreational reserves and public open space.

**Colac livestock selling centre reserve**

This reserve is for the purpose of funding works at the Colac Livestock Selling Centre and all funds are derived from any surplus made from the operations of the Colac Livestock Selling Centre.

**Rehabilitation reserve**

This reserve is to fund the rehabilitation of the various waste disposal sites across the Colac Otway Shire.

**Plant replacement reserve**

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.

**Tirrengower Drainage Scheme reserve**

These funds are collected via a special rate and must be expended against the purpose of the drainage scheme at Tirrengower.

**Local Government Financing Vehicle Sinking Fund**

This reserve has been established to set aside monies to fund the repayment of the Local government Financing Vehicle (LGFV) bonds as the bonds come due for payment.

**Unallocated Surplus reserve**

These funds are the funds that remain unallocated at the end of the financial year to support the delivery of the services and activities as determined through Long Term Financial Planning.

**Contingent liability reserve**

This reserve allows for the payment of a potential obligation that may be incurred depending on the outcome a future event.

**Strategic Projects Reserve**

The purpose of this reserve is for strategic projects and acquisitions of new or expanded assets that are of an intergenerational nature.

**Financial Assistance Grants received in advance**

The purpose of this reserve is to set aside any Commonwealth Financial Assistance Grant funding received in advance of its intended allocation.

**Disaster Recovery reserve**

The purpose of this reserve is to set aside funds received in advance for use in the recovery of Disaster events. The reserve may only be used in accordance with the terms of the disaster relief funding agreements.

| Note 9 Other matters   | 2019          | 2018          |
|--|---------------|---------------|
| 9.2. Reconciliation of cash flows from operating activities to surplus/(deficit) | \$'000        | \$'000        |
| Surplus/(deficit) for the year   | 6,971         | 3,750         |
| Depreciation/amortisation  | 10,268        | 9,905         |
| Finance costs  | 178           | 223           |
| Share of result of associate   | (35)          | (17)          |
| Profit/(loss) on disposal of property, infrastructure, plant and equipment       | (202)         | 87            |
| Contributions - non monetary assets  | (457)         | (1,598)       |
| <i>Change in assets and liabilities:</i>   |               |               |
| (Increase)/decrease in trade and other receivables                               | (115)         | 1,028         |
| (Increase)/decrease in prepayments   | 16            | (157)         |
| (Increase)/decrease in accrued income  | (88)          | (16)          |
| (Decrease)/increase in trade and other payables                                  | (881)         | 2,534         |
| (Decrease)/increase in accrued expenses  | (1)           | 15            |
| (Increase)/decrease in inventories   | 2             | 32            |
| (Increase)/decrease in trust funds & deposits                                    | 410           | (72)          |
| (Decrease)/increase in provisions  | 455           | 1,690         |
| Net cash provided by/(used in) operating activities                              | <b>16,521</b> | <b>17,405</b> |

### 9.3. Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Income Statement when they are made or due.

#### Accumulation

The Fund's accumulation categories receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee legislation).

#### Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Colac Otway Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

#### Funding Arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2018, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Colac Otway Shire Council is a contributing employer was 106.0%.

The financial assumptions used to calculate the VBIs were:

Net investment returns 6.0% pa  
Salary information 3.5% pa  
Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2019 was 107.1%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

#### Employer Contributions

##### Regular Contributions

On the basis of the results of the 2018 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

## Note 9 Other matters

## 9.3. Superannuation (cont'd)

**Funding Calls**

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

**The 2018 interim actuarial investigation surplus amounts**

An actuarial investigation is conducted annually for the Defined Benefit category of which Colac Otway Shire is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

The Fund's actuarial investigations identified the following for the Defined Benefit category of which Colac Otway Shire Council is a contributing employer:

|                                       | <b>2018</b>   | <b>2017</b>   |
|---------------------------------------|---------------|---------------|
|                                       | <b>\$'000</b> | <b>\$'000</b> |
| A VBI surplus                         | 131,900       | 69,800        |
| A total service liability surplus     | 218,300       | 193,500       |
| A discounted accrued benefits surplus | 249,100       | 228,800       |

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to the investigation date.

Council was notified of the 30 June 2018 VBI during August 2018.

**The 2019 interim actuarial investigation**

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2019.

## Performance Statement

For the year ended 30 June 2019

### Description of Municipality

Colac Otway Shire is situated about 160 kilometers south-west of the Melbourne CBD and approximately an hour to the large regional cities of Geelong to the east and Warrnambool to the west. Colac Otway Shire has a unique and precious natural environment containing some of the most picturesque scenery in the State. A large proportion is Forest Park and National Park, but it also includes beaches, rugged coastline, rainforests, waterfalls, volcanic lakes and craters.

The Colac Otway Shire estimated resident population is 21,503 as at 30 June 2019. Approximately 83.3% of the Shire's residents were born in Australia and of those born overseas; only 4.2% came from non-English speaking backgrounds. The forecast through to 2041 is for a growth of approximately 23.39%; this significant increase is expected with the completion of the dual highway to Geelong. The duplication 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.

The five major industry sectors are:

- Manufacturing (1,291 persons or 13.5%)
- Health Care & Social Assistance (1,209 persons or 12.7%)
- Agriculture, Forestry & Fishing (1,191 persons or 12.5%)
- Retail Trade (872 persons or 9.1%)
- Tourism (835 persons or 8.7%)

In combination, these five industries employed a total of 5,398 people or 56.5% of the employed resident population.

Colac Otway Shire Council provides 49 high quality services and facilities across a range of areas including Community Services, Environmental Services, Customer Services, Health and Wellbeing, Planning and Building, Economic Development and Tourism, Parks and Gardens and more.

## Sustainable Capacity Indicators

For the year ended 30 June 2019

| <i>Indicator/measure</i>  | <b>Results<br/>2016</b> | <b>Results<br/>2017</b> | <b>Results<br/>2018</b> | <b>Results<br/>2019</b> | <b>Material Variations and<br/>Comments</b>  |
|---|-------------------------|-------------------------|-------------------------|-------------------------|--|
| <b>Population</b><br><i>Expenses per head of<br/>municipal population</i><br>[Total expenses / Municipal<br>population]                       | \$2,197.93              | \$2,192.10              | \$2,341.46              | \$2,539.11              | This indicator has increased over recent years as Council continues to meet the demands of the community. It must be noted that a large component of this expenditure has resulted from disaster assistance funding and the associated expenditure.              |
| <b>Infrastructure per head of<br/>municipal population</b><br>[Value of infrastructure /<br>Municipal population]                             | \$12,292.96             | \$11,996.72             | \$12,203.77             | \$13,558.14             | This indicator has increased due to an indexation of Infrastructure unit rates. Which has increased the value of Council's infrastructure assets by \$20.9m.   |
| <b>Population density per<br/>length of road</b><br>[Municipal population /<br>Kilometres of local roads]                                     | 12.51                   | 13.18                   | 13.22                   | 13.20                   | This indicator is expected to remain consistent given the low level of population growth.  |
| <b>Own-source revenue</b><br><i>Own-source revenue per<br/>head of municipal population</i><br>[Own-source revenue /<br>Municipal population] | \$1,655.79              | \$1,664.87              | \$1,677.98              | \$1,777.67              | Own-source revenue has increased primarily due to increased rate revenue, revenue in lieu of rates (new Windfarm in 18/19) and user fees. User fees have predominately increased due to the Bluewater Fitness gym becoming 24/7 and increased Aged Care clients. |
| <b>Recurrent grants</b><br><i>Recurrent grants per head of<br/>municipal population</i><br>[Recurrent grants /<br>Municipal population]       | \$541.20                | \$573.06                | \$617.03                | \$596.29                | This indicator remains consistent with prior years.  |
| <b>Disadvantage</b><br><i>Relative Socio-Economic<br/>Disadvantage</i><br>[Index of Relative Socio-<br>Economic Disadvantage by<br>decile]    | 3.00                    | 3.00                    | 3.00                    | 3.00                    |  |

### Definitions

"adjusted underlying revenue" means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

**"infrastructure"** means non-current property, plant and equipment excluding land

**"local road"** means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

**"population"** means the resident population estimated by council

**"own-source revenue"** means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

**"relative socio-economic disadvantage"**, in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

**"SEIFA"** means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

**"unrestricted cash"** means all cash and cash equivalents other than restricted cash

## Service Performance Indicators

For the year ended 30 June 2019

| Service/indicator/<br>measure  | Results<br>2016 | Results<br>2017 | Results<br>2018 | Results<br>2019 | Material Variations  |
|--|-----------------|-----------------|-----------------|-----------------|--|
| <b>Aquatic Facilities</b><br><b>Utilisation</b><br><i>Utilisation of aquatic facilities</i><br>[Number of visits to aquatic facilities / Municipal population]   | 2.73            | 6.08            | 5.01            | 4.60            | The utilisation of the Apollo Bay Pool has increased in 2018/19 due to the installation of a new heating system prior to the beginning of the season. The new system increased the pool temperature from a maximum of 25 degrees to a consistent temperature of 29 degrees over the season, making it more enticing to patrons. Bluewater Leisure Centre also saw an increase in member visits in 2018/19, however a significant decrease in casual visits attributed to a decrease in visits overall. |
| <b>Animal Management</b><br><b>Health and safety</b><br><i>Animal management prosecutions</i><br>[Number of successful animal management prosecutions]   | 13.00           | 10.00           | 6.00            | 4.00            | The number of cases prosecuted continues to reduce due to public awareness that Council has the capacity, ability and willingness to prosecute where necessary.  |
| <b>Food Safety</b><br><b>Health and safety</b><br><i>Critical and major non-compliance outcome notifications</i><br>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100 | 90.91%          | 81.25%          | 100.00%         | 94.74%          | One of the 19 major non compliances was not followed up within the required deadline due to staff turnover. This non compliance has since been followed up.  |

| Service/indicator/<br>measure   | Results<br>2016 | Results<br>2017 | Results<br>2018 | Results<br>2019 | Material Variations   |
|---|-----------------|-----------------|-----------------|-----------------|---|
| <b>Governance</b><br><b>Satisfaction</b><br><i>Satisfaction with council decisions</i><br>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]  | 43.00           | 45.00           | 49.00           | 52.00           | This index score continues to improve each year since 2016 and is now at comparable levels to the Large Rural average, people aged between 18-34 are the most satisfied with council's decisions.   |
| <b>Libraries</b><br><b>Participation</b><br><i>Active library members</i><br>[Number of active library members / Municipal population] x100   | 17.87%          | 16.70%          | 16.04%          | 14.99%          | This indicator does not capture other library activity and usage such as program attendance for literacy and digital literacy activities, children and youth programs, literary events, public internet PC and Wi-Fi usage, using resources and facilities within the libraries to study or read without borrowing. |
| <b>Maternal and Child Health (MCH)</b><br><b>Participation</b><br><i>Participation in the MCH service</i><br>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100<br><br><b>Participation</b><br><i>Participation in the MCH service by Aboriginal children</i><br>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100 | 71.90%          | 69.68%          | 70.85%          | 74.44%          | Strategies to increase participation such as SMS messaging and additional administration hours have helped contribute to this increase.<br><br>There is a small cohort of Aboriginal children therefore one missed visit can drop participation rate by 10% which occurred in 2018/19.                              |
| <b>Roads</b><br><b>Satisfaction</b><br><i>Satisfaction with sealed local roads</i><br>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]  | 37.00           | 42.00           | 39.00           | 42.00           | A restructure in the Service and Operations team and work practices has increased our ability to respond to reactive problems more timely, in addition a 'Fix it First Time' process has been implemented which ensures the whole road corridor is in good shape  |



| Service/indicator/<br>measure   | Results<br>2016 | Results<br>2017 | Results<br>2018 | Results<br>2019 | Material Variations   |
|---|-----------------|-----------------|-----------------|-----------------|---|
| <b>Statutory Planning</b><br><b>Decision making</b><br>Council planning decisions upheld at VCAT<br>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100 | 100.00%         | 100.00%         | 100.00%         | 0.00%           | There have been no decisions made on applications currently with VCAT for the 2018/19 period.   |
| <b>Waste Collection</b><br><b>Waste diversion</b><br>Kerbside collection waste diverted from landfill<br>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100              | 43.32%          | 47.09%          | 47.79%          | 52.06%          | The increase in 2018/19 is due to the inclusion of organic bins with recycling bins as both bins are considered as recycling. Previous years have not included organic bins in this figure. |

### Definitions

"**Aboriginal child**" means a child who is an Aboriginal person

"**Aboriginal person**" has the same meaning as in the Aboriginal Heritage Act 2006

"**active library member**" means a member of a library who has borrowed a book from the library

"**annual report**" means an annual report prepared by a council under sections 131, 132 and 133 of the *Local Government Act 1989*

"**class 1 food premises**" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

"**class 2 food premises**" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

"**critical non-compliance outcome notification**" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"**food premises**" has the same meaning as in the *Food Act 1984*

"**local road**" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

**"major non-compliance outcome notification"** means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

**"MCH"** means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

**"population"** means the resident population estimated by council

**"target population"** has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

**"WorkSafe reportable aquatic facility safety incident"** means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.

## Financial Performance Indicators

For the year ended 30 June 2019

| Dimension/indicator/measure   | Results    |            |            |            | Forecasts  |            |            |            | Material Variations  |
|---|------------|------------|------------|------------|------------|------------|------------|------------|--|
|   | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       |  |
| <b>Efficiency</b>   |            |            |            |            |            |            |            |            |  |
| <b>Revenue level</b>  |            |            |            |            |            |            |            |            |  |
| <i>Average residential rate per residential property assessment</i><br>[Residential rate revenue / Number of residential property assessments]  | \$1,598.36 | \$1,650.83 | \$1,664.15 | \$1,788.98 | \$1,829.30 | \$1,870.56 | \$1,912.77 | \$1,955.57 | This indicator is expected to increase in line with the annual rate cap.   |
| <b>Expenditure level</b>  |            |            |            |            |            |            |            |            |  |
| <i>Expenses per property assessment</i><br>[Total expenses / Number of property assessments]  | \$2,967.93 | \$3,087.23 | \$3,279.64 | \$3,546.50 | \$3,228.10 | \$3,281.59 | \$3,338.66 | \$3,397.41 | This indicator has increased over recent years as Council continues to meet the demands of the community. It must be noted that a large component of this expenditure has resulted from disaster assistance funding and expenditure. |
| <b>Workforce turnover</b>   |            |            |            |            |            |            |            |            |  |
| <i>Resignations and terminations compared to average staff</i><br>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100 | 11.34%     | 23.77%     | 17.93%     | 17.29%     | 14.44%     | 14.55%     | 14.55%     | 14.60%     | This indicator is still quite high. The Executive team are embarking on a number of activities to try to improve retention and reduce the costs associated with such high levels of staff turnover.                                  |

| Dimension/ <i>indicator/measure</i>  | Results |         |         |         | Forecasts |         |         |         | Material Variations   |
|--|---------|---------|---------|---------|-----------|---------|---------|---------|---|
|  | 2016    | 2017    | 2018    | 2019    | 2020      | 2021    | 2022    | 2023    |   |
| <b>Liquidity</b><br><b>Working capital</b><br><i>Current assets compared to current liabilities</i><br>[Current assets / Current liabilities] x100 | 197.53% | 348.05% | 254.66% | 204.46% | 161.53%   | 148.57% | 126.52% | 116.23% | This indicator remains healthy at 30 June 2019. It is projected to reduce over the coming years as Council meets the challenge of funding existing services and asset renewal with a relatively low revenue base.   |
| <b>Unrestricted cash</b><br><i>Unrestricted cash compared to current liabilities</i><br>[Unrestricted cash / Current liabilities] x100             | 68.22%  | 192.27% | 9.42%   | 119.98% | 75.17%    | 55.62%  | 39.08%  | 22.89%  | The significant increase from 2017/18 is the result of Council having a large amount of funds invested for more than 90 days in 2017/18. Any investment with an initial investment exceeding 90 days is classified as 'Other Financial Asset' rather than 'Cash'. |
| <b>Obligations</b><br><b>Asset renewal</b><br><i>Asset renewal compared to depreciation</i><br>[Asset renewal expense / Asset depreciation] x100   | 97.58%  | 97.66%  | 115.56% | 125.63% | 101.66%   | 102.16% | 102.66% | 103.16% | Asset renewal continues to exceed depreciation expenditure.   |
| <b>Loans and borrowings</b><br><i>Loans and borrowings compared to rates</i><br>[Interest bearing loans and borrowings / Rate revenue] x100        | 17.29%  | 13.67%  | 11.36%  | 8.92%   | 3.32%     | 2.31%   | 1.82%   | 0.00%   | This indicator continues to decrease as Council did not borrow any funds in 2018/19, nor has any borrowings planning in its Strategic Resource Plan.  |

| Dimension/ <i>indicator/measure</i>   | Results |        |        |        | Forecasts |        |        |        | Material Variations  |
|---|---------|--------|--------|--------|-----------|--------|--------|--------|--|
|   | 2016    | 2017   | 2018   | 2019   | 2020      | 2021   | 2022   | 2023   |  |
| <i>Loans and borrowings repayments compared to rates</i><br>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100                                    | 3.31%   | 3.71%  | 2.79%  | 2.71%  | 5.87%     | 1.06%  | 0.55%  | 1.86%  | The spike forecast for 2019/20 relates to a \$1m bond repayment. Council has a specific reserve to meet this repayment in November 2019.   |
| <b>Indebtedness</b><br><i>Non-current liabilities compared to own source revenue</i><br>[Non-current liabilities / Own source revenue] x100   | 25.54%  | 30.33% | 30.33% | 23.52% | 23.43%    | 23.00% | 21.46% | 21.44% | This indicator has decreased primarily due to Council further reducing borrowings in 2018/19.  |
| <b>Operating position</b><br><b>Adjusted underlying result</b><br><i>Adjusted underlying surplus (or deficit)</i><br>[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100 | 1.88%   | 9.27%  | 0.97%  | 4.15%  | -1.27%    | -1.31% | -1.15% | -1.01% | This indicator has been positively impacted due to the large value of operating grants received in 2018/19, primarily relating to disaster recovery. Without this revenue this indicator would have been negative.             |
| <b>Stability</b><br><b>Rates concentration</b><br><i>Rates compared to adjusted underlying revenue</i><br>[Rate revenue / Adjusted underlying revenue] x100                                     | 60.86%  | 56.35% | 58.51% | 53.55% | 62.45%    | 63.36% | 63.47% | 63.57% | This indicator is lower in 2018/19 primarily due to the large value of operating grants received, primarily relating to disaster recovery. This has increased adjusted underlying revenue disproportionately to rates revenue. |

| Dimension/indicator/measure  | Results |       |       |       | Forecasts |       |       |       | Material Variations  |
|--|---------|-------|-------|-------|-----------|-------|-------|-------|--|
|  | 2016    | 2017  | 2018  | 2019  | 2020      | 2021  | 2022  | 2023  |  |
| <b>Rates effort</b><br><i>Rates compared to property values</i><br>[Rate revenue / Capital improved value of rateable properties in the municipality] x100 | 0.48%   | 0.50% | 0.51% | 0.46% | 0.45%     | 0.45% | 0.44% | 0.44% | This indicator has reduced slightly from prior years. Within a rate capping environment this indicator will generally decrease a little each year, as property values increase at greater rates than rate revenue. |

#### Definitions

"**adjusted underlying revenue**" means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"**adjusted underlying surplus (or deficit)**" means adjusted underlying revenue less total expenditure

"**asset renewal expenditure**" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"**current assets**" has the same meaning as in the AAS

"**current liabilities**" has the same meaning as in the AAS

"**non-current assets**" means all assets other than current assets

"**non-current liabilities**" means all liabilities other than current liabilities

"**non-recurrent grant**" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

"**own-source revenue**" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"**population**" means the resident population estimated by council

"**rate revenue**" means revenue from general rates, municipal charges, service rates and service charges

"**recurrent grant**" means a grant other than a non-recurrent grant

"**residential rates**" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"**restricted cash**" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

"**unrestricted cash**" means all cash and cash equivalents other than restricted cash

## Other Information

For the year ended 30 June 2019

### 1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and *Local Government (Planning and Reporting) Regulations 2014*.

Where applicable, the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variations in the results contained in the performance statement. Council has provided comments against each performance indicator and measure to assist readers interpret the results.

The forecast figures included in the performance statement are those adopted by council in its Strategic Resource Plan on 26 June 2019 and which forms part of the council plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting council.



## Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

Jason Clissold FCPA  
**Principal Accounting Officer**  
Date:  
*Colac*

In our opinion, the accompanying performance statement of the Colac Otway Shire Council for the year ended 30 June 2019 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify this performance statement in its final form.

Cr Brian Crook  
**Councillor**  
Date:  
*Colac*

Cr Jason Schram  
**Councillor**  
Date:  
*Colac*

Peter Brown  
**Chief Executive**  
Date:  
*Colac*



Victorian Auditor-General's Office

Colac Otway Shire Council

# Closing Report

For the year ended 30 June 2019

Presented to the Audit and Risk Committee on 11 September  
2019

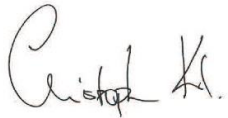
## Background

I enclose for your information the closing report for the year ended 30 June 2019. The closing report provides a summary of results of our audit. This report will be discussed at the Audit Committee meeting on 11 September 2019.

## Acknowledgement

I also take this opportunity to thank your executive team and staff for the time they made available to us during the interim phase of our audit.

Yours sincerely



C.J. Kol  
Partner  
McLaren Hunt Audit and Assurance  
VAGO Audit Service Provider

Warrnambool  
12 September 2019

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# Introduction

## Purpose of the closing report

- Key document to summarise the results of our audit and communicate any significant audit findings to those charged with governance.
- This document should be read in conjunction with our audit strategy memorandum issued on 13 February 2019.

## Scope and purpose of the audit

- The *Audit Act 1994* requires the Auditor-General to form an opinion on your entity's financial report and performance statement and provide a copy of the independent auditor's report to you
- Copies of the independent auditor's report are provided also to the minister(s) responsible for your entity and to the Assistant Treasurer.

## The Auditor-General

The Auditor-General is:

- an independent officer of the Victorian Parliament
- appointed under legislation to examine, on behalf of Parliament and taxpayers, the management of resources within the public sector
- not subject to the control or direction by either Parliament or the government.



# Audit completion status update

We have completed our audit of the financial report and performance statement. We performed our audit in accordance with the *Audit Act 1994* and the terms of our engagement letter to provide reasonable assurance that the financial report and performance statement presented fairly/presents a true and fair view in accordance with the *Local Government Act 1993*.

## Expected audit opinion

Based on our audit, we expect to conclude that the financial report is presented fairly. We also expect to conclude that the performance statement is presented fairly.  
We consequently expect to issue an unmodified audit opinion.

## Outstanding audit matters

Our expected audit opinion is subject to us finalising our audit process. Key aspects still outstanding include:

- final review of the financial report and performance statement.
- receipt of signed management representation letter.
- performing our subsequent events review

**Appendix A** provides a detailed list of all outstanding audit matters.

## Areas of audit focus

As advised in our audit strategy, our audit focused on those financial report balances / disclosures / areas where we assessed there to be a higher risk of material misstatement to your financial report and performance statement. We designed and performed procedures to be able to conclude with reasonable assurance whether or not the identified risks resulted in a material misstatement. The outcome of our procedures is summarised in this section.

| # | Risk of material misstatement  | Our audit response  | Results of our key procedures   |
|---|--|---|---|
| 1 | <p><b>Valuation of property, plant and equipment</b></p> <p>Property, infrastructure, plant and equipment represents a significant part of the Council's total assets \$286 Million in the 2017-18 financial year), with the majority of these assets carried at fair value.</p> <p>Determining the fair value of these assets is a highly complex process that relies on numerous assumptions underpinning the valuation methodology, the engagement of valuation experts and management judgement.</p> <p>Road, kerb and channel assets are scheduled for revaluation in 2018-19.</p> <p>The financial report may include a material misstatement if the valuation is not performed in line with a suitable methodology, by unqualified experts or is based on inappropriate assumptions and judgements.</p> <p>Valuations may be inaccurate due to the judgement and complexities associated with applying AASB 13 <i>Fair Value Measurement</i>. Disclosures may be incorrect or insufficient.</p> | <p>We will:</p> <ul style="list-style-type: none"> <li>▪ review the nature and extent of management's oversight and review of the fair value measurement by valuation experts</li> <li>▪ review the valuer's report to evaluate the appropriateness of the methodology adopted, assumptions and estimates used and the overall reasonableness of the valuation</li> <li>▪ assess the valuer's competence, skills and experience to conduct an appropriate valuation</li> <li>▪ review the journals posted by management to support the figures within the financial report</li> </ul> | <p>Changes in fair value have been considered by management, and assumptions reviewed by audit, no material differences identified.</p>   |
| 2 | <p><b>Application of AASB 1052 <i>Disaggregated Disclosures</i></b></p> <p>This standard requires disaggregated disclosure of assets, income and expenses of the Council according to broad functions or activities. The information disclosed shall be reconciled to the related information in the Council's financial statements.</p>   | <p>We will:</p> <ul style="list-style-type: none"> <li>▪ gain an understanding of the Council's process to obtain and disclose the disaggregated information by broad functions or activities and review the disclosure for reasonableness.</li> <li>▪ review 'shell' accounts and the financial report (Council and consolidated) against the Local Government Model Financial Report and the requirements of the Australian accounting</li> </ul>   | <p>We are satisfied that the Annual Financial Reports have been compiled using the Local Government Financial Reporting framework and the disclosure of the disaggregated information by broad functions or activities is reasonable.</p> |

| # | Risk of material misstatement  | Our audit response   | Results of our key procedures   |
|---|--|--|---|
|   | <p>Potential risk of error in this financial report disclosure (note 2a) due to first time application of this accounting standard.</p> <p>Risk that disclosure may not accord with requirements of AASB 1052 <i>Disaggregated Disclosures</i>, or the Local Government Model Financial Report.</p>  | <p>standards and the <i>Local Government (Planning and Reporting) Regulations 2014</i>.</p>  |   |
| 3 | <p>The Performance statement may not be prepared in accordance with applicable legislative requirements. There is a potential risk that:</p> <ul style="list-style-type: none"> <li>▪ systems in place at the Council may not accurately capture the data required to support service performance outcomes.</li> <li>▪ incomplete and/or inaccurate data due to inadequate systems may result in material misstatement of the performance statement.</li> <li>▪ a lack of quality assurance over the preparation of performance statement may also result in significant errors or omissions.</li> </ul> | <p>We will:</p> <ul style="list-style-type: none"> <li>▪ review the systems in place to capture the financial and non-financial data</li> <li>▪ determine the reliability and soundness of the available records for compiling that indicator</li> <li>▪ check the calculations of reported figures</li> <li>▪ assess the reasonableness of explanations included in the report of significant variations</li> <li>▪ confirm that the performance statement complies with legislative requirements.</li> </ul> | <p>Performance report has been prepared in accordance with the Performance Reporting Framework. Calculations have been agreed to required source documentation.</p> |



## Audit findings—financial report

|   |   |
|---|---|
| <p><b>Materiality assessment</b></p>            | <p>A misstatement is considered material if its omission or misstatement could, individually or collectively, influence the economic decisions of users of the financial report. Users could be influenced by either the amount (quantity) or the nature of the matter (quality).</p> <p>Our final materiality levels have been reassessed and updated since we communicated our planning materiality levels to you in our audit strategy memorandum.</p> <p>Final materiality for the financial report has been set at:</p> <p>Overall materiality - 3% of 2019 infrastructure balance \$316 Million - \$ 9.5 million.</p> <p>Specific materiality- 2% of 2019 Rates and Charges and User fees revenue \$36 million - \$ 0.720million.</p>                             |
| <p><b>Adjusted audit differences</b></p>        | <p>In total, the effect on the financial report of identified and adjusted differences has resulted in a decrease in the net result of \$26,440 and a decrease in net assets of \$26,440.</p> <p>A detailed breakdown of adjusted audit differences is included in <b>Appendix B</b>.</p>   |
| <p><b>Unadjusted immaterial differences</b></p> | <p>There were nil unadjusted immaterial differences noted.</p>  |
| <p><b>Control environment</b></p>               | <p>In accordance with ASA 265 <i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i>, we are required to communicate in writing, significant deficiencies in internal control identified during the audit to those charged with governance on a timely basis.</p> <p>We have considered the effectiveness of your internal control framework as part of our audit process. However, our audit was not designed to assess, nor do we provide an opinion on, the effectiveness of your internal control. If we have identified any significant weaknesses in internal control during our audit, we communicate these to you via our management letters.</p> <p><b>Appendix D</b> contains our final management letter.</p> |

## Audit findings—performance statement

|   |   |
|---|---|
| <p><b>Materiality assessment</b></p>            | <p>A misstatement is considered material if its omission or misstatement could, individually or collectively, influence the decisions of users of the performance statement. Users could be influenced by either the amount (quantity) or the nature of the matter (quality). For performance statements, we set materiality for each individual indicator reported after considering qualitative and quantitative factors influencing that particular indicator. The nature of performance statement means that an overall materiality level for the statement cannot be communicated.</p> |
| <p><b>Adjusted differences</b></p>              | <p>We identified no audit differences in the performance statement and brought them to the attention of management who subsequently adjusted them.<br/>A detailed breakdown of these differences is included in <b>Appendix B</b>.</p>  |
| <p><b>Unadjusted immaterial differences</b></p> | <p>We identified no differences assessed to be immaterial in the performance statement. No adjustment for these has been made by the management.<br/>A detailed breakdown of these differences is included in <b>Appendix C</b>.</p>  |
| <p><b>Control environment</b></p>               | <p>We have considered the effectiveness of your internal control framework as part of our audit process. However, our audit was not designed to assess, nor do we provide an opinion on, the effectiveness of your internal control.<br/>If we have identified any significant weaknesses in internal control during our audit, we communicate these to you via our management letters.<br/><b>Appendix D</b> contains reference to our final management letter.</p>  |

## Other audit findings

|   |   |
|---|---|
| <p>Fraud, irregularities or regulatory non-compliance</p> | <p>We are not responsible for preventing or detecting fraud in the entity. However, we are required to consider the risk of material misstatement in the financial report and performance statement that may be due to fraud when performing our risk assessments and in conducting our audit procedures.</p> <p>Our audit procedures did not identify any specific financial report and performance statement areas of fraud risk or regulatory non-compliance</p> |
| <p>Waste, probity &amp; financial prudence</p>            | <p>When performing our audits, we are required to have due regard for waste, probity and financial prudence matters.</p> <p>Our audit procedures did not identify any material issues concerning waste, probity or lack of financial prudence.</p>  |
| <p>Accounting policies</p>                                | <p>We are not aware of any changes to material accounting policies or material transactions and/or events that occurred during the financial year or of accounting policies being adopted that relate to areas where there is a lack of authoritative guidance in the accounting standard.</p>  |
| <p>Disagreements with management</p>                      | <p>No issues noted.</p>   |
| <p>Difficulties encountered in performing the audit</p>   | <p>No issues noted.</p>   |

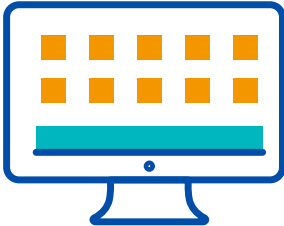
# Reports to Parliament

## *Results of the 2019 Audits: Local Government*

*Colac Otway Shire Council* will be included in the *Results of the 2019 Audits: Local Government*, scheduled for tabling in October 2019. This report will provide an analysis of the financial sustainability, performance and position of the sector. Additionally, it will inform Parliament about the strengths and weaknesses in the control environment at entities within the sector and make recommendations to improve these as appropriate.

We may make comment on Colac Otway Shire Council in the body of our report. If this is the case, and where appropriate, we will provide you with relevant extracts of the report for your submission/comments, as required by section 58(2) of the Audit Act 1994.

# Key VAGO links and resources



- VAGO's website
- VAGO's role
- Annual work plan
- Strategic plan
- Our reports
- Audits in progress
- Privacy policy
- VAGO's accountability

## Appendix A. Outstanding audit matters

The following items relating to the completion of our audit procedures are outstanding at the date of this report and need to be resolved before we issue our auditor's report.

| Item   | Action required  | Responsibility       |
|--|--|----------------------|
| Subsequent events update                               | Provide details of significant transactions and events up to date of signing. Audit will assess for any impact on the financial report | Management and audit |
| Financial report / performance statement certification | To be signed on adoption of the accounts by the Board  | Management           |
| Management representation letter                       | To be signed on same date as the certification   | Management           |

After the issue of our auditor's report we are required to undertake the following procedures related to your annual report. Any issues identified from these procedures will be reported to your accountable officer for appropriate remedial action.

| Item                                 | Action required  | Responsibility       |
|--------------------------------------|--|----------------------|
| Annual report                        | Management to provide contents of annual report. Audit will review its contents to confirm that the correct versions of the signed financial report and auditor's report are included. | Management and audit |
| Website publication of annual report | Review your annual report as published on your website to ensure the inclusion of the signed financial report and auditor's report.  | Management and audit |

## Appendix B. Adjusted audit differences

### Adjusted dollar differences

| Financial report component(s) affected | Amount adjusted \$ | Underlying cause of difference  |
|--|--------------------|---|
| Bad & doubtful debts                   | Dr \$26,440        | Increased the provision for impaired receivables to better align with AASB 9. |
| Allowance for doubtful debts           | Cr \$26,440        |   |

### Adjusted financial report disclosure and performance statement indicator differences

| Nature of financial report disclosure / performance statement indicator affected | Nature of adjustment | Underlying cause of difference |
|--|----------------------|--------------------------------|
| Nil  |                      |                                |

## Appendix C. Unadjusted audit differences

### Unadjusted dollar differences

| Financial report component(s) affected | Amount adjusted \$ | Underlying cause of difference |
|--|--------------------|--------------------------------|
| Nil                                    |                    |                                |

### Unadjusted financial report disclosure and performance statement indicator differences

| Nature of financial report disclosure / performance statement indicator affected | Nature of adjustment | Underlying cause of difference |
|--|----------------------|--------------------------------|
| Nil  |                      |                                |



## Appendix D. Final management letter

A draft version of final management letter is provided as a separate attachment.

## Appendix E. Draft management representation letter

As part of our audit evidence gathering, we plan to obtain formal management representations in respect of a number of matters related to the preparation and presentation of the financial report and performance statement. We do not rely solely on these representations, except where they are the only evidence reasonably available. A draft version of this letter is provided as a separate attachment.



Victorian Auditor-General's Office

Colac Otway Shire Council  
**Final Management Letter**  
for the year ended 30 June 2019

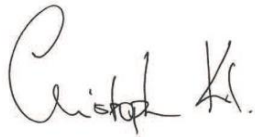
## Background

I enclose for your information the final management letter for the year ended 30 June 2019. The final management letter provides a summary of audit findings from the final phase of our audit. This letter will be discussed at the Audit Committee meeting on 11 September 2019.

## Acknowledgement

I also take this opportunity to thank your executive team and staff for the time they made available to us during our audit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C.J. Kol'.

C.J. Kol

Partner

McLaren Hunt Audit and Assurance

VAGO Audit Service Provider

Warrnambool

12 September 2019

2019

*Colac Otway Shire Council—Final Management Letter*

2

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# Introduction

We have completed the 2019 audit and now bring to your attention our findings. This letter should be read in conjunction with our closing report presented to the Audit Committee on 11 September 2019. As part of our reporting, we include our assessment of the audit significance of the findings. The criteria we consider in this assessment is included in **Appendix A**. Findings can fall into the following categories:

- internal control findings.
- financial reporting and performance statement reporting findings.
- business improvement opportunities and other findings.

## Internal control findings

As part of our audit, we assess the design and implementation of internal controls relevant to financial reporting and performance statement reporting. If we intend to rely on these controls, we test how effectively they are operating.

Any weaknesses in internal control identified during our audit is communicated to you through our management letters.

## Financial reporting and performance statement reporting findings

As part of our audit, we may identify weaknesses in management's approach to financial reporting and performance statement reporting resulting in potential material misstatement. This includes, but is not limited to, non-compliance with the Australian Accounting Standards and other reporting frameworks.

### *Reporting and tracking internal control and financial reporting findings*

As part of this communication we include:

- our assessment as to the significance of the finding
- recommended actions
- management comments and expected implementation dates.

We have discussed all of our findings with management. The nature and rating of the finding determines our expectations in relation to management acceptance and our monitoring of the implementation of remedial actions.

### Scope of our audit

We did not carry out a comprehensive audit of all processes and systems of internal control you maintain or seek to uncover all deficiencies, breaches and irregularities in those systems and processes. Inherent limitations in any process and system of internal control may mean that errors or irregularities might not be detected.

As explained in the audit strategy memorandum issued on 13 February 2019 the objective of the audit is for the Auditor-General to express an opinion on the financial report and performance statement. Although the audit considers internal controls relevant to preparing the financial report and performance statement, this is done in order to design audit procedures that are appropriate in the circumstances and not for the purpose of expressing an opinion on the effectiveness of those controls. Our planned approach, including level of reliance on internal controls, was communicated in our audit strategy.

### *Reports to Parliament*

The Auditor-General may include items listed in this letter in a report to Parliament. We will send you a draft of the relevant material included in this report and ask for your comments before the report is tabled in Parliament. High rated findings may be specifically identified and reported in the Parliamentary reports.

## Summary of audit findings

The table below summarises all 'open' (current and prior period) management letter issues and prior period issues that have been resolved in the current period. Open items include all findings that are 'unresolved', 'partially resolved' or 'substantially resolved' as at the date of this letter.

| Finding first raised (month / year)                   | Reference | Findings                                       | Rating   | Classification of deficiency |                                   |                                    | Resolved / unresolved | Management acceptance | Agreed implementation date |
|---|-----------|--|----------|------------------------------|-----------------------------------|------------------------------------|-----------------------|-----------------------|----------------------------|
|   |           |  |          | Internal control             | Financial / performance reporting | Financial statement areas grouping |                       |                       |                            |
| <b>Open issues (current and prior period)</b>         |           |  |          |                              |                                   |                                    |                       |                       |                            |
| May 2018  | 2018.6    | IT Policies & User Access levels               | Low      | X                            | -                                 | Information systems                | Partially resolved    | Yes                   | Jul- Dec 2018              |
| September 2017  | 2017.1    | Footpaths valuation method                     | Moderate | X                            | -                                 | Governance                         | Unresolved            | Yes                   | 30 April 2018              |
| September 2017  | 2017.2    | Stock take procedures                          | Low      | X                            | -                                 | Governance                         | Unresolved            | Yes                   | 30 June 2018               |
| June 2017   | 2017.4    | Review of Council Policies                     | Low      | X                            | -                                 | Governance                         | Partially resolved    | Yes                   | 31 March 2018              |
| September 2015  | 2015.1    | Trust bonds and deposits                       | Low      | X                            | -                                 | Governance                         | Unresolved            | Yes                   | 31 March 2017              |
| <b>Prior period issues resolved during the period</b> |           |  |          |                              |                                   |                                    |                       |                       |                            |
| May 2018  | 2018.5    | Creditors Masterfile changes policy and review | Moderate | X                            | -                                 | Information systems                | Resolved              | Yes                   | May 2018                   |



## Detailed audit findings—open issues

| Ref    | Description of finding and implication  | VAGO recommendation on new findings and update on open items   | Response from management   |
|--------|---|--|--|
| 2018.6 | <p><b>IT Policies and User Access Levels</b></p> <p>During our review of Information System’s Policies, we noted most policies were reviewed many years ago and due for review.</p> <p>Access levels in Civica were reviewed for payroll, delegation levels, access to process general journals, and all permissions access. Audit noted that 14 users have 'all permissions' access. We also noted 3 staff with access to process general journals who are no longer employed at Colac Otway Shire Council.</p> <p>From discussion with the IT Manager, we noted there is no formal review of access levels conducted.</p> <p>During testing we noted 11 employees who have delegations in the system but are not listed in the staff per delegated limits 27 March 2018. Further we noted 1 employee whose delegation did not match their delegated limit.</p> <p>Risk of unauthorised access to sensitive information.</p> | <p><b>Recommendation</b></p> <p>We recommend that IT Policies be reviewed and updated, including a formal review on access levels periodically (e.g. every 6 months). We also recommend a full review of CIVICA to align delegations within the system to the Instruments of Delegation.</p> <p>Audit Status: To be reviewed at interim 2020</p> | <p><b>Recommendation</b> accepted</p> <p><b>Responsible officer:</b> Shane Whitten updated to Jason Clissold – Manager Financial Services and Richard Bianco</p> <p><b>Implementation date:</b> Jul – Dec 2018</p> <p>We acknowledge that a number of policies are overdue for review and potential updating.</p> <p>We currently spot check (as part of our Fraud Prevention Program) access levels in Authority on a quarterly basis. This is currently focused on higher risk areas of payroll and accounting. This will be expanded to a full review each 6 months of Authority delegation levels in comparison to the published instrument of delegation.</p> <p><b>Management update Interim 2019</b></p> <p>Several outdated policies have now been consolidated into single policies and will be reviewed on a regular basis. A process will be developed to ensure access is reviewed on a systematic basis and policies are reviewed accordingly.</p> <p><b>Updated Implementation date: June 2020</b></p> |
| 2017.1 | <p><b>Footpaths Valuation Method</b></p> <p>In the review of the valuation rates used for the footpath revaluation, we identified that the rate per square metre of concrete used included an element for</p>   | <p><b>Recommendation</b></p> <p>We recommend that rates used for the revaluation of infrastructure be on a “Greenfield” basis and that Council’s Asset</p>   | <p><b>Recommendation</b> accepted</p> <p><b>Responsible officer:</b> Coordinator Financial Accounting updated to Jason Clissold and Jeremy Rudd</p>  |

| Ref    | Description of finding and implication   | VAGO recommendation on new findings and update on open items   | Response from management   |
|--------|--|--|--|
|        | <p>removal costs. Infrastructure costing rates used should be on a “Greenfield” basis and not include costs associated with removal, destruction or disposal of an asset.</p> <p>The rate used by Council for the purpose of the revaluation was \$100.20 per square metre using rates from the Rawlinsons Construction Cost Guide 2017, however, on review we identified that Council is currently paying an average of \$92.80 per square meter based on current contractor rates.</p> <p>We have also identified Council’s Asset Revaluation Policy does not include specifics on the basis in which Infrastructure assets are valued.</p> <p>Using Council’s revaluation upload spread sheet, we were able to estimate that the difference between the rate used for the revaluation and the average contractor rate for a square metre of concrete has potentially resulted in a net overstatement of \$1m in the valuation of footpaths as at 30 June 2017. The corresponding side to this is an overstatement in the Asset Revaluation Reserve in the equity section of the balance sheet. However, we do note that this is below our balance sheet materiality level so no adjustment is required.</p> | <p>Revaluation Policy be amended to include the basis in which infrastructure assets are valued.</p> <p>Audit Status: To be reviewed at interim 2020</p>   | <p><b>Implementation date:</b> 30 April 2018</p> <p>Policy will be updated accordingly before next year’s revaluation process.</p> <p><b>Management update</b></p> <p>There is no asset revaluation procedures document just a generalised policy document, we are currently exploring updating the policy document with a specific reference to greenfield basis of valuation.</p> <p>Management update Interim 2019</p> <p>Council officers will utilise ‘Greenfield’ values in relation to infrastructure valuations methodology in the future. Council Policy 16.7 - Asset Valuation and Revaluation is due for review in Sept 2019 and will be updated to include this.</p> |
| 2017.2 | <p><b>Stocktake Procedures</b></p> <p>As part of our review of inventory, we identified that there is currently no documented stock take procedure or policy.</p> <p>We also noted that the count sheet for the GORVIC stock take was not retained after the count for audit to review.</p> <p>If there is no documented procedure, there is an increased risk of fraud or error as a result of the stock take not being accurately performed. Although, we do note that the level of stock held by Council is not significant.</p>  | <p><b>Recommendation</b></p> <p>We recommend that the stock take procedures, retention of count sheets, certification and review/approval process be documented in a policy to ensure that all relevant staff are aware of the process and requirements.</p> <p>Audit Status: To be reviewed at interim 2020</p> | <p><b>Recommendation</b> accepted</p> <p><b>Responsible officer:</b> Coordinator Financial Accounting replaced by Nick Howard – Finance Coordinator</p> <p><b>Implementation date:</b> 30 June 2018</p> <p>An operational policy will be put in place before the end of the financial year.</p> <p><b>Management update</b></p> <p>A stocktake procedure is currently being compiled and will be provided to Auditors by year end.</p> <p>Management update Interim 2019</p> <p>Council officers will look to document a process during the 30 June 2019 process and refine it prior to 30 June 2020.</p>  |

| Ref    | Description of finding and implication  | VAGO recommendation on new findings and update on open items  | Response from management  |
|--------|---|---|---|
|        |   |   | As an interim measure Council officers will continue to monitor the level of sales compared to inventory purchased on a regular basis to ensure reasonableness.   |
| 2017.4 | <p><b>Review of Council Policies</b></p> <p>During our review of Council finance policies, we have identified some policies that have not been reviewed in a number of years. These include:</p> <p>Finance Policies and Procedure Manual – last updated July 2008</p> <p>Business Credit Cards – last reviewed April 2014</p> <p>If policies are not reviewed and updated when required, there is an increased risk that the procedures or information contained within them may become outdated and provided inaccurate guidance for staff.</p> | <p><b>Recommendation</b></p> <p>It is recommended that if the policies are still relevant, then they should be reviewed and updated to ensure that they reflect the current procedures and processes being undertaken.</p> <p>Audit Status: Outstanding as the Credit Card Policy provided to audit team was still from 2014</p> <p><b>To be reviewed at interim 2020</b></p> | <p><b>Recommendation</b> accepted</p> <p><b>Responsible officer:</b> Daniel Fogarty, Manager financial Services updated to Jason Clissold – Manager Financial Services</p> <p><b>Implementation date:</b> 31 March 2018</p> <p>The Finance Policies and Procedure Manual is no longer relevant so does not need to be reviewed. The Business Credit Cards Policy will be reviewed and updated by the implementation date.</p> <p><b>Management update</b></p> <p>The new Credit Card Policy is still under review, other policy document was previously identified as not relevant.</p> <p>Management update Interim 2019</p> <p>The Business Credit Card Policy still has not been reviewed since 2014. Management understand the need to review these policies on a regular basis and it is expected that this will be completed by 30 June 2020.</p> |
| 2015.1 | <p><b>Trust bonds and deposits</b></p> <p>Trust funds and deposits held by the Council amount to under \$300,000. A net of about \$40,000 has been added since last year.</p> <p>Since last year not a lot of action has occurred in terms of reviewing old outstanding bonds. We are informed that the Finance officers have communicated with planning and have contacted some of the bond holders. The review process is still incomplete.</p>   | <p><b>Recommendation</b></p> <p>Management should continue the review of the old deposits and funds in the ledgers with a view to clearing those that no longer remain as an obligation of the council.</p> <p>Audit Status: To be reviewed at interim 2020</p>   | <p><b>Recommendation</b> accepted</p> <p><b>Responsible officer:</b> Daniel Fogarty, Manager financial Services updated to Nick Howard – Finance Coordinator</p> <p><b>Implementation date:</b> 31 March 2017</p> <p>The review process is continuing. This is a detailed and at times very resource</p>  |

| Ref | Description of finding and implication   | VAGO recommendation on new findings and update on open items | Response from management  |
|-----|--|--|---|
|     | <p>Liabilities may appear to exist and / or continue to accrue to the council which may overstate their obligations.</p> |  | <p>consuming process due to the number of diverse records which need to be accessed and cross-checked (i.e. planning permits, building permits, health records, etc.). There is also some time required to trace deposit holders. It is hoped to have as much of this process completed as possible by the end of the 2015-16 financial year.</p> <p><b>Management update</b></p> <p>As part of the 2017/18 end of year process, a full review and reconciliation of trust funds and deposits will be undertaken. Following this review, a register will be created to capture details regarding amounts outstanding for greater than 1 year. This will ensure we comply with our obligations under the Unclaimed Money Act 2008.</p> <p>Management update Interim 2019</p> <p>Council Finance officers continue to work with other areas of the organisation in an attempt to identify all the amounts being held in trust.</p> <p>This item remains outstanding. A revised completion date of 30 June 2020 is expected.</p> |

## Appendix A. Rating definitions and actions

We have rated our findings as follows:

| Rating   | Description of rating   | Management action required   |
|----------|---|--|
| High     | <p>This issue represents:</p> <ul style="list-style-type: none"> <li>→ a material misstatement in the financial report which has occurred, or an issue which could potentially result in a modified audit opinion if not addressed as a matter of urgency by the entity, or</li> <li>→ a control weakness which could cause or is causing a major disruption of the process or the entity's ability to achieve process objectives in relation to financial reporting and comply with relevant legislation.</li> </ul> | <ul style="list-style-type: none"> <li>→ Requires executive management to correct the misstatement in the financial report, or address the issue, as a matter of urgency to avoid a modified audit opinion.</li> <li>→ Requires immediate management intervention with a detailed action plan to be implemented within one month.</li> </ul> |
| Moderate | <p>This issue represents:</p> <ul style="list-style-type: none"> <li>→ a misstatement in the financial report that is not material and has occurred, or that may occur, the impact of which has the possibility to be material, or</li> <li>→ a control weakness which could have or is having a moderate adverse effect on the ability to achieve process objectives and comply with relevant legislation.</li> </ul>  | <ul style="list-style-type: none"> <li>→ Requires management intervention with a detailed action plan implemented within three to six months.</li> </ul>   |
| Low      | <p>This issue represents:</p> <ul style="list-style-type: none"> <li>→ a misstatement in the financial report that is likely to occur but is not expected to be material, or</li> <li>→ a minor control weakness with minimal but reportable impact on the ability to achieve process objectives and comply with relevant legislation.</li> </ul>   | <ul style="list-style-type: none"> <li>→ Requires management intervention with a detailed action plan implemented within six to 12 months.</li> </ul>  |

**Item: 10.4**

**AFL Pre-season Match**

|                        |  |
|------------------------|--|
| <b>OFFICER</b>         | Maddy Bisits   |
| <b>GENERAL MANAGER</b> | Frank Castles  |
| <b>DIVISION</b>        | Infrastructure & Leisure Services  |
| <b>ATTACHMENTS</b>     | Nil  |
| <b>PURPOSE</b>         | To provide Councillors with a review of the 2018 AFL JLT Community Series event and a proposal for Council to host a 2020 AFL JLT Community Series match in Colac. |

**1. EXECUTIVE SUMMARY**

In March 2018, Council hosted an AFL JLT Community Series match at Colac’s Central Reserve. The event was an overwhelming success. This highlighted the Central Reserve facilities and Colac Otway Shire’s capacity to deliver a significant sporting event for our community. The event attracted over 10,000 people to Colac’s Central Reserve and is believed to have had a positive economic impact for Colac.



The operating cost to Council for hosting the 2018 event was \$153,315. This is after the reimbursement from the AFL. The operational cost of hosting a 2020 AFL JLT Community Series match has been estimated at \$130,000. Partnership and volunteer contributions would be sought to reduce this cost.

## 2. RECOMMENDATION

**That Council:**

1. **Note the review of the 2018 AFL JLT Community Series match event.**
2. **Authorise the Chief Executive to take necessary steps to resource a JLT Community Series Match in 2020, should Colac Otway Shire be successfully selected.**
3. **If successful in hosting a 2020 match, undertake an event review and provide a report back to Council outlining the economic benefits, event costs and other findings.**
4. **Invite local industry, businesses, Chamber of Commerce and local clubs/associations to partner with Council to deliver the event through financial or in-kind contributions.**

## 3. KEY INFORMATION

### BACKGROUND

The AFL annually conducts an AFL pre-season competition currently titled the 'JLT Community Series'. The series is a round robin format including all 18 AFL clubs. Historically several matches are played in regional areas across Australia. In 2018 Colac was successful in being provided with an opportunity to host a JLT Community Series match between Geelong and Essendon.

### 2018 AFL JLT COMMUNITY SERIES MATCH – POST MATCH EVENT REVIEW

The 2018 match gave Council the chance to highlight to the AFL and community the capacity of the newly constructed facilities at Colac's Central Reserve.

The conditions were perfect and set the scene for the Colac Otway Shire to highlight to the AFL, respective AFL clubs and the community, that it could host a major sporting event for our community.

Whilst the majority of the match day costs are reimbursed by the AFL, the following things are not reimbursed: staff costs and position backfill required to organise and coordinate the event, the increase in operations for maintaining the venue and turf to AFL standard, and any capital improvements to the venue. These are explained further and summarised in the following table.

### Summary of 2018 operational costs (after reimbursement from AFL)

| Item   | Cost             |
|--|------------------|
| Central Reserve Oval Maintenance – increase to operations for 2017/18 financial year       | \$86,325         |
| Event Costs – staff costs  | \$42,539         |
| Event Costs – event marketing, event application costs, etc.                               | \$3,421          |
| Match Day Event Operations (not reimbursed by AFL)   | \$19,664         |
| Alternate Venue Hire for Little Athletics (whilst Central Reserve was unavailable for use) | \$1,366          |
| <b>COST TO COUNCIL</b>   | <b>\$153,315</b> |

Oval surface works and venue maintenance required to hold an AFL JLT Community Series Match

**Total \$86,325** (no AFL reimbursement)

The AFL had a turf consultant assess the condition of Central Reserve in determining the ground's capability for hosting an AFL JLT Community Series match. The report outlined several turf maintenance requirements which needed to be addressed for Central Reserve to be of a standard to host an AFL match. These included: increased mowing, utilities, oval surface maintenance, general reserve maintenance, repairs and drainage maintenance over and above the regular requirements for reserve use.

#### Event Coordination Costs

**Staff costs \$42,539** (excludes match day staff costs which are included in match day event operations outlined later in this report)

**Other event costs \$3,421** (including event permits, resident updates (mail-outs), marketing and promotion including match day media/radio costs.

Organising an event of this magnitude impacts on Council officer resourcing. Organising the logistics for the event began in October 2017 once Council was informed it was successful with its bid to host the 2018 event and went through to the following April 2018. The Manager Arts and Leisure went off-line in early 2018 in order to coordinate the event preparations and a cross organisational working group was also established to support the event.

There was significant time spent coordinating the event logistics and preparations with key stakeholders including:

- Geelong Football Club (football player, club and activation space requirements)
- Essendon Football Club (player and club requirements)
- Powercor (major sponsor events and activities)
- AFL Operations
- Telecast requirements
- Media
- Colac business community
- Local sporting and community clubs, Services and Operations, etc.

This had a major impact on the Economic Development and Recreation and Open Space department's resourcing of their respective areas, resulting in the Recreation department closing down for this period and returning to a back log of work.

#### Match Day Event Operations

**\$19,664** (after AFL reimbursement)

\$49,769 of the match day event operation costs were reimbursed by the AFL. The match day costs which weren't reimbursed included staff costs for event set-up/pack-up, electrical tagging of equipment for catering purposes, and catering for the match day volunteers.

#### Alternative Venue Hire

**Alternate Venue Hire \$1,366**

Due to the oval surface preparation works required for Central Reserve to host the 2018 match, regular tenant user groups were required to be relocated from Central Reserve a month leading out from the match. This resulted in Council offering to pay for alternate venue hire for Colac Little Athletics whilst Central Reserve was unavailable for use.

#### **Summary of 2018 capital costs**

**Total \$56,067** (after AFL reimbursement)



As with many events, there are one off capital/infrastructure improvements which need to be made to venues which would not necessarily be required for the weekly hosting of local events. For the 2018 match, these included: repositioning of goal posts (cost of \$8,340 reimbursed by the AFL), new electronic scoreboard, fence removal and replacements, installation of entrance gates, installation of bollards, installation of aluminium seating, replacement of pine benches, minor plumbing works and electrical upgrades. Many of these improvements have provided longer term benefits for the community users of the reserve.

For any future event, most of these works will not need to be completed again, however further works have been identified by the AFL as a requirement if a future event were to be scheduled for Central Reserve.

## **COLAC'S POTENTIAL FOR HOSTING A 2020 AFL JLT COMMUNITY SERIES MATCH**

In order to determine the financial commitment required for hosting a 2020 match, the 2018 cost review was considered, staff costs and outcomes from preliminary conversations with the AFL, La Trobe City Council and Rural City of Wangaratta (who have hosted JLT Community Series matches in recent years) and local clubs. These discussions explored potential future cost considerations, opportunity for an increase in AFL funding and other partnership opportunities.

### **Community Feedback from 2018**

Generally, the feedback was extremely positive following the event. There is no doubt that the great weather contributed to the event experience. Some feedback received included:

- "Was the best organised and most professional event ever held in Colac, every aspect was just brilliant".
- "There was a real buzz around the town".
- "Great to get Colac on a bigger stage".
- "Showcased the town in a positive light".
- "The use of the grass area on the eastern side of the ground for kids was just great and that the crowd were well behaved and in good spirits".

Like all events, there is always room for improvement. Suggestions included:

- Venue ATM facilities (AFL reimbursable cost).
- The location of the security fence and impact on the City Bowls Club.
- Some after match traffic management is required in Queen Street, as some roundabouts, especially Wilson Street, were gridlocked (AFL reimbursable cost).
- Some conflicting information and confusion regarding ticketing.
- Provide more grandstand seating.
- Provide more shade/shelter.

Some of the suggestions above can be addressed if a future match is secured.

### **AFL Discussions**

Council has had preliminary discussions with the AFL to:

- Identify what the anticipated reimbursement amount may be for a 2020 match;
- Capital improvements that are likely to be required for the 2020 match; and
- Potential costs that could be further reimbursed by the AFL.

The AFL have indicated that the reimbursement amount will be similar to that of the 2018 event which was approximately \$49,500. This includes a \$5,000 allocation for administration costs. Further to this

the AFL would consider contributing to a portion of the cost of new interchange benches. They indicated that they would not consider contributing any further funds towards the game, including the provision of additional spectator seating and shade/shelter.

#### **Comparison with other Councils who have held JLT Community Series matches**

Colac's operational costs, out of pocket match costs and the AFL reimbursement for the 2018 match were comparable to other regional councils who have hosted matches in the past. For other councils, the operational costs do not include any additional ground maintenance costs or capitals costs which would be site specific to the venue hosting the event. Other councils have indicated that the additional ground maintenance and venue infrastructure costs were unexpected costs to hosting the event. The key areas for all councils in hosting an AFL match is ground preparation works and event management/coordination. A common response from other councils was that budgeting for such an event is an unknown. One key difference between Colac Otway Shire Council and the other two councils which were consulted, is the existing capacity to deliver a major event. Both councils have a "Major Events Officer" on staff, who was able to solely focus on the event. This staff member acts as a project manager who provides one key contact for Council.

#### **Colac Football Netball Club Discussions**

The Colac Football Netball Club have indicated that they would be willing to contribute in-kind support for the permanent relocation of the player/umpire interchange benches, which could reduce capital costs.

#### **Staff/Event Resourcing**

Based on the learnings from the 2018 event, and conversations with other Councils who have hosted the event, a dedicated Event Coordinator is required to manage all event logistics and stakeholder meetings (AFL Operations, AFL clubs, match day task volunteers and local businesses) and act as a key point of contact. A review of Council's capacity to deliver a 2020 event has been undertaken, including existing staff skills and availability. Based on this review, it is recommended that Council's Economic Development Unit oversee the management of the event and appoint a dedicated Event Coordinator from existing staff. A number of other staff from Economic Development, Recreation and Open Space, Public Relations, Services and Operations and Parks and Gardens would be required to provide support via a cross-directorate working group.

## **4. COMMUNITY CONSULTATION & ENGAGEMENT**

Preliminary conversations with local businesses and community groups, including local football netball clubs, have indicated strong support for attracting another AFL JLT Community Series match.

If successful, as with the 2018 event, a small community working group would be formed to assist with the delivery of the event. This would comprise of business leaders and local sporting leagues and clubs.

Local industry and businesses who benefited in 2018 could be approached to partner with Council in delivering the event. These may include in kind support from community groups and clubs.

## 5. ALIGNMENT TO COUNCIL PLANS, POLICIES OR STRATEGIES

Alignment to Council Plan 2017-2021:

Theme 1 - Our Prosperity

2. Support a thriving economy and industries.

Theme 3 - Our Community

2. Connect people through events and activities.

Hosting an AFL JLT Community Series match aligns to the Council Plan by “connecting people through events and activities”. As previously mentioned, this event provided outstanding economic and social benefits for our community.

This project aligns with the recently endorsed Colac Otway Economic Development Strategy 2019-2024. Council plays an important role in supporting and facilitating major and community events. The type of role which Council plays depends on the scale of the event, and economic and/or community benefit. Many thousands of visitors come to our region each year to attend events in the Shire, providing huge economic benefit to the region, this was no different for the 2018 AFL JLT Community Series match.

## 6. CONSIDERATIONS

### ENVIRONMENTAL, SOCIAL & CULTURAL, & ECONOMIC

The hosting of an AFL JLT Community Series match provides significant benefits for the Colac community. The 2018 event had extremely positive feedback and the event was instrumental in increasing local community pride.

AFL matches held in regional areas have both a direct economic benefit as well as indirect tourism and economic benefits for the region.

#### Community and Social Benefit

The 2018 event was received extremely well by the Colac community. A number of clubs were able to financially benefit directly from hosting the event with food and drink sales, and providing volunteers for the following tasks: ticketing, gate ticket scanners, parking and grandstand attendants, and venue clean-up/rubbish collection.

The organisations which directly benefited financially (approximately \$80,000) from supplying volunteers on the day included:

- Colac Football Netball Club
- Colac and District Football Netball League (profits split between the clubs who catered - nine of ten clubs were involved in providing catering on match day)
- Rotary Club of Colac
- Rotary Club of Colac West
- Third/Fourth Colac Scout Group
- Colac Imperials Football Netball Club
- Birregurra Football Netball Club
- Irrewarra Cricket Club
- CAH Foundation

The Geelong Football Club hosted a community camp in Colac in the lead up to the AFL JLT Community Series match in February. This was an open training session which created hype for the upcoming match. Several schools also participated in leadership workshops with the Geelong Football Club players.

#### Business Benefits

Council and the Colac Chamber of Commerce conducted a survey post the 2018 AFL JLT Community Series match to determine what impact holding such an event in Colac had on local businesses.

Response from post event business survey: "Overall it was an outstanding event that had an obvious positive impact on the whole community. Very well run by all of the key stakeholders. I have only heard positive feedback in regard to the event in the wider community. I look forward to Colac hopefully hosting another event in the near future!".

Whilst some businesses noticed a direct benefit from the hosting of the AFL JLT Community Series match in 2018, more than 60% thought business trade on that day was the same as it usually is. Based on the survey response from those businesses which completed the survey,

- 21% experienced a noticeable change in trade on the 11 March 2018.
- 23% thought their trade for the March long weekend (Friday 9/3 to Monday 12/3) was higher than that of the previous year.
- 65% thought their trade was the same as the previous year.
- 77% of 74 respondents believed the AFL JLT Community Series match in Colac was beneficial to businesses in Colac and the region.
- 85% of 74 respondents believed that Colac and the region experienced a higher number of visitors on the long weekend in March 2018.

*Note: these are responses to individual questions, not responses to the same question.*

There was an identified major impact to six local businesses on the day and a noticeable impact to four other businesses, with reports of being 'absolutely smashed', staying open later, and much higher than usual takings on the day.

#### Broader Economic Benefit

Prior to hosting the event, an AFL JLT Community Series match in a regional area was estimated to provide a \$1.5m direct economic benefit. It was expected to also provide a range of other tourism, social and/or cultural benefits. Following Colac's hosting of the event, Council officers had expected to receive ticket sale postcode data to analyse the number of people outside our shire who attended the event. Unfortunately following numerous requests, this information was not provided to Council. However, anecdotally there was a significant number of people who attended the match from outside the town.

Council has undertaken its own analysis using Remplan to determine the economic benefit for hosting such an event in Colac. The Remplan Report is based on 3,000 people coming from outside the Colac Otway Shire (tourism benefit from holding the event) and 500 of those staying in the Shire for one night. These figures are conservative, due to not receiving actual postcode ticket sale data from the event held in 2018. The Direct Impact is \$375,500, but when you consider the flow on and multipliers the total impact is as high as \$1.065m. This does not consider the money spent by locals. The AFL JLT Community Series match was broadcast internationally. This was not measured; however, it did put Colac on the international stage which would have had positive economic return for our region.

Whilst these figures are conservative, the economic benefit is great for our Shire, with the event's economic benefit for our community being comparable to other major events held in Colac Otway Shire eg: Great Ocean Road Marathon. Colac doesn't have any other significant events. If a future match is held, Council's Economic Development unit now has the capacity to more accurately quantify the economic impact of holding the event using current software programs.

The Community Camp and the launch of the Powercor Country Partnership also provided great national exposure for Colac.

## LEGAL & RISK

Organising an event such as this has many legal and risk requirements to comply with.

## FINANCIAL & BUDGETARY

Hosting an AFL JLT Community Series event has substantial financial implications for Colac Otway Shire. Not only are there direct costs to Council for hosting the event, there are potentially indirect costs of regular works not being completed due to hosting an event of this scale if they are not resourced appropriately.

To ensure that regular Council services are not impacted, the AFL JLT Community Series match will be funded by a reallocation from existing budgets. Additional expenditure, such as utility costs and minor capital costs, will be accounted for in the mid-year budget review if required.

### Operational Costs

An estimated operational cost breakdown is provided in the table below.

| Budget Item  | Cost Estimate    |
|--|------------------|
| <b>Operational Budget</b>  |                  |
| <b>Open Space Maintenance and Operations</b> <ul style="list-style-type: none"> <li>Increase to the Central Reserve maintenance and operations budget to cover additional turf maintenance works, increased irrigation of oval surface and surrounds, oval renovation works, oval fertilising, pest spraying and venue fence repairs.</li> </ul>   | \$90,000         |
| <b>Staff Costs</b> <ul style="list-style-type: none"> <li>An AFL JLT Community Series Match Event Coordinator will be designated from existing staff in the Economic Development Unit. Some economic development tasks and services will be deferred during this time.</li> <li>Other departments contributing to hosting the game, such as Recreation and Open Space and Services and Operations will require some regular services to be backfilled during this time. Backfill costs are estimated at \$15,000.</li> </ul> | \$15,000         |
| <b>Event and Match Day Costs</b> (an allocation for costs not reimbursed by the AFL) <ul style="list-style-type: none"> <li>Includes event operations, event delivery costs, permits, marketing and promotions and match day expenses.</li> </ul>  | \$25,000         |
| <b>Operational Budget Request</b>  | <b>\$130,000</b> |
| *Note – all figures are excluding GST  |                  |

### **Capital Costs**

As requested by the AFL, interchange benches would need to be relocated. It is estimated that the relocation will cost approximately \$40,000. The AFL have indicated that they may contribute some funds and Colac Football Netball Club have also indicated that they may contribute in-kind labour for the relocation.

### **Opportunities to reduce Council's contribution**

The budget recommendation above represents the anticipated costs for hosting a 2020 AFL JLT Community Series match. It allows for contingencies such as dry weather and ensures that regular Council services and key deliverables are not impacted.

There are a range of unknowns and opportunities that may bring down the cost to Council.

Some savings may include:

- utility costs may be lower if higher rainfall is experienced in the lead up to the event,
- sponsorship received from local industry and businesses,
- in kind or financial contributions from the Chamber of Commerce, local clubs and league,
- charging commercial vendor fees (not including local clubs or league event day sales) e.g. coffee van.

## **7. IMPLEMENTATION STRATEGY**

Hosting a 2020 AFL JLT Community Series match is not currently budgeted as Council is unsure as to whether it will be successful in being selected to host a match in 2020. If Council were to be successful in being given the opportunity to host a 2020 AFL JLT Community Series match, sufficient funding would need to be re-allocated.

The commitment to host the match would need to be made during September 2019 to allow time to complete any necessary site preparation works.

### **COMMUNICATION**

If Council is informed by the AFL that it is successful in hosting a 2020 AFL JLT Community Series match, Council will need to develop a communications plan with potential project partners.

### **TIMELINE**

AFL JLT Community Series matches are generally scheduled for late February/early March. Venues being considered to host a match would have discussions with the AFL in September, with venues being finalised in October 2019. The AFL JLT Community Series fixture is announced in late October.

## **8. OFFICER DIRECT OR INDIRECT INTEREST**

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

Item: 10.5

## Review of Council Policy - 18.6 Audio Recordings of Council Meetings

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Sarah McKew   |
| <b>CHIEF EXECUTIVE</b> | Peter Brown   |
| <b>DIVISION</b>        | Executive   |
| <b>ATTACHMENTS</b>     | <ol style="list-style-type: none"><li>1. Governance - Council Policy 18.6 Audio Recordings of Council Meetings - For Adoption [<b>10.5.1</b> - 4 pages]</li><li>2. 18.6 Audio Recordings of Council Meetings 2013 [<b>10.5.2</b> - 5 pages]</li></ol> |
| <b>PURPOSE</b>         | To adopt the revised Council Policy 18.6 Audio Recordings of Council Meetings   |

### 1. EXECUTIVE SUMMARY

A resolution of Council from the July 2019 Ordinary Council meeting to make audio recordings of Council meetings available to the public via Council's website (and other means) has required the review of Council Policy 18.6 Audio Recordings of Council Meetings.

### 2. RECOMMENDATION

*That Council adopts the revised Council Policy 18.6 Audio Recordings of Council Meetings to come into effect on 1 December 2019.*

### 3. KEY INFORMATION

At its 24 July 2019 Ordinary Council meeting, Council resolved:

***That Council:***

- 1. Acknowledges that the community has the right to hear the debate at Council meetings open to the public even if they are unable to attend the Council meeting in person,***
- 2. Resolves that effective from the December 2019 Ordinary Council meeting, earlier if possible, that recordings of Council meetings open to the public are to be made available on the Council's website and may be circulated by other means as deemed appropriate,***
- 3. Authorises the necessary changes to the introductory comments read by the Mayor to alert attendees that recordings of Council meetings open to the public will be available to the public on Council's website and may be circulated by other means, such as by email attachments,***
- 4. Approves the amendment of those parts of Council Policy 18.6 'Audio Recording of Council Meetings' and any other associated Council policies and documents that would otherwise prevent the release of recordings to the public and how those recordings may be used. This is to allow the actions described in points 2 and 3 to occur,***
- 5. Requires that any disclosure of a recording by a Councillor must be the actual recording as released by Council, must not be altered or edited in any way and its treatment must be consistent with all relevant Council policies, and***
- 6. Acknowledges that this resolution does not authorise the release of any recordings made prior to the December 2019 Ordinary Council Meeting and does not alter any existing rights.***

As is referenced in point 4 of the above resolution of Council, Council Policy 18.6 Audio Recordings of Council Meetings required review in order to be consistent with the resolution. A revised policy is attached for Council's consideration and adoption.

The changes required to the policy were so substantial that it was not practical to attempt to make them via "tracked changes", therefore the current policy is also attached to this report as a point of reference when reviewing the revised policy.

The significant changes as can be seen in the revised policy are summarised as follows:

- The reference to the Local Law has been updated.
- Position titles and departments have been adjusted accordingly throughout.
- The section "Notice of Recording" has been significantly rewritten to reflect the accessibility of Council meeting audio recordings from the December 2019 Ordinary Council meeting. It emphasises to members of the public addressing a meeting that some of their personal information will be published as part of their participation. Council must provide reasonable notice of its intention to publish personal information, and the manner in which it intends to publish it in order to comply with Information Privacy Principles.



- The section “Access to Recordings” quotes part of Council’s resolution and states how access will be provided. It also stipulates that requests for access by a different means will be assessed by the Manager, Governance & Communications.
- The section “Access by Councillors” has been significantly simplified as Councillors will now have access to audio recordings in the same way as members of the community. It quotes the resolution which stipulates how Councillors may use the recording.
- The section “Storage of Recordings” has been updated to reflect the new practices that will take place to practically facilitate the resolution.
- The section “Retention” has been updated to reflect that audio recordings of Council meetings will remain available to the public via the website, however original audio recordings will be destroyed in accordance with the recommendations of the General Retention and Disposal Authority for Records of Local Government Functions.

The third dot point above references the publication of personal information and in consideration of the Information Privacy Principles and Victorian legislation, notice of the intended publication of personal information in the form of an audio recording accessible on Council’s website will be provided to the public by:

- ◆ inclusion in the Agenda for the relevant meeting;
- ◆ display at the entry to the Council Chamber or meeting room;
- ◆ placement on the lectern from which members of the public address the Council or the Committee; and
- ◆ verbal statement by the Chairperson at the commencement of each session of an open meeting.

## 4. COMMUNITY CONSULTATION & ENGAGEMENT

No community consultation or engagement was sought as these proposed changes are put following a resolution of Council made at its July 2019 Ordinary meeting.

The act of making audio recordings of meetings available on Council’s website is in itself an act of engagement with the community, promoting accessibility and transparency of local government decision-making.

## 5. ALIGNMENT TO COUNCIL PLANS, POLICIES OR STRATEGIES

Alignment to Council Plan 2017-2021:

Theme 4 - Our Leadership & Management

2. Openness and accountability in decision making.

## 6. CONSIDERATIONS

### ENVIRONMENTAL, SOCIAL & CULTURAL, & ECONOMIC

The community's ability to access audio recordings of Council meetings allows those who are unable to attend for various reasons (eg. distance, disability, ill-health, employment) to be involved and informed. It allows remote access to debate and decision-making. Considering the geographic make-up of this municipality, it also affords those living some distance from Council Chambers the opportunity to hear the points-of-view of their elected representatives.

### LEGAL & RISK

Provided Council informs meeting participants that audio recordings of meetings are to be published on Council's website as detailed in the report above, there are no other legal and risk considerations associated with the revisions in this draft policy for adoption.

### FINANCIAL & BUDGETARY

Not applicable

## 7. IMPLEMENTATION STRATEGY

As the implementation of this revised policy will affect the privacy of meeting participants, it is intended that the Mayor make a statement at the November Ordinary meeting informing the gallery that this change is to take place, effective at the December Ordinary Council meeting.

The Mayor's opening statement at meetings from December 2019 will be amended in accordance with this draft revised policy.

### COMMUNICATION

A media release advising of the change in practice will be circulated to local media in the week prior to the December Ordinary meeting to raise community awareness. Associated social media posts will be made at this time also.

### TIMELINE

Not applicable

## 8. OFFICER DIRECT OR INDIRECT INTEREST

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



## 18.6 AUDIO RECORDINGS OF COUNCIL MEETINGS

### COUNCIL POLICY

#### 1. PURPOSE

The purpose of this policy is to specify the arrangements for creating, storing, using, disclosing, providing access to and disposing of audio recordings of Ordinary and Special Council meetings and Committee meetings.

#### 2. SCOPE

Governance Local Law No 4 – 2014 regulates video and audio recording of Council Meetings as follows:

##### **Clause 25 – Prohibition of Unauthorised Recording of Meetings**

*“Other than an official Council recording, no video or audio recording of proceedings of Council Meetings will be permitted without specific approval by resolution of the relevant Council Meeting.”*

This policy applies to:

- Councillors and members of the public requesting access to records of audio recordings of Council and Committee meetings that are open to the public; and
- staff involved in creating, storing, using, disclosing, providing access to and disposing of audio recordings of Council and Committee meetings that are open to the public.

#### 3. DEFINITIONS

**Audio recording** in this document means any recording made by any electronic device capable of recording sound. This includes, but is not limited to, recordings made by video camera, cassette recorder, digital audio tape, mobile phone or such other device capable of being used to record a conversation or words spoken and stored on compact disc (CD), Universal Serial Bus (USB), or in any other format.

#### 4. REFERENCES

- *Public Records Act 1973*
- *Privacy and Data Protection Act 2014*
- *Health Records Act 2001*
- *Freedom of Information Act 1982*
- *Evidence Act 1958*
- *Local Government Act 1989*
- Retention and Disposal Schedule – Public Records Office Standards 09/05 VAR1 8.4.2

Uncontrolled when printed

|              |  |                  |  |
|--------------|--|------------------|--|
| CM reference |  | Date of adoption |  |
|--------------|--|------------------|--|



## 5. STATEMENT OF POLICY

### CREATION OF AUDIO RECORDINGS

#### Purpose of Audio Recordings

Audio recordings will be made of:

- Ordinary Council meetings;
- Special Council meetings;
- Planning Committee meetings; and
- such other Committee meetings as the Council may direct by resolution,

for the purpose of verifying the accuracy of the minutes of the meetings.

Audio recordings made for:

- Ordinary Council meetings;
- Special Council meetings;
- Planning Committee meetings; and
- Special Committee meetings,

will be made available to the public via Council's website and may be circulated by other means as deemed appropriate by the Manager, Governance & Communications as soon as practicable following the meeting.

Matters discussed by Council or a Committee at a meeting or part of a meeting that is closed to members of the public in accordance with section 89(2) of the *Local Government Act 1989* will not be recorded.

#### Audio recordings by individuals

Clause 25 of Council's Governance Local Law No 4 states:

*"Other than an official Council recording no video or audio recording of proceedings of Council Meetings shall be permitted without specific approval by resolution of the Meeting."*

Council does not generally permit individuals to make audio recordings of meetings.

Individuals wishing to make an audio recording of a meeting are required to make a written request addressed to the Council seeking to obtain permission to do so.

Any written request must be made at least 8 days before the date of the meeting which the individual proposes to record to ensure that the request can be included on the Agenda for that meeting and a resolution of the Council granting or denying permission can be made.

#### 5.2 Notice of recording

Notice will be provided to members of the public attending meetings that an audio recording of the meeting will be made. The wording of the notice will be as follows:

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|--------------|--|------------------|--|
| CM reference |  | Date of adoption |  |
|--------------|--|------------------|--|



### ***“Audio Recording of Council Meetings***

*Please note: All Council and Committee meetings will be audio recorded, with the exception of matters identified as confidential items in the Agenda. This includes the public participation sections of the meetings.*

*By participating in open Council meetings, individuals consent to the use and disclosure of the information they share at the meeting (including any personal and/or sensitive information).*

*Audio recordings of meetings will be available to the public on Council’s website as soon as practicable following the meeting and may be circulated by other means also. Audio recordings are also taken to facilitate the preparation of the minutes of open Council and Committee meetings and to ensure their accuracy. Original audio recordings will be retained by Council for a period of four years.”*

Such notice will be provided to the public by:

- inclusion in the Agenda for the relevant meeting;
- display at the entry to the Council Chamber or meeting room;
- placement on the lectern from which members of the public address the Council or the Committee; and
- verbal statement by the Chairperson at the commencement of each session of an open meeting.

## 6. ACCESS TO RECORDINGS

At its Ordinary Council Meeting on 24 July 2019, Council resolved:

*“...that effective from the December 2019 Ordinary Council meeting ... that recordings of Council meetings open to the public are to be made available on the Council’s website and may be circulated by other means as deemed appropriate...”*

and that Council

*“Acknowledges that this resolution does not authorise the release of any recordings made prior to the December 2019 Ordinary Council Meeting and does not alter any existing rights.”*

As soon as practicable following each open Council or Committee meeting, an audio file will be accessible on Council’s website as an attachment to the relevant meeting on the “Minutes & Agendas” page.

The Manager, Governance & Communications will consider requests on a case-by-case basis for access to recordings in a differing format.

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| CM reference |  | Date of adoption |  |
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## 7. ACCESS BY COUNCILLORS

At its Ordinary Council Meeting on 24 July 2019, Council resolved that Council:

*“Requires that any disclosure of a recording by a Councillor must be the actual recording as released by Council, must not be altered or edited in any way and its treatment must be consistent with all relevant Council policies...”.*

## 8. STORAGE OF RECORDINGS

Council’s recordings will be given to and securely stored by the Governance team as soon as is practicable after each Council and Committee meeting to allow for their upload to Council’s website.

## 9. RETENTION

Audio recordings are, for the purposes of the *Public Records Act 1973* and the Retention and Disposal Authority for Records of Local Government Functions, inputs into the development of master sets of Council minutes and it is permissible to destroy them when administrative use concludes.

As Council has resolved to make audio recordings of Council and Committee meetings available on Council’s website, original audio recordings of meetings will be stored and destroyed four years after their creation, except where retention for a longer period is otherwise required or recommended by the General Retention and Disposal Authority for Records of Local Government Functions published by the Public Records Office.

Audio recordings of Council meetings are “documents” for the purposes of the *Freedom of Information Act 1982*. Before an audio recording is destroyed, if the audio recording is no longer accessible outside of Freedom of Information, the Manager, Governance & Communications will ensure that there are no such requests relating to the recording. If there are requests relating to the recording, the recording will not be destroyed until after the request is dealt with and all relevant review and appeal periods have expired.

## 10. DOCUMENT CONTROL

|                    |                                      |               |           |
|--------------------|--------------------------------------|---------------|-----------|
| Policy Owner       | Manager, Governance & Communications | Division      | Executive |
| Adopted by Council |                                      | Policy Number | 18.6      |
| File Number        |                                      | Review Date   |           |

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| CM reference |  | Date of adoption |  |
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## COUNCIL POLICY

|                                 |   |
|---------------------------------|---|
| <b>Council Policy Title:</b>    | <b>Audio Recordings of Council Meetings</b> |
| <b>Council Policy ref. no:</b>  | 18.6  |
| <b>Responsible Department:</b>  | Corporate and Community Services            |
| <b>Date of adoption/review:</b> | 24 July 2013                                |

### 1. INTRODUCTION

Local Law No 4 – 2009 Council Meeting Procedures and Common Seal regulates video and audio recording of Council meetings as follows:

***Clause 36 – Prohibition of Unauthorised Recording of Meetings***

*“Other than an official Council recording, no video or audio recording of proceedings of Council Meetings shall be permitted without specific approval by resolution of the Meeting.”*

### 2. PURPOSE

The purpose of this policy is to specify the arrangements for creating, storing, using, disclosing, providing access to and disposing of audio recordings of Ordinary and Special Council meetings and Committee meetings.

### 3. APPLICATION

This policy applies to:

- Councillors and members of the public requesting access to records of audio recordings of Council and Committee meetings; and
- staff involved in creating, storing, using, disclosing, providing access to and disposing of audio recordings of Council and Committee meetings.

### 4. DEFINITION OF AUDIO RECORDING

“Audio recording” in this document means any recording made by any electronic device capable of recording sound. This includes, but is not limited to, recordings made by video camera, cassette recorder, digital audio tape, mobile phone or such other device capable of being used to record a conversation or words spoken and stored on compact disc (CD) or in any other format.

## 5. PRINCIPLES

### 5.1 Creation of audio recordings

#### 5.1.1 Purpose of audio recordings

Audio recordings will be made of:

- all Ordinary Council meetings;
- all Special Council meetings;
- all Planning Committee meetings; and
- such other Committee meetings as the Council may direct by resolution,

for the purpose of verifying the accuracy of the minutes of the meetings.

Matters discussed by Council or a Committee at a meeting or part of a meeting that is closed to members of the public in accordance with section 89(2) of the *Local Government Act 1989* will not be recorded.

#### 5.1.2 Audio recordings by individuals

Clause 36 of Council's Local Law No. 4 provides:

*"Other than an official Council recording no video or audio recording of proceedings of Council Meetings shall be permitted without specific approval by resolution of the Meeting."*

Council does not generally permit individuals to make audio recordings of meetings.

Individuals wishing to make an audio recording of a meeting are required to make a written request addressed to the Council should they seeking to obtain permission to do so.

Any written request must be made at least 7 days before the date of the meeting which the individual proposes to record to ensure that the request can be included on the Agenda for that meeting and a resolution of the Council granting or denying permission can be made.

### 5.2 Notice of recording

Notice will be provided to members of the public attending meetings that an audio recording of the meeting will be made.

The wording of the notice will be as follows:

#### ***"Audio Recording of Council Meetings***

***Please note:*** All Council and Committee meetings will be audio recorded, with the exception of matters identified as confidential items in the Agenda. This includes the public participation sections of the meetings.

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



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

*Council will not use or disclose the recordings for any other purpose."*

The notice will be provided to the public by:

- inclusion on the Agenda for the relevant meeting;
- display at the entry to the relevant meeting room and at points within the relevant meeting room;
- placement on the table from which members of the public address the Council or the Committee; and
- verbal statement by the Chairperson at the commencement of each session of an open meeting.

### **5.3 Storage of recordings**

#### **5.3.1 Secure storage**

Council's recordings will be given to and securely stored by the Senior Information Management Officer as soon as is practicable after each Council and Committee meeting.

Audio recordings will be stored securely so that access will be provided only to those members of Council staff who are approved by the General Manager Corporate & Community Services for that purpose.

#### **5.3.2 Retention**

Audio recordings are, for the purposes of the *Public Records Act 1972* and the General Retention and Disposal Authority for Records of Local Government Functions, inputs into the development of Council minutes and can be destroyed when administrative use concludes.

Audio recordings of meetings will be stored and destroyed as soon as their administrative use concludes or 4 years after their creation (whichever is the later) except where retention for a longer period is otherwise required or recommended by the General Retention and Disposal Authority for Records of Local Government Functions published by the Public Records Office.

Audio recordings of Council meetings are "*documents*" for the purposes of the *Freedom of Information Act 1982*. Before an audio recording is destroyed the Senior Information Management Officer will ensure that there are no Freedom of Information requests relating to the recording. If there are requests relating to the recording, the recording will not be destroyed until after the request is dealt and all relevant review and appeal periods have expired.

## **5.4 Access to recordings**

### **5.4.1 Purpose of access**

Access to audio recordings will be provided for the purposes of:

- preparing and verifying the accuracy of minutes of meetings; and
- complying with a requirement imposed by law, such as a court order, warrant, subpoena or a request under the *Freedom of Information Act 1982*.
- if requested by the Ombudsman, assisting in an investigation conducted by the Ombudsman under the *Ombudsman Act 1973* or any other Act authorising an investigation by the Ombudsman; and
- if requested by the Independent Broad-based Anti-corruption Commission (IBAC), assisting in an investigation conducted by the IBAC under the *Independent Broad-based Anti-corruption Commission Act 2011* or any other Act authorising an investigation by the IBAC.

### **5.4.2 Access by staff**

Audio recordings of meetings will only be accessed by staff with approval of the General Manager Corporate and Community Services for the purposes outlined above. Access may be approved up until the time that the audio recordings are destroyed or for such shorter time as the General Manager Corporate & Community Services sees fit.

### **5.4.3 Access by Councillors**

Audio recordings of meetings can only be accessed by Councillors with the approval of the Chief Executive Officer or General Manager Corporate & Community Services for the purposes outlined above. Any access so approved will be provided by way of the provision of equipment to listen to the audio recording in the Council offices in a location designated by the Chief Executive Officer or General Manager Corporate & Community Services.

Access will only be provided until such time as the minutes of the meeting to which the audio recording relates are confirmed or at some later stage as required by law. Copies of audio recordings and transcripts of audio recordings will not be provided unless required by law.

This subparagraph operates subject to any other rights of access to Council information that a Councillor has at law.

### **5.4.4 Access by members of the public**

Audio recordings of meetings will not be made available to the public or disclosed to a third party, except as required by law.

## **6. RELATED LEGISLATION**

- *Public Records Act 1973*
- *Information Privacy Act 2000*
- *Health Records Act 2001*
- *Freedom of Information 1982*

## 7. IMPLEMENTATION AND REVIEW

This policy will be implemented by Council and is subject to periodic review.

### ADOPTED/AMENDMENT OF POLICY

| Reviewed Date    | Reason for Amendment |
|------------------|----------------------|
| 21 November 2007 | Adopted by Council   |
| 27 January 2010  | Review               |
| 24 July 2013     | Reivew               |

## Item: 10.6

### Review of Councillor Support Policy

|                        |  |
|------------------------|--|
| <b>OFFICER</b>         | Sarah McKew  |
| <b>CHIEF EXECUTIVE</b> | Peter Brown  |
| <b>DIVISION</b>        | Executive  |
| <b>ATTACHMENTS</b>     | <ol style="list-style-type: none"> <li>1. Draft Revised Councillor Support Policy - September 2019 - Tracked changes [<b>10.6.1</b> - 11 pages]</li> <li>2. Draft Revised Councillor Support Policy - September 2019 - Clean copy with tracked changes [<b>10.6.2</b> - 11 pages]</li> </ol> |
| <b>PURPOSE</b>         | To adopt the revised Councillor Support Policy   |

## 1. EXECUTIVE SUMMARY

Under the *Local Government Act 1989* (the Act), Councillors are entitled to resources and facilities, support and reimbursement of expenses related to their duties as Councillors.

The Act requires Council to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors and members of Council committees and sets out the minimum tool kit of resources and facilities for Councillors.

As well as proposed changes that are being considered as varying circumstances have arisen over the term of this Council, the Victorian Auditor-General's Office (VAGO) released an independent assurance report to Parliament: Fraud and Corruption Control – Local Government, dated June 2019. To inform this report, VAGO examined fraud and corruption controls at four Victorian councils, not including Colac Otway Shire Council. At a briefing in August 2019, Councillors reviewed the Auditor-General's comments with respect to this policy.

A draft revised Councillor Support Policy is attached to this report. The fundamental proposed changes relate to:

- The introduction of a clause allowing the CEO to refer a matter to a meeting of Council, requesting that Council resolve on the matter. (Section 7)
- The timeframe in which Councillors can submit a claim. (Section 11)

## 2. RECOMMENDATION

***That Council adopt the revised Councillor Support Policy.***

## 3. KEY INFORMATION

Following the 2016 Local Government elections, the Councillor Support Policy was reviewed and adopted by Council at its June 2017 meeting.

Under the Act, Councillors are entitled to resources and facilities, support and reimbursement of expenses related to their duties as a Councillor.

The policy was developed with reference to the Act and:

- *Recognition and Support*, the Victorian Government's Policy Statement on Local Government Mayoral and Councillor Allowances and Resources - April 2008 (Recognition and Support); and the
- Victorian Government's Information Guide on Mayor and Councillor Entitlements – Reimbursement of Expenses and Provision of Resources and Facilities Support for Victorian Mayors and Councillors November 2008.

The Councillor Support Policy was reviewed in 2018 following a recommendation of the Audit Committee as part of its regular review of Council policies. A formal review was conducted by Maddocks, Council's solicitors.

In summary, Maddocks stated there are two key points to consider:

1. *s 75(1) of the Local Government Act 1989 obliges Council to reimburse a Councillor for expenses incurred by the Councillor if:*
  1. *a written application for reimbursement is made; and*
  2. *the Councillor establishes that the expenses were 'reasonable bona fide Councillor out-of-pocket expenses' incurred while he or she performed the duties of a Councillor.*

*This makes a reference in any Councillor Support Policy to caps or ceilings on reimbursement legally questionable; and*

2. *we have retained the reference to the Chief Executive Officer determining matters not specifically provided for in the draft Policy but made express provision for the Chief Executive Officer to refer a matter to Council for resolution.*

*Although we understand why, practically speaking, there is a role for the Chief Executive Officer in this and other issues, there is the potential for the Chief Executive Officer to be placed in an invidious position as a result of performing an adjudicative role. Hence the provision for matters to be referred to Council for adjudication.*

## Refusal of claim

In addition to the proposed changes made by Maddocks in Section 7 'Guideline', provision has also been made to ensure that where circumstances require it, the CEO advises a Councillor first that the claim is to be referred to Council meeting for determination. If the Councillor does not wish for the matter to be determined by Council, it will be on the understanding that the claim is refused.

## Time limits

'Timeframe for Submission of Claims' within Section 11 has been revised. For ease of reference, the suggested revised wording is:

### TIMEFRAME FOR SUBMISSION OF CLAIMS

*All claims for allowances or reimbursements including travelling shall be made monthly. This is to ensure transparency and accountability.*

*Claims for reimbursement of claims for the months of July to May shall be submitted by the close of business of the last business day of the following month.*

*Claims for reimbursement of expenses during the month of June shall be submitted within 7 working days of the end of the financial year.*

*It is the responsibility of Councillors to ensure that claims for reimbursement occur within the stated timelines. Where the timelines are not met, information will be provided to the Mayor and CEO for consideration as to the payment of the claim. Claims for expenses incurred more than 12 months ago will not be eligible for consideration, nor will Councillors be able to dispute this refusal.*

## VAGO Report: Fraud and Corruption Control – Local Government, June 2019

The Office of the Victorian Auditor-General recently conducted an audit of four councils, Colac Otway Shire Council not being one of them. The testing period for the audit was July 2015 to June 2018. Where anomalies were identified, where appropriate, the testing period was extended as far as February 2019.

The objective of this VAGO audit was to determine whether local councils' fraud and corruption controls were well designed and operating as intended. VAGO examined fraud and corruption controls at the following four councils:

- Greater Shepparton City Council;
- Strathbogie Shire Council;
- Wellington Shire Council; and
- Wyndham City Council.

The audit primarily focused on expenditure and processes involving senior council staff and councillors and reviewed fraud and corruption controls and measures to assess council practices relating to:

- councillor and senior staff credit card and fuel card use and reimbursements
- identifying and managing conflicts of interest
- responding to suspected incidents of fraud and corruption.

The report commented on various topics that are referenced in Colac Otway Shire's Councillor Support Policy. With respect to all relevant matters raised in the report, Colac Otway Shire is already covering

them off in either a similar or different way, yet the opportunity was still taken to raise them for discussion at a Councillor Briefing.

**Audit Finding:** That Councillors submit supporting documentation for travel claims; the creation of a business rule that if not provided, the claim is not paid.

**Response:** Councillors' movements for Council business and associated events are electronically diarised, providing a point of reference for the administration when reviewing travel claims. Where this is not the case, additional information is sought by the CEO.

**Audit Finding:** That Councillors must sign a certification that their claims are in accordance with legislative provisions.

**Response:** Councillors have been required to sign and date the claim form, however based on this audit finding, the claim form is to be amended to introduce this certification.

**Audit Finding:** Provision of meals for Councillors when Council meetings extend through normal meal times.

**Response:** With consideration to the 4pm start time of Council meetings, this finding is currently accommodated as best as possible.

**Audit Finding:** That Councillors prove incurred expenses when traveling for Council business. Eg. accommodation, meal costs, etc.

**Response:** Where arrangements have not been made by the Executive Office and records kept as part of that process, receipts from Councillors are required before payment is authorised.

**Audit Finding:** Reimbursement in full or part of a Councillor's private telephone or internet bill.

**Response:** Councillors expressed satisfaction with the current levels of reimbursement which are in line with the audit finding.

## 4. COMMUNITY CONSULTATION & ENGAGEMENT

Community consultation is not applicable to the Councillor Support Policy.

## 5. ALIGNMENT TO COUNCIL PLANS, POLICIES OR STRATEGIES

Alignment to Council Plan 2017-2021:

Theme 4 - Our Leadership & Management

1. Effectively manage financial resources.
2. Openness and accountability in decision making.

## 6. CONSIDERATIONS

### ENVIRONMENTAL, SOCIAL & CULTURAL, & ECONOMIC

Not applicable

## **LEGAL & RISK**

Not applicable

## **FINANCIAL & BUDGETARY**

Sections of the policy which pertain to reimbursements will naturally result in financial implications for Council. Allocations are made as part of the annual budget process to fulfil anticipated expenses.

## **7. IMPLEMENTATION STRATEGY**

### **COMMUNICATION**

Should the proposed changes to the Councillor Support Policy be ratified by Council, these changes will be communicated to the affected internal stakeholders by the Governance team, and internal processes and materials will be updated accordingly.

The revised Councillor Support Policy will also be available on Council's website.

## **8. OFFICER DIRECT OR INDIRECT INTEREST**

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





## Councillor Support -Policy

### COUNCILLOR SUPPORT POLICY

#### 1. PURPOSE

To outline the resources, facilities and support available to Councillors to enable them to fulfil their responsibilities as elected members of the community. These include:

- Allowances paid to the Mayor and Councillors;
- Mayoral vehicle;
- The facilities, resources and support Council considers necessary or appropriate to provide support to Councillors in the performance of their duties as a Councillor; and
- The circumstances under which Council will make payment for –
  - professional development;
  - reimbursement of travel expenses; and
  - reimbursement of other expenses.

#### 2. POLICY INTENT

Councillors will be provided with resources, support and access to facilities to assist them to fulfil their responsibilities as elected members of the community.

#### 3. BACKGROUND

Under the *Local Government Act 1989* (the Act), Councillors are entitled to resources and facilities, support and reimbursement of expenses related to their duties as a Councillor.

The Act requires Council to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors and members of Council committees and sets out the minimum tool kit of resources and facilities for Councillors.

This policy has been developed with reference to the Act and:

- *Recognition and Support*, the Victorian Government's policy statement on Local Government Mayoral and Councillor Allowances and Resources - April 2008 (Recognition and Support); and the

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- Victorian Government's *Information Guide on Mayor and Councillor Entitlements – Reimbursement of Expenses and Provision of Resources and Facilities Support for Victorian Mayors and Councillors November 2008.*

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#### 4. SCOPE

This policy applies to all Councillors.

#### 5. REFERENCES AND RELATED DOCUMENTS

- *Recognition and Support*, the Victorian Government's policy statement on Local Government Mayoral and Councillor Allowances and Resources - April 2008 (Recognition and Support); and the
- Victorian Government's *Information Guide on Mayor and Councillor Entitlements – Reimbursement of Expenses and Provision of Resources and Facilities Support for Victorian Mayors and Councillors November 2008.*
- *Local Government Act 1989*
- Information System and Security Policy
- Fixed and Mobile Telephone Policy
- Smart Phone and Tablet Usage Policy
- Smart Phone and Tablet Usage Guidelines

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#### 6. APPLICATION

The provision of facilities, resources and support to Councillors and the expenses paid or reimbursed for Councillors will be made on an equitable basis.

~~Duties performed for the purposes of achieving the objectives of Council having regard to any relevant Act, Regulations, Ministerial Guidelines and Council policies,~~ Councillors are, in the performance of their duties, entitled to access facilities, support and resources as described in this policy and the ~~Local Government Act 1989 Act~~. These duties include:

- Attending Ordinary and Special Council meetings, meetings of Committees of Council, formal briefing sessions and civic or ceremonial functions convened by ~~the~~ Council, the Mayor or the Chief Executive Officer (CEO).
- Attending meetings or workshops scheduled by ~~the~~ Council, the Mayor or the ~~Chief Executive Officer~~ CEO.
- Participation in site inspections or meetings, or participating in delegations or deputations to which the Councillor has been duly appointed as a representative of Council.
- Attending a meeting or function as the nominated representative of Council or the Mayor.
- Attending meetings of community groups, organisations and statutory authorities to which the Councillor has been appointed Council delegate or the nominated representative of Council.
- Attendance at site inspections or meetings arranged by Council relevant to a matter which is, or is anticipated to be the subject of a decision of Council.
- Attending seminars, training or professional development courses as an attendee and/or speaker and which:
  - contribute to the development of personal and professional skills or knowledge of the Councillor which are necessary for the performance of the duties of a Councillor; ~~and~~



- are consistent with Council's objectives; ~~and~~
- will cover or present material with application/importance/relevant to current or future issues faced by the Council; and
- are within the Councillors annual budget allocations for the provision for seminars and training.
- Attending conferences as an attendee and/or speaker as Council's nominated representative or delegate and which:
  - are consistent with Council's objectives; and
  - will cover or present material with application/importance/relevance to current or future issues faced by the Council; and
  - are within the Councillors annual budget allocations for the provision for conferences and seminars.

## 7. GUIDELINE

This policy is not intended to prescribe for every possible situation that may arise. Should a situation arise that is not adequately covered by this policy, the matter will be referred to the ~~Chief Executive Officer~~CEO for determination. The CEO may choose to refer the situation to a meeting of Council and request that Council resolve on the matter, after first having advised the Councillor; if the Councillor does not wish for the matter to be determined by Council, it will be on the understanding that the claim is refused.

Ultimately, under section 75(1) of the Act:

A Council must reimburse a Councillor for expenses if the Councillor

(a) applies in writing to the Council for reimbursement of expenses; and

(b) establishes in the application to Council that the expenses were reasonable bona fide Councillor out-of-pocket expenses incurred while performing duties as a Councillor.

It is not a matter of discretion. A Councillor has a right to reimbursement if the requirements of section 75(1) of the Act are satisfied.

The fundamental test to be applied in determining whether ~~or not~~a Councillor expense is ~~appropriately-necessarily or~~ reasonably incurred is whether the expenditure is necessary because it is supplemental or incidental to, or consequent on, the exercise-performance of Council duties and reasonable in its quantum.

It is to be noted that:

- Expenses incurred by Councillors when acting in a private capacity will not be reimbursed or paid.
- Any costs incurred by a Councillor which are not covered specifically within this policy will not be met, unless the Councillor has received prior written authorisation from the ~~Chief Executive Officer~~CEO or from Council (in the form of a Resolution).
- Supporting evidentiary documentation will be required for all Councillor expense reimbursement and payments.
- Reference to the ~~Chief Executive Officer~~CEO throughout this policy will extend to his or her delegate.

## 8. COUNCILLOR ALLOWANCES AND REIMBURSEMENTS

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## MAYOR AND COUNCILLOR ALLOWANCE

Section 74 of the Act allows the Governor in Council to set allowances for the Mayor and Councillors.

The ~~most recent~~ current Order in Council sets out specific annual Mayor and Councillor Allowances based on three categories of Council. Colac Otway Shire is known as a category 2 municipality. ~~T~~ therefore the range for a Mayor and Councillor allowance is limited to the category 2 range, plus the amount equivalent to the Superannuation Guarantee (currently 9.5%) where applicable.

- Council will increase allowances in accordance with any adjustment factor gazetted by the Minister for Local Government each year, as required under the Act.
- Mayor and Councillor Allowances will be paid 4 weekly in arrears and the allowances will be set following each municipal general election.
- Mayor and Councillors allowances are taxable income and Councillors should put in place their own processes for documenting claimable expenses. Any personal taxation implications from the receipt of allowances are the responsibility of individual Councillors.

### MAYOR'S VEHICLE

A fully maintained vehicle will be provided to assist the Mayor to carry out his/her duties and for private use during the Mayor term. In order to achieve an improved environmental outcome the Mayor's vehicle is to be no larger than a medium sized passenger vehicle with a fuel consumption for a petrol or diesel fuelled vehicle of not more than 8 litres/100 kilometres or an LPG vehicle (based on the official fuel rating).

The vehicle is to be operated and maintained in line with the Light Fleet Policy.

Where possible, vehicles should attain a minimum of 5 stars under ANCAP safety assessment criteria.

### TRAVELLING EXPENSES

Where practical, Councillors are to use a Council pool car for travel involved in performing their duties. This is to be requested through the office of the CEO or by emailing [governance@colacotway.vic.gov.au](mailto:governance@colacotway.vic.gov.au).

Upon the completion and forwarding of a travelling Claim Form, travel expenses will be paid to Councillors for out of pocket expenses related to:

- Council meetings and Council business related to Council meetings.
- Council functions.
- Attendance at a meeting of an external body to which a Councillor has been appointed by the Council.
- Other meetings, events or occasions as agreed in advance by the Mayor or Chief Executive Officer from time to time, or by resolution of ~~the~~ Council.

### TRAVEL WITHIN VICTORIA OR INTERSTATE



When Councillors are travelling within Victoria or interstate they should use the mode of transport that is the most cost effective.

- Travel must be undertaken by the shortest practical route.
- Any time other than authorised Council business shall not be included in the calculation of any expenses to be paid.
- Where travel is by air the standard form of travel will be economy class.
- Claims will only be paid on the actual form of transport.

The allowance payable to Councillors for use of their own private vehicle on Council business shall be in accordance with the rates prescribed in the Victorian Local Authorities Interim Award as varied from time to time.

Any expenses from breach of road, traffic parking or other regulations or laws, will not be reimbursed by Council.

The costs of a partner accompanying a Councillor on a business trip (local, interstate or international) must be borne by the Councillor unless there is a bona fide business purpose or necessity for the presence of a partner.

#### REMOTE AREA TRAVEL ALLOWANCE

Where a Councillor (including a Mayor) normally resides more than 100 kilometres (round trip) by the shortest possible practicable road distance from the location or locations specified for the conduct of ordinary, special or committee meetings of the Council or any municipal or community functions which have been authorised by Council resolution for the Councillor to attend, he or she shall be entitled to be paid an additional allowance of \$40.00 per day, up to a maximum of \$5,000 per annum.

The Remote Area Travel Allowance is classified as Travel Allowance in the Annual Report.

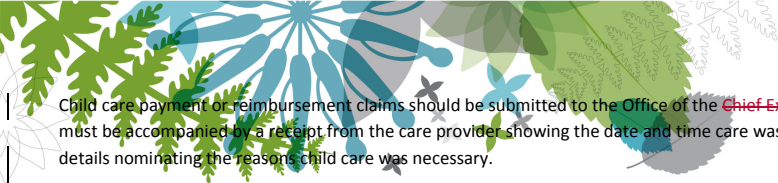
#### REIMBURSEMENT OF CHILD CARE EXPENSES

Councillors incurring child care expenses paid to:

- A recognised child care provider; or
- To a person who does not;
  - have a familial or like relationship with the Councillor;
  - reside either permanently or temporarily with the Councillor; or
  - have a relationship with the Councillor or his/her partner such that it would be inappropriate for Council to reimburse monies paid to the care provider.

will be reimbursed ~~to a maximum of \$2,000 per year~~ when the child care is necessary to allow the Councillor to attend:

- Council meetings and Council business related to Council meetings;
- Council functions; or
- Meetings arising as a result of a Councillor being appointed by the Council to an external body.



Child care payment or reimbursement claims should be submitted to the Office of the ~~Chief Executive Officer~~CEO and must be accompanied by a receipt from the care provider showing the date and time care was provided and other details nominating the reasons child care was necessary.

Generally a cap of \$2,000 per annum will apply.

#### OTHER

##### STATIONERY

Councillors may access and use standard stationery held or obtained generally for ~~the council's~~ requirements. Council stationery may only be used for carrying out duties as a Councillor.

##### PROTECTIVE CLOTHING

Where requested, Council will provide protective clothing to Councillors when required to carry out the duties of office.

##### LEGAL

Other than by specific Council resolution or in accordance with a Council policy, any legal expenses incurred by a Councillor shall be the responsibility of that Councillor.

##### MEALS/REFRESHMENTS

Where Council meetings are held at times that extend through normal meal times, Council will provide suitable meals. Councillors will be notified of meal arrangements for each meeting.

##### INSURANCE

Councillors are covered by the following Council Insurance Policies while discharging their duties as a Councillor:

- Public Liability
- Professional Indemnity
- Councillors and Officer ~~Liability~~
- Personal Accident Insurance (accompanying partners also covered) (Workcover)

~~The~~Council will pay the insurance policy excess in respect of any claim made against a Councillor arising from Council business where any claim is accepted by Council's insurers, whether defended or not.



Councillors will not be covered for any deliberately fraudulent act or omission, or any wilful violation or breach of any law. Councillors must promptly advise the ~~Chief Executive Officer~~ CEO of any matter which may give cause to a potential claim on Council.

#### MAIL

Council will post mail which has been generated by Councillors in performing their duties. (Any document written by a Councillor in performing their duties is a Council document and a record must be kept by the Council.) This will be co-ordinated through the Office of the CEO.

#### ~~OTHER EXPENDITURE~~

~~Any expenditure not specified above as expenditure for which a Councillor is entitled to be reimbursed or paid by Council shall be the responsibility of the Councillor, except where the Mayor and Chief Executive Office agree otherwise.~~

## 9. COMMUNICATION AND EQUIPMENT EXPENSES

### COMMUNICATIONS EQUIPMENT PROVIDED

Councillors shall be provided with appropriate communications equipment to ensure that they can adequately and efficiently perform their role as a Councillor, which as a minimum will include:

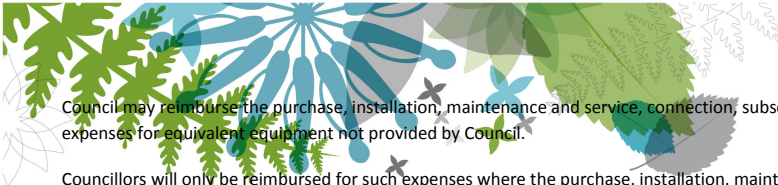
- A mobile phone (iPhone with email and calendar)
- iPad with 4G capability built in
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- Other equipment as agreed

The make, model and specifications of any communications equipment, the associated contracts or plans and the replacement of any communications equipment shall be at the discretion of the ~~Chief Executive Officer~~ CEO or ~~their his~~ or her delegate.

The above facilities remain the property of the Council and must be returned at the end of a Councillor's term of office.

Council will meet the purchase, installation, maintenance and service, connection and disconnection, subscription, rental and usage costs for all Council provided communications equipment.

Council will only meet the incidental costs of two 4G internet connections for each Councillor, except where additional, short term connections are required to facilitate travel or where the connection is necessary or appropriate for the purposes of achieving the objectives of Council.



Council may reimburse the purchase, installation, maintenance and service, connection, subscription, rental and usage expenses for equivalent equipment not provided by Council.

Councillors will only be reimbursed for such expenses where the purchase, installation, maintenance, service, connection, subscription, rental or usage has been approved in advance by the Chief Executive Officer/CEO.

Council may reimburse an amount less than the amount claimed, where the actual expense incurred is considered unreasonable, taking into account the estimated costs of using equivalent communications equipment provided by Council.

Council provided communications equipment is to be used for Council related business activities however it is acknowledged that, on occasion, limited personal use may be made of communications equipment.

Councillors will be regularly provided with mobile phone usage accounts and are required to sign a statement on each account, confirming:

- The value or amount of business use; and
- The value or amount of reasonable personal use.

Councillors are required to reimburse Council for the cost of their personal use of the equipment.

Council will review Councillors communication equipment and will update equipment at:

- The commencement of each electoral term;
- Any stage during the electoral term where Council believes an update is appropriate.

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#### USE OF COUNCIL EQUIPMENT

Use of Council provided equipment is for Councillors use only.

The information technology platform provided for Councillors is based on Colac Otway Council licensed software and to assist the efficiency of the information technology no additional software is to be loaded onto Council provided hardware without the consent of the Chief Executive Officer.

Councillors have the responsibility to protect the equipment directly under their control.

Anti-virus protection and detection software is installed on Council communications equipment. Any suspected virus activity should be reported to the Office of the CEO.

Councillors are required to contact the Office of the CEO to report any damage or malfunction of any equipment.

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#### COMPLIANCE WITH IT POLICIES

Councillors are to comply with the following Council policies:

- Information System and Security Policy
- Fixed and Mobile Telephone Policy





## 10. CONFERENCES AND SEMINARS

Councillors are encouraged to attend conferences and seminars relevant to their role, to enhance their personal skills and knowledge.

Partners may accompany Councillors to conferences where the presence of a partner is necessary to support the business or representational needs of Council. Where it is deemed appropriate for partner attendance Council will cover the cost of the partner's registration/entrance fee.

As part of the annual budget process an amount will be allocated for the attendance of Councillors at conferences and seminars and to participate in training.

All expenditure by Council on Councillor attendance at conferences, training sessions, seminars, trade delegations etc. will be assessed against the following criteria:

- Applicability of conference material to current or like future Shire issues.
- The importance of the event in terms of its provision of:
  - relevant and necessary training;
  - key information;
  - economic development opportunities; and
  - networking opportunities.

Councillors sponsored by ~~the~~ Council to attend conferences and seminars shall have all reasonable expenses for travelling, transport, accommodation, registration fees, meals and out of pocket expenses relating to the conference/seminar reimbursed ~~ment~~ or paid on their behalf.

Councillors must obtain approval from both the Mayor and ~~Chief Executive Officer~~ CEO or alternatively ~~the~~ full Council:

- to attend such conference/seminar where expenses are likely to be claimed; or
- to use a Council vehicle for transport to or from such function.

*Note: the MAV Conference is to be automatically approved for attendance.*

Any expenditure greater than \$600 (including registration, travel and accommodation) for a Councillor to attend a conference, seminar, training session, trade delegation, friendship visit etc. must be approved by Council. Approval is dependent upon the cost being within budget and being consistent with Council's goals and strategies.

Council may agree to a set contribution towards a Councillor's cost to attend a conference or seminar rather than the full costs in certain circumstances (eg. if the costs are high or the benefits not significant to Council).

When attending approved conferences/seminars Councillors must:

- keep all related receipts;
- arrange with the Finance Unit for conference/seminar costs to be prepaid if required; and
- complete an Interstate and Overseas Travel approval form (Councillor and Staff) for any interstate or overseas travel.

Expenses for Councillors wishing to make their own arrangements for transport or accommodation will be reimbursed as determined by the ~~Chief Executive Officer~~CEO.

## 11. SUBMISSION OF A CLAIM FOR REIMBURSEMENT

All claims are to be submitted on the prescribed form, authorised by the CEO and forwarded to the Finance Unit.

All claims should be accompanied by fully accredited receipts/tax invoices for any expenses claimed. If receipts cannot be produced, Councillors may be required to provide a statutory declaration.

All claims- must include sufficient detail to demonstrate, in accordance with the Act, that the expense for which reimbursement is claimed is a reasonable bona fide out-of-pocket expense incurred while performing the duties of a Councillor.

### TIMEFRAME FOR SUBMISSION OF CLAIMS

All claims for allowances or reimbursements including travelling shall be made ~~on a~~ monthly ~~basis~~. This is to ensure transparency and accountability.

Claims for reimbursement of claims for the months of July to May shall be submitted by the close of business of the last business day of the following month.

Claims for reimbursement of expenses during the month of June shall be submitted within 7 working days of the end of the financial year.

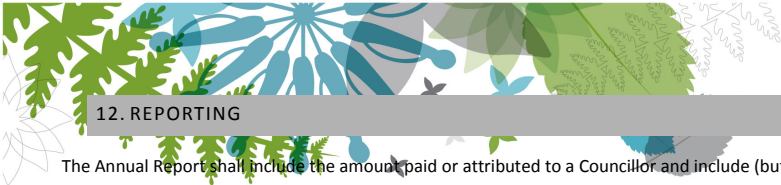
It is the responsibility of Councillors to ensure that claims for reimbursement occur within the stated timelines. Where the timelines are not met, information will be provided to the Mayor and ~~Chief Executive Officer~~CEO for consideration as to the payment of the claim. Claims for expenses incurred more than 12 months ago will not be eligible for consideration, nor will Councillors be able to dispute this refusal.

### EXCLUSIONS

Any expenses arising from a breach of road, traffic, parking or other regulations or laws, including Council Local Laws, will not be reimbursed or funded in any way by Council.

If a Councillor chooses not to claim a particular expense, this cannot be offset against a claim for any additional amount associated with another expense.

Claims for expenses other than those included in these guidelines will not be reimbursed, except in exceptional circumstances and after Council has resolved that the claim is reasonable and should be reimbursed.



12. REPORTING

The Annual Report shall include the amount paid or attributed to a Councillor and include (but are not limited to) allowances, travel allowances and use of motor vehicle.

The Annual Report shall include a table detailing what equipment is provided to each Councillor.

13. IMPLEMENTATION AND REVIEW

This policy will be implemented by Council and will be reviewed on an annual basis or as required for any necessary amendments no later than three years after its formulation or after the last review.

14. FILE MANAGEMENT

|                    |  |               |   |
|--------------------|--|---------------|---|
| Policy owner       | <del>Mark Lyons</del> <u>Sarah McKew</u>       | Division      | <del>Corporate Services</del> <u>Executive</u>      |
| Adopted by Council | 28 <del>March</del> <u>June</u> 201 <u>6</u> 7 | Policy Number | 18.5  |
| File Number        |  | Review date   | <del>26 April 2017</del> <u>Date / Month / 2019</u> |

FOR ADOPTION



# Councillor Support Policy

## COUNCIL POLICY

### 1. PURPOSE

To outline the resources, facilities and support available to Councillors to enable them to fulfil their responsibilities as elected members of the community. These include:

- Allowances paid to the Mayor and Councillors;
- Mayoral vehicle;
- The facilities, resources and support Council considers necessary or appropriate to provide support to Councillors in the performance of their duties as a Councillor; and
- The circumstances under which Council will make payment for –
  - professional development;
  - reimbursement of travel expenses; and
  - reimbursement of other expenses.

### 2. POLICY INTENT

Councillors will be provided with resources, support and access to facilities to assist them to fulfil their responsibilities as elected members of the community.

### 3. BACKGROUND

Under the *Local Government Act 1989* (the Act), Councillors are entitled to resources and facilities, support and reimbursement of expenses related to their duties as a Councillor.

The Act requires Council to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors and members of Council committees and sets out the minimum tool kit of resources and facilities for Councillors.

This policy has been developed with reference to the Act and:

- *Recognition and Support*, the Victorian Government's policy statement on Local Government Mayoral and Councillor Allowances and Resources - April 2008 (Recognition and Support); and the



- Victorian Government's *Information Guide on Mayor and Councillor Entitlements – Reimbursement of Expenses and Provision of Resources and Facilities Support for Victorian Mayors and Councillors November 2008*.

#### 4. SCOPE

This policy applies to all Councillors.

#### 5. REFERENCES AND RELATED DOCUMENTS

- *Recognition and Support*, the Victorian Government's policy statement on Local Government Mayoral and Councillor Allowances and Resources - April 2008 (Recognition and Support); and the
- Victorian Government's *Information Guide on Mayor and Councillor Entitlements – Reimbursement of Expenses and Provision of Resources and Facilities Support for Victorian Mayors and Councillors November 2008*.
- *Local Government Act 1989*
- Information System and Security Policy
- Fixed and Mobile Telephone Policy
- Smart Phone and Tablet Usage Policy
- Smart Phone and Tablet Usage Guidelines

#### 6. APPLICATION

The provision of facilities, resources and support to Councillors and the expenses paid or reimbursed for Councillors will be made on an equitable basis.

Councillors are, in the performance of their duties, entitled to access facilities, support and resources as described in this policy and the Act. These duties include:

- Attending Ordinary and Special Council meetings, meetings of Committees of Council, formal briefing sessions and civic or ceremonial functions convened by Council, the Mayor or the Chief Executive Officer (CEO).
- Attending meetings or workshops scheduled by Council, the Mayor or the CEO.
- Participation in site inspections or meetings, or participating in delegations or deputations to which the Councillor has been duly appointed as a representative of Council.
- Attending a meeting or function as the nominated representative of Council or the Mayor.
- Attending meetings of community groups, organisations and statutory authorities to which the Councillor has been appointed Council delegate or the nominated representative of Council.
- Attendance at site inspections or meetings arranged by Council relevant to a matter which is, or is anticipated to be the subject of a decision of Council.
- Attending seminars, training or professional development courses as an attendee and/or speaker and which:



- contribute to the development of personal and professional skills or knowledge of the Councillor which are necessary for the performance of the duties of a Councillor;
- are consistent with Council's objectives;
- will cover or present material with application/importance/relevant to current or future issues faced by the Council; and
- are within the Councillors annual budget allocations for the provision for seminars and training.
- Attending conferences as an attendee and/or speaker as Council's nominated representative or delegate and which:
  - are consistent with Council's objectives; and
  - will cover or present material with application/importance/relevance to current or future issues faced by the Council; and
  - are within the Councillors annual budget allocations for the provision for conferences and seminars.

## 7. GUIDELINE

This policy is not intended to prescribe for every possible situation that may arise. Should a situation arise that is not adequately covered by this policy, the matter will be referred to the CEO for determination. The CEO may choose to refer the situation to a meeting of Council and request that Council resolve on the matter, after first having advised the Councillor; if the Councillor does not wish for the matter to be determined by Council, it will be on the understanding that the claim is refused.

Ultimately, under section 75(1) of the Act:

A Council must reimburse a Councillor for expenses if the Councillor

- (a) applies in writing to the Council for reimbursement of expenses; and
- (b) establishes in the application to Council that the expenses were reasonable bona fide Councillor out-of-pocket expenses incurred while performing duties as a Councillor.

It is not a matter of discretion. A Councillor has a right to reimbursement if the requirements of section 75(1) of the Act are satisfied.

The fundamental test to be applied in determining whether a Councillor expense is necessarily or reasonably incurred is whether the expenditure is necessary because it is supplemental or incidental to, or consequent on, the performance of Council duties and reasonable in its quantum.

It is to be noted that:

- Expenses incurred by Councillors when acting in a private capacity will not be reimbursed or paid.
- Any costs incurred by a Councillor which are not covered specifically within this policy will not be met, unless the Councillor has received prior written authorisation from the CEO or from Council (in the form of a Resolution).
- Supporting evidentiary documentation will be required for all Councillor expense reimbursement and payments.
- Reference to the CEO throughout this policy will extend to his or her delegate.



## 8. COUNCILLOR ALLOWANCES AND REIMBURSEMENTS

### MAYOR AND COUNCILLOR ALLOWANCE

Section 74 of the Act allows the Governor in Council to set allowances for the Mayor and Councillors.

The current Order in Council sets out specific annual Mayor and Councillor Allowances based on three categories of Council. Colac Otway Shire is known as a category 2 municipality. Therefore the range for a Mayor and Councillor allowance is limited to the category 2 range, plus the amount equivalent to the Superannuation Guarantee (currently 9.5%) where applicable.

- Council will increase allowances in accordance with any adjustment factor gazetted by the Minister for Local Government each year, as required under the Act.
- Mayor and Councillor Allowances will be paid 4 weekly in arrears and the allowances will be set following each municipal general election.
- Mayor and Councillors allowances are taxable income and Councillors should put in place their own processes for documenting claimable expenses. Any personal taxation implications from the receipt of allowances are the responsibility of individual Councillors.

### MAYOR'S VEHICLE

A fully maintained vehicle will be provided to assist the Mayor to carry out his/her duties and for private use during the Mayoral term. In order to achieve an improved environmental outcome the Mayor's vehicle is to be no larger than a medium sized passenger vehicle with a fuel consumption for a petrol or diesel fuelled vehicle of not more than 8 litres/100 kilometres or an LPG vehicle (based on the official fuel rating).

The vehicle is to be operated and maintained in line with the Light Fleet Policy.

Where possible, vehicles should attain a minimum of 5 stars under ANCAP safety assessment criteria.

### TRAVELLING EXPENSES

Where practical, Councillors are to use a Council pool car for travel involved in performing their duties. This is to be requested through the office of the CEO or by emailing [governance@colacotway.vic.gov.au](mailto:governance@colacotway.vic.gov.au).

Upon the completion and forwarding of a travelling Claim Form, travel expenses will be paid to Councillors for out of pocket expenses related to:

- Council meetings and Council business related to Council meetings.
- Council functions.
- Attendance at a meeting of an external body to which a Councillor has been appointed by the Council.
- Other meetings, events or occasions as agreed in advance by the Mayor or Chief Executive Officer from time to time, or by resolution of Council.



#### TRAVEL WITHIN VICTORIA OR INTERSTATE

When Councillors are travelling within Victoria or interstate they should use the mode of transport that is the most cost effective.

- Travel must be undertaken by the shortest practical route.
- Any time other than authorised Council business shall not be included in the calculation of any expenses to be paid.
- Where travel is by air the standard form of travel will be economy class.
- Claims will only be paid on the actual form of transport.

The allowance payable to Councillors for use of their own private vehicle on Council business shall be in accordance with the rates prescribed in the Victorian Local Authorities Interim Award as varied from time to time.

Any expenses from breach of road, traffic parking or other regulations or laws, will not be reimbursed by Council.

The costs of a partner accompanying a Councillor on a business trip (local, interstate or international) must be borne by the Councillor unless there is a bona fide business purpose or necessity for the presence of a partner.

#### REMOTE AREA TRAVEL ALLOWANCE

Where a Councillor (including a Mayor) normally resides more than 100 kilometres (round trip) by the shortest possible practicable road distance from the location or locations specified for the conduct of ordinary, special or committee meetings of the Council or any municipal or community functions which have been authorised by Council resolution for the Councillor to attend, he or she shall be entitled to be paid an additional allowance of \$40.00 per day, up to a maximum of \$5,000 per annum.

The Remote Area Travel Allowance is classified as Travel Allowance in the Annual Report.

#### REIMBURSEMENT OF CHILD CARE EXPENSES

Councillors incurring child care expenses paid to:

- A recognised child care provider; or
- To a person who does not;
  - have a familial or like relationship with the Councillor;
  - reside either permanently or temporarily with the Councillor; or
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Child care payment or reimbursement claims should be submitted to the Office of the CEO and must be accompanied by a receipt from the care provider showing the date and time care was provided and other details nominating the reasons child care was necessary.

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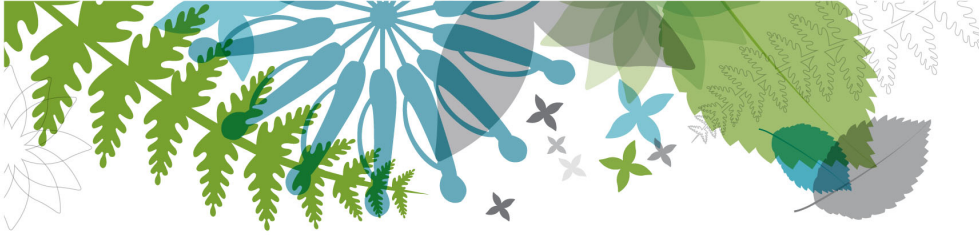
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The Annual Report shall include the amount paid or attributed to a Councillor and include (but are not limited to) allowances, travel allowances and use of motor vehicle.

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**14. FILE MANAGEMENT**

|                    |              |               |                     |
|--------------------|--------------|---------------|---------------------|
| Policy owner       | Governance   | Division      | Executive           |
| Adopted by Council | 28 June 2017 | Policy Number | 18.5                |
| File Number        |              | Review date   | Date / Month / 2019 |

FOR ADOPTION

Item: 10.7

**Audit Committee Minutes - 5 June 2019**

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Lyndal McLean   |
| <b>CHIEF EXECUTIVE</b> | Peter Brown   |
| <b>DIVISION</b>        | Executive   |
| <b>ATTACHMENTS</b>     | 1. Audit Committee Meeting - Minutes - Signed - 5 June 2019<br>[10.7.1 - 22 pages]          |
| <b>PURPOSE</b>         | To receive for information the Colac Otway Shire Audit Committee minutes dated 5 June 2019. |

**1. RECOMMENDATION**

*That Council receives for information the Colac Otway Shire Audit Committee minutes dated 5 June 2019.*



**AUDIT COMMITTEE MEETING**

**MINUTES**

**Wednesday 5 June 2019**

**at 9:00 am**

**COPACC**

**95 - 97 Gellibrand Street, Colac**





## COLAC OTWAY SHIRE AUDIT COMMITTEE MEETING

Wednesday 5 June 2019

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## COLAC OTWAY SHIRE AUDIT COMMITTEE MEETING

MINUTES of the *AUDIT COMMITTEE MEETING OF THE COLAC OTWAY SHIRE* held at COPACC on  
Wednesday 5 June 2019 at 8:30 am.

### MINUTES

#### **1 DECLARATION OF OPENING OF MEETING**

#### **2 PRESENT**

Mike Said (Chair)  
Brian Keane  
Cr Stephen Hart  
Cr Jason Schram (Mayor)

Peter Brown, Chief Executive  
Errol Lawrence, General Manager, Corporate Services  
Tony McGann, General Manager, Infrastructure & Leisure Services  
Ian Seuren, General Manager, Development & Community Services  
Sarah McKew, Manager, Governance & Communications  
Lyndal McLean, Governance Coordinator  
Jason Clissold, Manager, Financial Services  
Nick Howard, Finance Coordinator  
Marni Young, Risk & OHS Coordinator  
Ben McLaughlin, Coordinator, Procurement & Tenders  
Andrew Zavitsanos, Crowe Horwath (via telephone)  
Christopher Kol, McLaren Hunt

#### **3 APOLOGIES**

Nil

#### **4 DECLARATIONS OF INTEREST**

Nil

## 5 CONFIRMATION OF MINUTES

- Audit Committee Meeting held on 13 March 2019.

### Resolution

**MOVED Brian Keane, SECONDED Cr Jason Schram**

***That the Audit Committee confirm the minutes from the Audit Committee Meeting held on 13 March 2019.***

**CARRIED 4 : 0**

## 6 BUSINESS ARISING FROM THE PREVIOUS MEETING

### **MOTION**

**MOVED Cr Stephen Hart, SECONDED Cr Jason Schram**

***That the Audit Committee:***

1. ***recommends that progress on section 86 breaches is updated in the Chief Executive Statement of Compliance report at the next Audit Committee meeting.***
2. ***recommends that Council note the suggested policy reviews as indicated below, with the exception that reviews are aligned with the 4 year review cycle of Council policies.***
  - ***2.7 Social Media (3 years)***
  - ***3.2 Procurement and Tendering (annually)***
  - ***4.2 & 4.3 Council Property***
  - ***7.3 Risk Management (annually)***
  - ***10.1 Public Health (3 years)***
  - ***11 Rating (include all policies - 4 years)***
  - ***13.7 Asset Management (annually)***
  - ***15.2 s86 Committees***
  - ***16.1 Internal Audit (4 years)***
  - ***16.2 Fraud***
  - ***16.3 & 16.4 Investment & Borrowing (2 years)***
  - ***16.5 Debtor Management (3 years)***
  - ***16.6 & 16.7 Asset Capitalisation, Valuation & Revaluation (2 years)***
  - ***18.2 Information Privacy (3 years)***
  - ***18.5 Councillor Support (3 years)***
  - ***Gifts, Benefits & Hospitality (5 years)***
  - ***19.3 ESM (3 years)***
  - ***20.1 Environmental Sustainability (3 years)***

**CARRIED 4 : 0**

**Christopher Kol attended the meeting at 9.53am.**



### Item: 7.1

## Chief Executive Statement of Compliance

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Errol Lawrence  |
| <b>GENERAL MANAGER</b> | Peter Brown   |
| <b>DIVISION</b>        | Executive   |
| <b>ATTACHMENTS</b>     | Nil   |
| <b>PURPOSE</b>         | To update the Audit Committee on compliance matters across the municipality |

This item was heard immediately after Item 7.9 - External Audit - Review External Audit findings, recommendations & management responses - 2018/19 Shell Accounts.

### RECOMMENDATION

*That the Audit Committee notes the Chief Executive Statement of Compliance.*

#### ALTERNATIVE MOTION

*MOVED Cr Stephen Hart, SECONDED Cr Jason Schram*

*That the Audit Committee:*

- 1. notes the Chief Executive Statement of Compliance.*
- 2. recommends that the Asset Management letter, Inspectorate letter and Winifred Nance Kindergarten matter be reported at the next Audit Committee.*

**CARRIED 4 : 0**

Andrew Zavitsanos left the meeting at 9.41am.  
 Cr Stephen Hart left the meeting at 9.41am.  
 Cr Stephen Hart returned to the meeting at 9.44am.



### Item: 7.2

## Internal Audit - Review and approve Internal Audit three (3) Year Program

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Errol Lawrence  |
| <b>GENERAL MANAGER</b> | Errol Lawrence  |
| <b>DIVISION</b>        | Corporate Services  |
| <b>ATTACHMENTS</b>     | 1. Internal Audit - Crowe Horwath - Draft 2020-2022 Colac Otway Shire v 1.1 AZ May 2019 [7.2.1] |
| <b>PURPOSE</b>         | To review and approve the internal audit three-year program                                     |

This item was the first item to be heard.

### RECOMMENDATION

*That the Audit Committee endorses the Audit Projects for 2019/20:*

1. *Contract Management*
2. *IT – Cyber Security*
3. *Fleet Management (passenger vehicles), including FBT compliance*

#### ALTERNATIVE MOTION

*MOVED Brian Keane, SECONDED Cr Stephen Hart*

*That the Audit Committee endorses the Audit Projects for 2019/20:*

1. *Contract Management*
2. *IT – Cyber Security*
3. *Fleet Management (passenger vehicles), including FBT compliance*
4. *and that it is the Audit Committee's preference that the Contract Management Internal Audit be brought forward to be completed prior to the IT - Cyber Security Internal Audit.*

5. *and consideration be given to increasing the number of available hours for internal audit in the 19/20 year and/or in the budget for the 20/21 year.*

**CARRIED 4 : 0**

**Ian Seuren attended the meeting at 9.10am.**



### Item: 7.3

## Internal Audit - Review and approve Internal Audit scopes and progress

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Errol Lawrence  |
| <b>GENERAL MANAGER</b> | Errol Lawrence  |
| <b>DIVISION</b>        | Corporate Services  |
| <b>ATTACHMENTS</b>     | 1. Colac Otway Shire progress report as at 27 May [7.3.1] |
| <b>PURPOSE</b>         | To Review and Approve Internal Audit Scopes and Progress  |

### **RESOLUTION**

*MOVED Cr Jason Schram, SECONDED Brian Keane*

*That the Audit Committee notes the Crowe Horwath Colac Otway Shire progress report.*

*CARRIED 4 : 0*

Jason Clissold attended the meeting at 9.23am.

Nick Howard attended the meeting at 9.23am.



### Item: 7.4

## Internal Audit - Review completed Internal Audit reports, recommendations & management responses - Fraud and Corruption

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Jason Clissold  |
| <b>GENERAL MANAGER</b> | Errol Lawrence  |
| <b>DIVISION</b>        | Corporate Services  |
| <b>ATTACHMENTS</b>     | 1. COS Fraud Management and Prevention ( May 2019) ( Issue) [7.4.1]                   |
| <b>PURPOSE</b>         | To present the Fraud Management and Prevention internal audit report to the Committee |

### RECOMMENDATION

*That the Audit Committee receive the Fraud Management and Prevention report.*

#### ALTERNATIVE MOTION

*MOVED Cr Jason Schram, SECONDED Brian Keane*

*That the Audit Committee:*

- 1. receives the Fraud Management and Prevention report.*
- 2. recommends that officers develop a timeline for the implementation of the Fraud Implementation Plan, not exceeding June 2020.*
- 3. recommends that officers report against progress of the Fraud Implementation Plan to each Audit Committee meeting until June 2020.*
- 4. recommends that this report be provided to all Councillors.*

**CARRIED 4 : 0**





### Item: 7.5

## Internal Audit - High and Medium Risk Rating Recommendations from previous Internal Audit Reports

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Lyndal McLean   |
| <b>GENERAL MANAGER</b> | Peter Brown   |
| <b>DIVISION</b>        | Executive   |
| <b>ATTACHMENTS</b>     | <ol style="list-style-type: none"> <li>1. Audit Actions Matrix - May 2019 [7.5.1]</li> <li>2. Audit Actions completed since March 2019 [7.5.2]</li> </ol> |
| <b>PURPOSE</b>         | To review high and medium risk rating recommendations from previous internal audit reports.   |

This item was heard immediately after Item 7.1 - Chief Executive Statement of Compliance.

### RECOMMENDATION

*That the Audit Committee receives the update on Internal Audit reports of high and medium risk rating recommendations as at May 2019.*

#### ALTERNATIVE MOTION

*MOVED Brian Keane, SECONDED Cr Stephen Hart*

*That the Audit Committee:*

- 1. Receives the update on Internal Audit reports of high and medium risk rating recommendations as at May 2019.*
- 2. Recommends that the audit recommendation from the November 2015 Depot Operations, finding number 3.1.2, be returned to open status.*

**CARRIED 4 : 0**

Ben McLaughlin attended the meeting at 10.34am.

Ian Seuren left the meeting at 10.43am.

Marni Young attended the meeting at 10.48am.

Jason Clissold left the meeting at 10.49am.



## Item: 7.6

## Internal Control - Review of Procurement Practices

|                        |  |
|------------------------|--|
| <b>OFFICER</b>         | Ben McLaughlin   |
| <b>GENERAL MANAGER</b> | Errol Lawrence   |
| <b>DIVISION</b>        | Corporate Services   |
| <b>ATTACHMENTS</b>     | Nil  |
| <b>PURPOSE</b>         | This report provides Audit Committee with an update on the compliance of procurement activity for the period 1 January to 31 March 2019 against the current policy and the implementation of actions to improve procurement process across the organisation. |

### RESOLUTION

*MOVED Cr Jason Schram, SECONDED Brian Keane*

*That the Audit Committee:*

- 1. notes this report and the actions being implemented to improve Council's procurement and contract practices.*

*CARRIED 4 : 0*

Jason Clissold returned to the meeting at 10.51am.

Nick Howard left the meeting at 10.52am.

Nick Howard returned to the meeting at 10.54am.

Ian Seuren returned to the meeting at 10.58am.

Ben McLaughlin left the meeting at 11.02am.

Peter Brown left the meeting at 11.02am.



## Item: 7.7

## Risk Management - Risk Management Adherence Report

|                        |  |
|------------------------|--|
| <b>OFFICER</b>         | Marni Young  |
| <b>GENERAL MANAGER</b> | Errol Lawrence   |
| <b>DIVISION</b>        | Corporate Services   |
| <b>ATTACHMENTS</b>     | <ol style="list-style-type: none"> <li>1. Risk Register Corporate - Strategic Risks - Audit Committee 20190605 [7.7.1]</li> <li>2. Risk Register Corporate - Risk Matrix - Audit Committee [7.7.2]</li> <li>3. Risk Management Committee - Meeting Minutes - 20190326 [7.7.3]</li> </ol> |
| <b>PURPOSE</b>         | This report provides a summary of the key and pending risk activities for the organisation as at May 2019.   |

### RECOMMENDATION

*That the Audit Committee receives the Risk Management Adherence Report as at May 2019 for information.*

#### ALTERNATIVE MOTION

*MOVED Cr Jason Schram, SECONDED Brian Keane*

*That the Audit Committee:*

- 1. receives the Risk Management Adherence Report as at May 2019 for information.*
- 2. recommends that the Chief Executive considers the involvement of the Executive Management Team in the Risk Committee.*

**CARRIED 4 : 0**

Peter Brown returned to the meeting at 11.02am.  
Marni Young left the meeting at 11.13am.



### Item: 7.8

## External Audit - 2018/19 Interim Audit Management Letter

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Jason Clissold  |
| <b>GENERAL MANAGER</b> | Errol Lawrence  |
| <b>DIVISION</b>        | Corporate Services  |
| <b>ATTACHMENTS</b>     | 1. Interim Management Letter - COS - ISSUED [7.8.1]   |
| <b>PURPOSE</b>         | To present the audit findings contained in the Interim Management Letter for the year ending 30 June 2019 |

This item was heard immediately after Business Arising from the Previous Meeting.

### **RESOLUTION**

*MOVED Brian Keane, SECONDED Cr Stephen Hart*

*That the Audit Committee notes the Interim Management Letter for the year ending 30 June 2019.*

*CARRIED 4 : 0*



## Item: 7.9

## External Audit - Review External Audit findings, recommendations & management responses - 2018/19 Shell Accounts

|                        |  |
|------------------------|--|
| <b>OFFICER</b>         | Jason Clissold   |
| <b>GENERAL MANAGER</b> | Errol Lawrence   |
| <b>DIVISION</b>        | Corporate Services   |
| <b>ATTACHMENTS</b>     | 1. COS Model Audit Committee v 0.1 [7.9.1]                           |
| <b>PURPOSE</b>         | To present the 2019/20 draft 'shell' accounts to the Audit Committee |

### RESOLUTION

*MOVED Cr Jason Schram, SECONDED Brian Keane*

*That the Audit Committee receive the 2019/20 Shell accounts as attached.*

**CARRIED 4 : 0**

Christopher Kol left the meeting at 10.12am.



### Item: 7.10

## Fraud prevention/awareness - Review Fraud Policy, review instances of fraud or corruption & assess internal controls

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Jason Clissold  |
| <b>GENERAL MANAGER</b> | Errol Lawrence  |
| <b>DIVISION</b>        | Corporate Services  |
| <b>ATTACHMENTS</b>     | 1. Fraud Control Program - 1 Feb 2019 - 30 April 2019 [7.10.1]  |
| <b>PURPOSE</b>         | To monitor our internal controls and processes in order to assist in the detection and prevention of fraud. |

This item was heard immediately after Item 7.7 - Risk Management - Risk Management Adherence Report.

### **RESOLUTION**

*MOVED Brian Keane, SECONDED Cr Stephen Hart*

*That the Audit Committee receives the Fraud Control Program Report for the period 1 February 2019 to 30 April 2019.*

**CARRIED 3 : 0**

Cr Jason Schram left the meeting at 11:14am and was not present at the time of this vote.



**Item: 7.11**

**Financial Reporting - Review significant accounting and reporting issues; review significant variances between actual and budget; review form and content of quarterly reports - 31/3/19**

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Jason Clissold  |
| <b>GENERAL MANAGER</b> | Errol Lawrence  |
| <b>DIVISION</b>        | Corporate Services  |
| <b>ATTACHMENTS</b>     | 1. March Quarterly Performance Report 2018-2019 [7.11.1]  |
| <b>PURPOSE</b>         | To provide the Audit Committee an overview of the March Quarterly Performance Report presented to Council in April 2019 |

**RESOLUTION**

*MOVED Cr Stephen Hart, SECONDED Brian Keane*

*That the Audit Committee receives the report on the March Quarterly Performance Report for 2018/19 for information.*

*CARRIED 3 : 0*



**Item: 7.12**

**Compliance - Review update of relevant policies, procedures and delegations**

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Sarah McKew   |
| <b>GENERAL MANAGER</b> | Peter Brown   |
| <b>DIVISION</b>        | Executive   |
| <b>ATTACHMENTS</b>     | Nil   |
| <b>PURPOSE</b>         | To inform the Audit Committee of any updates to policies, procedures or delegations |

**RESOLUTION**

*MOVED Brian Keane, SECONDED Cr Stephen Hart*

*That the Audit Committee notes this update on the review of Policies, Procedures and Delegations.*

*CARRIED 3 : 0*

The meeting adjourned for a short break at 11.40am.  
The meeting resumed at 11.43am.





## Item: 7.13

## Reporting Responsibilities - Consider findings from relevant agencies

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Sarah McKew   |
| <b>GENERAL MANAGER</b> | Peter Brown   |
| <b>DIVISION</b>        | Executive   |
| <b>ATTACHMENTS</b>     | <ol style="list-style-type: none"> <li>1. VAGO - Results of 2017-18 Audits - Local Government - December 2018 [7.13.1]</li> <li>2. Local Government Inspectorate Report - Governance Audit - Dec 2018 [7.13.2]</li> <li>3. COS responses to West Wimmera Local Government Inspectorate Report [7.13.3]</li> </ol> |
| <b>PURPOSE</b>         | To consider findings and recommendations from relevant audits conducted by IBAC, VAGO, Local Government Inspectorate etcetera   |

### RESOLUTION

*MOVED Cr Stephen Hart, SECONDED Brian Keane*

*That the Audit Committee notes the reports:*

- 1. VAGO Results of 2017-18 Audits: Local Government (December 2018); and*
- 2. Local Government Inspectorate – West Wimmera Shire Council Examination (28 November 2018).*

*CARRIED 3 : 0*



### Item: 7.14

## Other - Review Audit Committee Plan

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Lyndal McLean   |
| <b>GENERAL MANAGER</b> | Peter Brown   |
| <b>DIVISION</b>        | Executive   |
| <b>ATTACHMENTS</b>     | <ol style="list-style-type: none"> <li>1. Audit Committee Plan - June 2019 [7.14.1]</li> <li>2. 2020 Audit Committee Plan [7.14.2]</li> </ol> |
| <b>PURPOSE</b>         | To review the Audit Committee Plan.   |

## RECOMMENDATION

*That the Audit Committee:*

1. *notes the updated Audit Committee Plan for 2019.*
2. *notes the Audit Committee Plan for 2020.*
3. *confirms the Audit Committee meeting dates and times as:*
  - *Wednesday 4 December 2019 at 9am*
  - *Wednesday 11 March 2020 at 9am*
  - *Wednesday 10 June 2020 at 9am*
  - *Wednesday 9 September 2020 at 9am.*

## ALTERNATIVE MOTION

*MOVED Brian Keane, SECONDED Cr Stephen Hart*

*That the Audit Committee:*

1. *notes the updated Audit Committee Plan for 2019.*
2. *notes the Audit Committee Plan for 2020 with the following revisions to be made:*
  - a. *that for item 8.8 (G) it be recorded "as required" for each Audit Committee Meeting;*
  - b. *that the title of item 8.8 (G) be amended to include reference to the Gifts, Hospitality and Benefits register, and that this be reported annually;*

**3. confirms the Audit Committee meeting dates and times as:**

- *Wednesday 4 December 2019 at 9am*
- *Wednesday 11 March 2020 at 9am*
- *Wednesday 10 June 2020 at 9am*
- *Wednesday 9 September 2020 at 9am.*

**CARRIED 3 : 0**



### Item: 7.15

## Internal Audit – Meet separately with the internal auditor and review the performance of the internal auditor

|                        |  |
|------------------------|--|
| <b>OFFICER</b>         | Lyndal McLean  |
| <b>GENERAL MANAGER</b> | Peter Brown  |
| <b>DIVISION</b>        | Executive  |
| <b>ATTACHMENTS</b>     | Nil  |
| <b>PURPOSE</b>         | To meet separately with the internal auditor and review the performance of the internal auditor. |

This item was heard In Camera prior to the commencement of the meeting; all four Audit Committee members were present.

### **RESOLUTION**

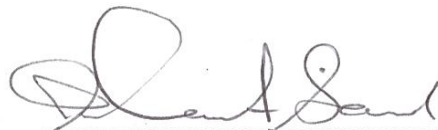
*MOVED Cr Jason Schram, seconded Cr Stephen Hart*

*That the Audit committee notes that the six-monthly meeting with the Internal Auditor has occurred and the review of the performance of the Internal Auditor has taken place.*

**CARRIED 4 : 0**

*The meeting was declared closed at 12:02pm.*

**CONFIRMED AND SIGNED** at the meeting held on 11 September 2019.

A handwritten signature in black ink, appearing to read 'Dent Sand', written over a dotted line.

**CHAIR**

Item: 10.8

## CE Employment Matters Advisory Committee

|                        |  |
|------------------------|--|
| <b>OFFICER</b>         | Tamzin McLennan                          |
| <b>GENERAL MANAGER</b> | Peter Brown                              |
| <b>DIVISION</b>        | Executive                                |
| <b>ATTACHMENTS</b>     | Nil                                      |
| <b>PURPOSE</b>         | CE Employment Matters Advisory Committee |

### 1. EXECUTIVE SUMMARY

The Terms of Reference for the CE Employment Matters Advisory Committee require that all six-monthly meetings of the Committee are called by a resolution of Council. This report seeks Council's approval to set the next three dates of the CE Employment Matters Advisory Committee, being:

- Wednesday 13 November 2019
- Wednesday 5 February 2020
- Wednesday 12 August 2020.

Councillors will note that the 2020 dates are on a different cycle to 2019 – this is to closer align the Committee's discussions to the key reporting cycles of the organisation.

### 2. RECOMMENDATION

*That Council:*

- 1. Sets the next meeting of the CE Employment Matters Advisory Committee for Wednesday 13 November at 1.30pm at COPACC.**
- 2. Sets the 2020 CE Employment Matters Advisory Committee dates for Wednesday 5 February and Wednesday 12 August at COPACC, with times to be confirmed closer to the date.**

### 3. KEY INFORMATION

The CE Employment Matters Advisory Committee is a formally appointed Advisory Committee of the Colac Otway Shire Council for the purposes of the *Local Government Act 1989*.

The committee's role is to:

- Make recommendations to Council on contractual employment matters relating to the CE
- Make recommendations to Council on performance matters relating to the CE
- Perform any other functions or responsibilities as prescribed by the *Act*.

The Committee is an Advisory Committee only and has no delegated authority to make decisions binding Council.

The inaugural meeting of the Committee took place on 10 April 2019, when the CE presented his annual performance plan for the 2018/19 year with commentary and measurements as at 31 December 2018.

The second meeting of the Committee will involve the presentation of commentary and measurements as at 30 June, 2019; as well as the presentation of updated KPIs for the 2019-20 financial year.

The meeting agenda will be distributed at least five working days in advance of the meeting, in line with the committee's Terms of Reference.

### 4. COMMUNITY CONSULTATION & ENGAGEMENT

Not applicable.

### 5. ALIGNMENT TO COUNCIL PLANS, POLICIES OR STRATEGIES

Alignment to Council Plan 2017-2021:

Theme 4 - Our Leadership & Management

1. Effectively manage financial resources.
2. Openness and accountability in decision making.
3. Organisational development and legislative compliance.
4. Provide value for money services for our community.
5. Communicate regularly with our community and involve them in decision-making.

### 6. CONSIDERATIONS

**ENVIRONMENTAL, SOCIAL & CULTURAL, & ECONOMIC**

Not applicable.

## **LEGAL & RISK**

Not applicable.

## **FINANCIAL & BUDGETARY**

Not applicable.

## **7. IMPLEMENTATION STRATEGY**

### **COMMUNICATION**

Not applicable.

### **TIMELINE**

Not applicable.

## **8. OFFICER DIRECT OR INDIRECT INTEREST**

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



## 10.9

### Notice of Motion - CCTV in the Colac Botanic Gardens Precinct

**COUNCILLOR** Cr Joe McCracken

**ATTACHMENTS** Nil

#### 1. COUNCILLOR COMMENT (OPTIONAL)

The Colac Botanic Gardens are a major asset to our community and our shire. Historically, culturally and socially significant, the gardens form a major part of our local identity. The gardens serve as a gentle sanctuary and a passive exercise space for elderly members of our community, as a wedding venue for Colac families, as a draw card for garden lovers and as a great place to meet, greet and for young families to experience.

In recent years however, the gardens have been threatened on a number of levels. Vandalism, theft, forced entry and property damage have sadly been occurring and it has been difficult to apprehend culprits. The property of the Colac Otway Shire and by extension the wider community have been threatened in recent weeks, with equipment being tampered with - posing a safety risk to staff and users of the gardens. Plants and trees have also been stolen in the past, some which have been rare and difficult to grow. Shire assets, such as storage sheds where specialised equipment is stored in, has also been broken into and acquired by criminals.

I propose that Colac Otway Shire Officers produce a report that looks into the viability of connecting and extending the CCTV network into the Colac Botanic Gardens and surrounds. If this were to happen, the true costs and benefits would be known of such a project. A successfully implemented project could act as a deterrent to criminals and thugs, and protect property. I hope this will ensure the Gardens are protected for future generations against senseless acts of stupidity.

#### 2. OFFICER COMMENT

Colac Otway Shire officers are supportive of the Notice of Motion.

As requested, a report in response to this Notice of Motion can be included in the October 2019 Ordinary Council Meeting agenda, however due to the complexity of the proposal, a report with such a short lead time will be as a concept only. The concept will include a scope of work for what is being suggested. The scope of work will provide high level detail of what can be achieved and only an estimate of the cost to provide this service.

When considering such a proposal, detail of the desired outcome will need to be provided such that the solution meets the desired outcome. The desired outcome will need to take into account the engagement of key stakeholders including Victoria Police if apprehension of offenders is an intended outcome.

Also for consideration is how to practically integrate the existing service and the associated operations and ongoing maintenance and asset renewal costs with providing a CCTV service in the Colac Botanical Gardens precinct.

### **3. NOTICE OF MOTION**

***That Colac Otway Shire officers prepare a report for the October 2019 Ordinary Council Meeting detailing the feasibility and costs associated with the option to extend the CCTV network to include the Colac Botanical Gardens, Botanic Café, Boat Ramp Carpark, and Gardens depot.***

Item: 10.10

## Old Beechy Rail Trail Minutes and Assemblies of Councillors notes

|                        |   |
|------------------------|---|
| <b>OFFICER</b>         | Lyndal McLean   |
| <b>CHIEF EXECUTIVE</b> | Peter Brown   |
| <b>DIVISION</b>        | Executive   |
| <b>ATTACHMENTS</b>     | <ol style="list-style-type: none"> <li>1. Assembly of Councillors - Council Meeting Preparation - 28 August 2019 [<b>10.10.1</b> - 2 pages]</li> <li>2. Assembly of Councillors - Councillor Briefing - 4 September 2019 [<b>10.10.2</b> - 2 pages]</li> <li>3. Assembly of Councillors - Councillor Briefing - 11 September 2019 [<b>10.10.3</b> - 2 pages]</li> <li>4. Assembly of Councillors - Friends of the Colac Botanic Gardens Advisory Committee - 12 September 201 [<b>10.10.4</b> - 1 page]</li> <li>5. Old Beechy Rail Trail Committee - Meeting Minutes with attachments - 2019 6 August - Confirmed [<b>10.10.5</b> - 13 pages]</li> </ol> |
| <b>PURPOSE</b>         | To report the minutes of the Old Beechy Rail Trail and report the Assemblies of Councillors.  |

### 1. EXECUTIVE SUMMARY

#### ASSEMBLIES OF COUNCILLORS

The Local Government Act 1989 requires that records of meetings which constitute an Assembly of Councillors be reported at the next practicable meeting of Council and incorporated in the minutes of the Council meeting. All relevant meetings have been recorded, documented and will be kept by Council for 4 years. The attached documents provide details of those meetings held that are defined as an Assembly of Councillors.

#### OLD BEECHY RAIL TRAIL COMMITTEE MINUTES

Colac Otway Shire formed the Old Beechy Rail Trail Committee (OBRTC) on 26 September 2001. The OBRTC was conferred as a Section 86 Committee under the Local Government Act 1989 and delegated

the functions, duties and powers set forth in the schedule titled Old Beechy Rail Trail Committee Charter. The Charter was developed as the basis of the Instrument of Delegation to be used by the Old Beechy Rail Trail Committee.

The Old Beechy Rail Trail Committee Charter states that:

- “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” (Item 6.1.1).
- “Confidential minutes of the Old Beechy Rail Trail Committee are to be included in an In-Committee agenda of Council” (Item 6.1.2)

## 2. REPORTING

**1. The Assemblies of Councillors are reported herewith.**

**2. The Minutes of the Old Beechy Rail Trail Committee 6 August 2019 are reported herewith.**

***The Local Government Act 1989 does not require a Council decision.***

## 3. KEY INFORMATION

The following assemblies of Councillors have been held and are attached to this report:

- |  |                   |
|--|-------------------|
| • Ordinary Council Meeting preparation           | 28 August 2019    |
| • Councillor Briefing                            | 4 September 2019  |
| • Councillor Briefing                            | 11 September 2019 |
| • Friends of the Colac Botanic Gardens Committee | 12 September 2019 |

The following Minutes of the Old Beechy Rail Trail Committee are attached to this report:

- |                                   |               |
|-----------------------------------|---------------|
| • Old Beechy Rail Trail Committee | 6 August 2019 |
|-----------------------------------|---------------|

## 4. OFFICER DIRECT OR INDIRECT INTEREST

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

## Assembly of Councillors

| <b>INVITEES:</b><br>Cr Hanson, Cr Hart, Cr Schram, Cr Potter, Cr McCracken, Cr Crook, Cr Smith, Peter Brown, Tony McGann, Errol Lawrence, Ian Seuren   |  |   |   |
|--|--|---|---|
| <b>ATTENDEES:</b><br>Cr Hanson, Cr Hart, Cr Schram, Cr Potter, Cr McCracken, Cr Crook, Tony McGann, Errol Lawrence, Ian Seuren, Sarah McKew, Lyndal McLean, Suzanne Barker, Doug McNeill, Simon Clarke, Madeleine Bisits |  |   |   |
| <b>EXTERNAL ATTENDEES:</b><br>Nil  |  |   |   |
| <b>APOLOGIES:</b><br>Peter Brown   |  |   |   |
| <b>ABSENT:</b><br>Cr Smith   |  |   |   |
| <b>Meeting commenced at 2:05pm</b>   |  |   |   |
| Declarations of Interest   |  | Item  | Reason  |
| Cr Brian Crook   | Having declared a conflict of interest, Cr Crook left the meeting at 2:52pm; returned at 3:00pm. | 10.2 – Planning Scheme Amendment - C90 Colac Flood Overlay Amendment – Further consideration of submissions | Direct interest – Section 77B I live in an area affected by this overlay and I was also a submitter.                    |
| Cr Chris Potter  | Having declared a conflict of interest, Cr Potter left the meeting at 3:43pm and did not return. | General Business - Bluewater  | Indirect interest – Section 78 COS is in legal action against BDH. A director of BDH is a family member being a cousin. |

| Time               | Item   | Attendees  |
|--------------------|--|--|
| 2:00pm –<br>3:10pm | <p>Ordinary Council Meeting Preparation</p> <p>Having declared a conflict of interest, Cr Crook left the meeting at 2:52pm; returned at 3:00pm.</p> <p>Cr Hanson left the meeting at 3:15pm; returned at 3:17pm.</p> <p>Having declared a conflict of interest, Cr Potter left the meeting at 3:43pm and did not return.</p> | <p>Suzanne Barker<br/>Doug McNeill<br/>Simon Clarke<br/>Madeleine Bisits</p> |
| 3:10pm             | Meeting closed   |  |





Councillor Briefing

Rehearsal Room, COPACC

Wednesday, 4 September 2019

11:45am

## Assembly of Councillors

**INVITEES:**

Cr Smith, Cr Hanson, Cr Hart, Cr Schram, Cr Potter, Cr McCracken, Cr Crook, Peter Brown, Tony McGann, Errol Lawrence, Ian Seuren

**ATTENDEES:**

Cr Crook, Cr McCracken, Cr Hanson, Cr Schram, Cr Potter, Ian Seuren, Errol Lawrence, Frank Castles, Simon Clarke, Bláithín Butler, Helen Evans, Gary Warrener, Madeleine Bisits, Julie Kiernan, Lucy Vesey, Sarah McKew, Lyndal McLean

**EXTERNAL ATTENDEES:**

Jim Corbett – Director, Sport & Leisure Solutions

**APOLOGIES:**

Cr Hart, Peter Brown, Tony McGann

**ABSENT:**

Cr Smith

Meeting commenced at 11:47am

| Declaration of Interest | Item | Reason |
|-------------------------|------|--------|
| Nil                     |      |        |



| Councillor Briefing |   |   |
|---------------------|---|---|
| Time                | Item  | Attendees   |
| 11:47am – 12:06pm   | Whipper Snapper Distillery Planning Process   | Simon Clarke<br>Bláithín Butler<br>Helen Evans<br>Gary Warrener |
| 12:06pm – 12:41pm   | CrossXPollinatioN Review  | Madeleine Bisits<br>Julie Kiernan                               |
| 12:41pm – 12:53pm   | Former Colac High School Site   | Madeleine Bisits  |
| 12:53pm – 1:30pm    | Break   |   |
| 1:30pm – 2:15pm     | Bluewater Performance Review  | Jim Corbett<br>Lucy Vesey<br>Madeleine Bisits                   |
| 2:15pm – 2:25pm     | Review of Council Policy - 18.6 Audio Recordings of Council Meetings  | Sarah McKew<br>Lyndal McLean                                    |
| 2:25pm – 2:35pm     | General Business: <ul style="list-style-type: none"> <li>▪ Update on Service Reviews</li> <li>▪ Cutting Red Tape</li> </ul> |   |
| 2:35pm              | Meeting closed  |   |







Councillor Briefing

Meeting Room 2, COPACC

Wednesday, 11 September 2019

12:00pm

## Assembly of Councillors

### INVITEES:

Cr Smith, Cr Hanson, Cr Hart, Cr Schram, Cr Potter, Cr McCracken, Cr Crook, Peter Brown, Tony McGann, Errol Lawrence, Ian Seuren, Frank Castles

### ATTENDEES:

Cr Crook, Cr Hanson, Cr Potter, Cr Schram, Peter Brown, Ian Seuren, Errol Lawrence, Frank Castles, Sarah McKew, Bláithín Butler, Simon Clarke, Gary Warrener, Tony Gullone, Suzanne Barker, Jeremy Rudd, Madeleine Bisits, Nicole Frampton, Melanie Duve, Tim Brain

### EXTERNAL ATTENDEES:

Mike Said – Audit Committee Chair, Markus Nolle – Fisherman's Co-op Board Member, Roderick Poole – WinterWild Director, Bob Knowles – Apollo Bay Chamber of Commerce

### APOLOGIES:

Cr Hart, Tony McGann

### ABSENT:

Cr Smith, Cr McCracken

Meeting commenced at 12:03pm.

| Declarations of Interest | Item | Reason |
|--------------------------|------|--------|
| Nil                      |      |        |

| Councillor Briefing |                              |           |
|---------------------|------------------------------|-----------|
| Time                | Item                         | Attendees |
| 12:03pm – 12:30pm   | Audit Committee Chair report | Mike Said |
| 12:30pm – 12:39pm   | Break                        |           |



| <b>Councillor Briefing</b> |  |  |
|----------------------------|--|--|
| <b>Time</b>                | <b>Item</b>  | <b>Attendees</b>   |
| 12:39pm –<br>1:05pm        | Planning Application - 10 Drapers Road, Colac East<br><br>Cr Hanson attended the meeting 1:00pm  | Bláithín Butler<br>Simon Clarke<br>Helen Evans                     |
| 1:05pm –<br>1:47pm         | Councillor/EMT Discussion  | Sarah McKew  |
| 1:47pm –<br>2:33pm         | Apollo Bay Festivals and Events  | Markus Nolle<br>Roderick Poole<br>Bob Knowles<br><br>Gary Warrener |
| 2:33pm –<br>2:51pm         | Forrest Caravan Park - Wastewater Update   | Simon Clarke<br>Tony Gullone<br>Gary Warrener                      |
| 2:51pm –<br>3:00pm         | Break  |  |
| 3:00pm –<br>3:17pm         | Birregurra Flood and Drainage Strategy Overview  | Simon Clarke<br>Suzanne Barker<br>Jeremy Rudd<br>Tim Brain         |
| 3:17pm –<br>3:51pm         | AFL Pre-Season Match   | Madeleine Bisits<br>Nicole Frampton                                |
| 3:51pm –<br>4:03pm         | Review Annual Report 2018/19   | Melanie Duve<br>Sarah McKew  |
| 4:03pm –<br>4:09pm         | General Business: <ul style="list-style-type: none"> <li>▪ Pennyroyal Hall</li> <li>▪ Asset Management</li> <li>▪ Cleaning Tender</li> </ul> |  |
| 4:09pm                     | Meeting closed   |  |



# Assembly of Councillors Record

This form must be completed by the attending Council Officer and saved in the current Assembly of Council Records folder in Content Manager. A copy of the completed form must be provided to Governance for reporting at the next Ordinary Council Meeting. (Please refer to Assembly of Councillors Record - Explanation / Guide Notes.)

## Assembly Details

Advisory committee name: Friends of Colac Botanic Gardens

Date: 12, 9, 19

Time: 6 am / pm

Assembly Location: Makers Space  
(eg. COPACC; Colac Otway Shire Offices – 2-6 Rae Street, Colac; Shire Offices – Nelson Street, Apollo Bay)

## In Attendance

Councillors: Joe McCracken / /

Officer/s: Laurence Towers Ben Rymon /

Matter/s Discussed: Bats, Christmas in Colac, Childrens Week, Meeting Location, Educational use of gardens, Council Writing, Plant Sale, Reports, Treasurers, Curators, Potting

(eg. 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 to page 5 of Assembly of Councillors Record – Explanation / Guide Notes)

Councillors: / /

Officer/s: / /

..... left meeting at: ..... am / pm; returned to meeting at ..... am / pm.

Completed by: Laurence Towers

## OLD BEECHY RAIL TRAIL COMMITTEE MINUTES

### Update: Committee Members:

|   |                              |   |   |                         |   |
|---|------------------------------|---|---|-------------------------|---|
| ✓ | Cr Chris Smith<br>(Chair)    | COS Councillor  | ✓ | Tricia Jukes            | Land Owner<br>representative  |
| ✓ | Sue Thomas                   | Community<br>representative                               | ✓ | Philippa Bailey         | Community<br>representative   |
| ✓ | Andrew Daffy                 | Community<br>representative                               | A | Cyril Marriner          | Community<br>representative   |
| ✓ | Noel Barry                   | Friends of the Old<br>Beechy Rail Trail<br>representative | ✓ | Linda Laurie<br>(proxy) | Department of<br>Environment, Land,<br>Water and Planning<br>representative (DELWP) |
| ✓ | Nicole Frampton<br>(minutes) | COS Recreation and<br>Open Space<br>Coordinator           |   |                         |   |

### Non-voting invitees:

Philip Dandy, Anthony Zappelli, Jessica Reid (Parks Victoria), COS Services and Operations, ✓  
Madeleine Bisits (COS Manager Arts and Leisure)

|  |  |
|--|--|
| <b>1. Welcome, apologies</b>   |  |
| Apologies: Cyril Marriner, Craig Clifford (DELWP)  |  |
| <b>2. Confirmation of previous minutes – 4 June 2019</b>   |  |
| <b>Moved: Andrew Daffy</b><br>Seconded: Sue Thomas<br>Carried.   |  |
| <b>3. Business Arising from Previous Minutes (see attached)</b>  |  |
| Item 3 Discussion:<br>Outstanding Actions were discussed and updated on linked spreadsheet – see<br>attached for update.   |  |
| <b>4. Correspondence</b>   |  |
| In   |  |
| <ul style="list-style-type: none"> <li>1/8/19 – Email from COS Economic Development Officer – Extension of time request granted for OBRT Brochure until 30/06/2020.</li> </ul>           |  |
| <ul style="list-style-type: none"> <li>31/7/19 &amp; 1/8/19 – Emails from Tony Grogan (from Chile) re temporary trail closure.</li> </ul>  |  |
| <ul style="list-style-type: none"> <li>29/7/19 – Email from Rod Bright and Associates – Survey of OBRT through Humphris land.</li> </ul>   |  |
| <ul style="list-style-type: none"> <li>16/7/19 – Email from COS Planning seeking response to road crossover application for 2015 Beech Forest-Lavers Hill Road, Beech Forest.</li> </ul> |  |
| <ul style="list-style-type: none"> <li>8/7/19 – Email from COS Economic Development Officer – Extension of time request granted for OBRT Brochure until 1/09/2019.</li> </ul>            |  |
| <ul style="list-style-type: none"> <li>7/7/19 – Email from trail user – seeking clarification for temporary trail closures.</li> </ul>   |  |

|  |                  |
|--|------------------|
| <b>Committee discussion:</b> Cr Smith requested that some of these emails of particular interest to the group should be forwarded to the committee at the time of receiving.   |                  |
| <b>Action:</b> Nicole to forward relevant emails to the committee.   | NF               |
| Out  |                  |
| <ul style="list-style-type: none"> <li>1/08/19 – Email to COS Economic Development Officer – seeking further time extension due to not receiving Risk Assessment Report for Brochure content in time to complete project prior to 1/9/19.</li> </ul>   |                  |
| <ul style="list-style-type: none"> <li>18/6 &amp; 2/7 – Committee fortnightly update.</li> </ul>   |                  |
| <ul style="list-style-type: none"> <li>July 2019 – Various to V/Line re Colac Station Yard permissions and proposed funding application through the State Government’s Public Safety Infrastructure Fund grants.</li> </ul>  |                  |
| <ul style="list-style-type: none"> <li>25/06/2019 – Email to COS Economic Development Officer seeking an extension of time to complete the new OBRT Brochure.</li> </ul>   |                  |
| <ul style="list-style-type: none"> <li>19/6/19 – Email from Kawarren Recreation Reserve – concerns over OBRT temporary closures specifically from Kawarren to Gellibrand.</li> </ul>   |                  |
| <ul style="list-style-type: none"> <li>18/6/19 &amp; 19/6/19 – Various – Email to external websites to update re OBRT temporary closures.</li> </ul>   |                  |
| <ul style="list-style-type: none"> <li>13/6/19 – Email to Committee members advising of temporary trail closures following request from 4 landowners to close their section of trail.</li> </ul>   |                  |
| <ul style="list-style-type: none"> <li>6/6/19 – Email to members of Committee – Strategic Trail documents.</li> </ul>  |                  |
| <ul style="list-style-type: none"> <li>4/6/19 – Email to recent user of trail thanking them for taking the time to provide their feedback.</li> </ul>  |                  |
| <b>5. Council Report</b>   |                  |
| <p>Item 5 Discussion:</p> <p>The August 2019 Monthly Report was presented to the Committee for discussion – see attached. Hardcopy report provided to committee members present at the meeting.</p> <p>Follow up from previous Committee identified items:</p> <ul style="list-style-type: none"> <li>Coram – gate locks need to be looked at again. Padlock completely gone. Fencing has been damaged.</li> </ul> |                  |
| <b>Action: Nicole to discuss with COS Services and Operations.</b>   | NF               |
| <b>6. Friends Report – Noel Barry</b>  |                  |
| <p>Update/Discussion:</p> <ul style="list-style-type: none"> <li>Coram Station Sign – Sign construction works are completed. Sign now needs to be arranged to be installed.</li> <li>Noel undertaking some investigation of old train carriages/wagons in our local area. If anyone knows of any in the area, can you please contact Noel.</li> </ul>  | NB               |
| <b>7. Treasurers Report – Tricia Jukes</b>   |                  |
| <p>Report provided for 31/07/2019 – As at 31/07/2019, the OBRT Committee Cheque Account statement has a balance of \$6,759.69.</p> <p>Paperwork has been completed for Golden Gumboot event, event grant should be paid into the account in the coming month.</p>  | NF to follow up. |

|  |    |
|--|----|
| <b>8. Working Group Updates</b>  |    |
| <ul style="list-style-type: none"> <li><b>Marketing / Governance / Promotions / Events Working Group</b></li> </ul>  |    |
| <p><u>New Map/Brochure update –</u></p> <ul style="list-style-type: none"> <li>Brochure/Map</li> <li>Update: Brochure project on hold until landowner risk assessment report and brochure wording is finalised. Extension to complete brochure until 30/06/20 has been received.</li> </ul>  |    |
| <ul style="list-style-type: none"> <li><b>Maintenance and Future Planning Working Group</b></li> </ul>   |    |
| No meeting held – nothing to report.   |    |
| <b>9. General Business</b>   |    |
| <ul style="list-style-type: none"> <li>Trail Closures <ul style="list-style-type: none"> <li>Temporary rail closure signage.<br/>Update: Trail temporary closure signage has been installed.</li> </ul> </li> </ul>  |    |
| <p><b>Action: There has been a landowner request to remove an incorrectly placed sign from their property. Nicole to discuss further with the landowner and advise Services and Operations to remove requested sign.</b></p>   | NF |
| <ul style="list-style-type: none"> <li>Dinmont to Ditchley closure Dinmont to Ditchley closure.<br/>Update: This section of the trail remains closed.</li> </ul>   |    |
| <ul style="list-style-type: none"> <li>Private Property Risk Assessments/ Insurance cover for landowners which licence the land to Council for OBRT purposes.<br/>Update: landowner risk assessments have been completed (29/7/19). Council waiting landowner risk assessment report, which is expected to be received the week beginning 19/8/19.<br/>Discussion: Officers discussed the potential for having a meeting in early October for landowners and Committee members. Members were concerned about timing and delay of this meeting. Nicole to discuss with risk assessor to bring that meeting forward to September.</li> </ul>   |    |
| <p><b>Action: Nicole to send meeting invites to landowners and committee members once report has been received and meeting date has been confirmed.</b></p>  | NF |
| <ul style="list-style-type: none"> <li>Colac Station section of the OBRT<br/>Update: An application was submitted by COS under the Public Safety Infrastructure Fund to make improvements along the Colac Station section of the OBRT. Aim of project: to address CPTED issues and improve the aesthetics of this section of the trail.<br/>In recent months, the existing fencing has been extensively damaged again. The project proposes to replace the existing fencing with a more robust style of fencing, complete improvements to the amenity of the area including signage (map), planting, and the opening up of site-lines to address the perception of this section being unsafe.<br/>Philippa provided a Letter of Support on behalf of the committee for the application.</li> </ul> |    |
| <p><b>Action: Nicole to send a copy of the submitted application to OBRT Committee members.</b></p>  | NF |
| <ul style="list-style-type: none"> <li>Midway Plantations</li> </ul>   |    |

|   |                      |
|---|----------------------|
| <p>A committee member has received correspondence that logging works will commence which will impact the trail.</p>   |                      |
| <p><b>Action: Midway signage – Nicole to work with Midway to develop standard OBRT signage for Midway properties once the landowner risk assessment report has been received.</b></p>   | NF                   |
| <p><b>Action: Midway logging works – Nicole to follow up with Midway of any upcoming works which may affect the trail.</b></p>  | NF                   |
| <ul style="list-style-type: none"> <li>Humphris land titles – Humphris property/land transfer update<br/>Update: Revised survey work received 29/7/19. Meeting to be scheduled with landowner in coming weeks.</li> </ul>   | NF                   |
| <ul style="list-style-type: none"> <li>OBRT Strategic Vision/Statement<br/>Committee/working group update: has not progressed due to time limitations.</li> </ul>   |                      |
| <ul style="list-style-type: none"> <li>Hunt for the Golden Gumboot – 2019 Event – Saturday 21 September to Saturday 5 October.<br/>Update: Funding has been received by COS to run the event this year. Sponsors evening will not go ahead this year; will look to have an event next year for the 10<sup>th</sup> year anniversary of the Hunt for the Golden Gumboot. Due to trail closures, this year's hunt will be organised from Kawarren to Gellibrand.<br/>This year to attract secondary aged children, the event organising committee is having an art competition to engage this age group. The activity to run through the schools, with an Art exhibition and event celebration (bush dance) to be held on Saturday 5 October – times: Art Exhibition and bbq from 5pm, prizes from 5:30pm and bush dance from 6pm.</li> </ul> | PB / TJ              |
| <ul style="list-style-type: none"> <li>Honour Board for OBRT contributions.<br/>Andrew Daffy provided an update to the committee. Andrew has commenced works making the board.<br/>Committee discussed what to call the honour board the "Old Beechy Rail Trail Honour Board". Each plaque could be personalised with the contribution.<br/>The OBRT Information Building has in the past been the responsibility of the committee/Friends of OBRT to maintain. The building requires some works due to an ant infestation. The Friends of committee to organise someone to assess the building and control the ants.</li> </ul>  | Friends of Committee |
| <ul style="list-style-type: none"> <li>Bicycle Network – Great Victorian Bike Ride overnight stay at Beech Forest – mid November 2019. <ul style="list-style-type: none"> <li>Need to have a clean-up of this section of the trail so that cyclists/pedestrians can commute between Ferguson and Beech Forest for this overnight stay.</li> <li>Committee would like the opportunity to promote the trail at this event. This may depend on whether the trail is re-opened in time for this.</li> <li>Are there sections which can be re-opened on the day? This will need to be determined following the findings from the landowner risk assessments report and discussions with landowners.</li> </ul> </li> </ul>   |                      |
| <p><b>Action: Nicole to discuss with Services and Operations a clean-up of and maintenance along this section of the trail.</b></p>   | NF                   |
| <ul style="list-style-type: none"> <li>Meeting Dates: 2019 Meeting Dates and Frequency</li> </ul>   |                      |



**OLD BEECHY RAIL TRAIL COMMITTEE  
MEETING MINUTES  
TUESDAY 6 AUGUST 2019  
10:00am – 11:44am  
COPACC MEETING ROOM 1**

|  |  |
|--|--|
| <p>Discussion: Committee discussed the frequency of meetings. Following this discussion and required timelines to complete tasks, the proposed meeting dates are:</p> <ul style="list-style-type: none"> <li>○ Tuesday 10 September with the Landowner Risk Assessment session at 9am with OBRT Committee meeting to follow.</li> <li>○ Tuesday 22 October</li> </ul>  |  |
| <b>10. Meeting Dates &amp; Times</b>   |  |
| Meeting Closed 11:44am   |  |
| <p><u>Next meeting:</u></p> <ul style="list-style-type: none"> <li>• Tuesday 10 September at 9am – Landowner Risk/Insurance session</li> <li>• Tuesday 10 September to follow landowner meeting 10am to 11:30/12pm;</li> </ul> <p>Venue: COPACC Meeting Room 1. Room has been booked from 8:30am for setup.</p> <p>2019 future meeting dates:</p> <ul style="list-style-type: none"> <li>• Tuesday 22 October at 10am</li> </ul> |  |



| Meeting Date  | Meeting Action  | Responsibility      | Status      | Update / Comments   |
|---|---|---------------------|-------------|---|
| 2019 - 6 August   | Midway logging works<br><br><b>Action: Nicole to contact Midway for any upcoming works which may affect the trail.</b>  | Nicole Frampton     | In Progress | Update 26/8/19 - Email sent to Midway requesting an update of proposed works.   |
| 2019 - 6 August<br>2019 - 7 May<br>2019 - 5 February  | Insurance cover for farmers/landowners which licence the land to Council for OBRT purposes. (Private Property Risk Assessments/ Insurance cover for landowners which licence the land to Council for OBRT purposes).<br><br><b>6/8/19 - Action: Nicole to send meeting invites to landowners and committee members once report has been received and meeting date has been confirmed.</b><br><br><b>Action: Nicole to seek clarification on the public liability coverage provided under the licence for landowners of the OBRT.</b><br><br><b>Action: Nicole to seek further clarification on the public liability coverage provided under the current and future licence agreements for landowners of the OBRT. Timeframe: to be resolved in the next month.</b><br><br><b>Motion: "That the Old Beechy Rail Trail Committee requests that Colac Otway Shire commit resources to resolving the licence agreement insurance issue as the top priority and a matter of urgency as the continued use of the trail is in jeopardy, and requests that Council provide a report back to the committee regarding the progress of this resolution".</b><br>Carried. | Nicole Frampton     | In Progress | Update 26/8/19 - Individual property risk assessments report received by COS.<br><br>Update 6/8/19 - Update: landowner risk assessments have been completed (29/7/19). Council waiting landowner risk assessment report, which is expected to be received the week beginning 19/8/19.<br><br>Preliminary advice received. Further advice has been sought. Letters sent to landowners on 30/05/2019.   |
| 2019 - 6 August   | Temporary rail closure signage<br><br><b>Action: There has been a landowner request to remove a sign from their property. Nicole to discuss further with the landowner and advise Services and Operations to remove requested sign.</b>   | Nicole Frampton     | Completed   | Update 8/8/19 - Requested signage removed.  |
| 2019 - 6 August   | Coram – gate locks need to be looked at again. Padlock completely gone. Fencing has been damaged.<br><br><b>Action: Nicole to discuss with COS Services and Operations.</b>   | Nicole Frampton     | In Progress |   |
| 2019 - 6 August<br>2019 - 4 June<br>2019 - 2 April<br>2019 - 5 March<br>2019 - 5 February<br><br>2018 | Humphris Land Titles - Humphris property/land transfer  | Nicole Frampton/COS | In Progress | Update 26/8/19: Revised survey work received 29/7/19. Meeting to be scheduled with landowner in coming weeks.<br>Update 4/6/19 - meeting held with Mr Humphris on 3/6/19.<br>Update 7/5/19 - meetin held onsite with Mr Humphris on 15/4/19.<br>Update 2/4/19 - documentation has been received. A meeting with the landowner now needs to be organised. Waiting on the completion of the final survey to enable land transfer.<br>Discussions and updates have been provided to the landowner (Humphris).<br>Nicole and the property department will continue to work with the landowner to get the land transfer completed.<br>Update 5/2/19 - Need to organise an onsite meeting to discuss exactly where the trail goes (Rick, Andrew, Chris, Nicole, Mark and surveyor). |

| Meeting Date   | Meeting Action  | Responsibility  | Status        | Update / Comments   |
|--|---|-----------------|---------------|---|
| 2019 - 6 August<br>2019 - 4 June<br>2019 - 5 March<br><br>2018 | Colac Station section of the OBRT<br><br><b>Action: Nicole to send a copy of the submitted application to OBRT Committee members.</b><br><br><b>Action: Interested OBRT committee members to meet and discuss ideas for the Colac Station section of the OBRT.</b><br><br>A grant opportunity exists to address CPTED issues and improve the aesthetics of this section of the trail through a State Government grant program – Public Safety Infrastructure Fund. In recent months the existing fence has been extensively damaged again. The project proposes a better style of fencing and will also improve the amenity of area via a range of treatments (signage, maps, planting, opening up site lines) to address the perception of being unsafe. | Nicole Frampton | In Progress   | Update 6/8/19 - Application submitted to Department of Justice.<br>Update 4/6/19 - an application will be submitted under the program for works to be completed to address the CPTED issues.<br>Update 2/4/19 - put on hold until the brochure and Golden Gumboot funding application is completed.<br>Nicole to organise a meeting with Chris, Tricia, Sue and Philippa once the OBRT Audit and Management Plan have been completed. To be discussed at the Committee level once a meeting has occurred. |
| 2019 - 6 August<br>2019 - 4 June                               | Midway property gate signage<br><br><b>Action: Nicole to work with Midway to develop standard and consistent signage for the OBRT to be displayed on Midway property gates.</b>   | Nicole Frampton | Not Commenced |   |
| 2019 - 4 June  | Former Play Equipment which was in Rex Norman Park to be repurposed as a wayfinding sign with OBRT directional signage installed.<br><br><b>Motion: "That the OBRT Committee agree to provide in principle support for "Happy Jack" to be installed with directional signage on the southern side of the Otway Tourist Park on the intersection of the Gellibrand community garden walk and OBRT subject to Council approval".</b><br>Carried.  | Andrew Daffy    | In Progress   | Gellibrand Community House Project - need to seek Council approval for location of the wayfinding sign and the OBRT signage to be included.   |
| 2019 - 4 June  | Honour Board for OBRT contributions at the Gellibrand Information Centre  | Andrew Daffy    | Not Commenced | Idea needs to be explored further.  |
| 2019 - 7 May   | Acknowledgement/Token of Appreciation for Tony Grogan<br><br><b>Motion: "That the OBRT Committee approves Andrew Daffy to create a small token of appreciation for Tony Grogan as a founder of the OBRT."</b><br>Carried.   | Andrew Daffy    | In Progress   | Update 4/6/19: Morning tea was held for Tony Grogan on 21/5/19 at the Gelli Store.<br>Gift is nearly finished being made.   |
| 2019 - 7 May   | Committee identified items:<br>• Start of the OBRT in Colac – directional signage required to show where the trail starts at the Colac Station. Committee identified some confusion as to where the trail starts when you get off the train in Colac.<br>• Committee maintenance – Maggio's Road sign DELWP sign – Nicole to contact Craig Clifford to see if this can be fixed or removed - IN PROGRESS (see update)<br>• Some of the signs are weathered and faded – need to check asset condition audit and order new signs where replacement signs have been identified.<br>• Colac Station section of trail – fences have been damaged again and rubbish dumped in the area.   | Nicole Frampton | In Progress   | Email sent to DELWP for follow up of sign replacement -<br>Update: Forest Fire Management staff plan to remove the old sign on Maggio's Road and replace with a new sign. The plan is to complete this job over the next few months.  |
| 2019 - 2 April   | New Friends of OBRT members<br><br><b>Action: That the 'Friends of OBRT' advertise September/October for new members.</b><br><b>Action: Noel Barry to develop a list of maintenance works/tasks which members of the 'Friends of OBRT' could complete.</b>  | Noel Barry      | Ongoing       |   |

| Meeting Date   | Meeting Action  | Responsibility                    | Status      | Update / Comments  |
|--|---|-----------------------------------|-------------|--|
| 2019 - 5 March   | Hunt for the Golden Gumboot - 2019 Event<br>Philippa Bailey will coordinate this years event.<br><br><b>Motion: "That the Old Beechy Rail Trail Committee applies for funding for the Hunt for the Golden Gumboot 2019 event."</b><br>Carried.  | Philippa Bailey                   | Completed   | Application submitted. Awaiting notification following June OCM.   |
| 2019- 7 May<br>2019 - 5 March                          | <b>Action: Sign at the Maggio's Road/103 Mile post location has been damaged.</b><br>Nicole to get Services and Operations to fix. On investigation, this sign is not COS responsibility.<br><br><b>Maggio's Road sign DELWP sign – Nicole to contact Craig Clifford to see if this can be fixed or removed - IN PROGRESS (see update)</b>  | DELWP                             | In Progress | Email sent to Services and Operations - this is not a COS sign responsibility - DELWP<br><br>Update 4/6/19: Email sent to DELWP for follow up of sign replacement - Update: Forest Fire Management staff plan to remove the old sign on Maggio's Road and replace with a new sign. The plan is to complete this job over the next few months.  |
| 2019 - 5 February<br>2019 - 5 March                    | Midway Plantations – upcoming harvesting and establishment activities – dates for scheduled works.<br><br><b>Action: Nicole to contact Midway to confirm the dates for scheduled works.</b><br><br><b>Action: Nicole to inform the committee members once dates for the scheduled works are provided to COS.</b>  | Nicole Frampton                   | Completed   | Update: No scheduled works planned will impact on trail users.   |
| 2019 - 6 August<br>2019 - 2 April<br>2019 - 5 February | OBRT Map/Brochure<br><br><b>Action: Meeting to be organised with sub-committee (Tricia, Sue, Philippa). Tricia will organise a meeting with Adrian and the sub-committee re new brochures and format.</b><br><br><b>Motion: "That the OBRT Committee approves the spending of up to \$500 from the OBRT Committee account to use for professional photos."</b><br>Carried.  | Tricia Jukes /<br>Philippa Bailey | Ongoing     | Update 6/8/19 - Brochure project on hold until landowner risk assessment report and brochure wording is finalised. Extension to complete brochure until 30/06/20 has been received.<br>Update 5/3/19 - Sue spoke to Adrian re new brochure format and web page.<br>Update: 2/04/2019 - Working group has met a few times about setting up a website and the new brochure for the trail.<br>Update: Meeting scheduled for 4 June prior to Committee |
| 2019- 5 February                                       | <b>Action: Letters of thanks to be sent to Nathan Swain and Bernard Jordan following their recent resignations.</b><br><br><b>Action: Add outgoing members to the list of letters to be sent.</b>   | Nicole Frampton                   | In Progress | Letter/Certificate to be provided to all recent resignations and outgoing committee members.   |
| 2019 - 5 February                                      | Committee identified maintenance works:<br><br>* Colac Station - broken yellow marker<br>* Coram - pedestrian and vehicle gate on Forrest St South - a chain has been installed around the vehicle and pedestrian gate restricting access.<br>* Larsons gate - chicane pedestrian gate - committee has requested that this be removed.<br>* Drains and surface of the trail between Gellibrand and Ferguson appears to not been touched. (Frank provided an update of the works completed along the trail)<br>* Many sections with long grass on either side of the trail.<br>* Drains in Fairyland section are clogged/blocked with leaf litter.<br>* Fairyland section fern fronds are too low - low height.<br>* Section between Maxwells Road and Birnam Station needs attention.<br><br><b>Action: Nicole to email committee identified maintenance works to COS Services and Operations</b> | COS Service and Op                | Ongoing     | Coram - chain has been removed.<br>Larson's Gate Chicane Pedestrian Gate has been removed.<br>Services and Operations are conducting weekly inspections of the trail - during these inspections trees are trimmed, vegetation cleared where required.  |

| Meeting Date  | Meeting Action  | Responsibility  | Status      | Update / Comments  |
|---|---|-----------------|-------------|--|
| 2018 - 4 December   | <p>Donation from Events to go towards OBRT maintenance - Trail preparation for event<br/>Committee discussion – perhaps the committee needs to consider that event organisers consider giving a donation to the committee for the use of the trail for events. The donation would be used by the committee for ongoing maintenance of the trail.</p> <p><b>Action: Committee notes this discussion and will consider requesting a donation for future requests to use the OBRT for events.</b></p>  | Committee       | Ongoing     |  |
| 2018 - 4 December   | <p>Friends of OBRT Newsletter<br/>Send through any news or project updates to Philip Dandy to be included in the Friends of the OBRT Newsletter.</p> <p><b>Action: Tricia and Sue to provide updates to be included in the newsletter; eg. market exhibitions, grants, events, etc.</b></p>   | Committee       | Ongoing     |  |
| 2019 - 7 May<br>2019 - 2 April<br>2019 - 5 March<br>2018 - 4 December | <p>Committee Appointments/Membership</p> <p><b>Motion: “That the Old Beechy Rail Trail Committee request that Council officers work towards, as soon as possible, seeking Council approval to amend the Old Beechy Rail Trail Committee Charter by changing the committee membership to reflect the Committee’s proposal of: two (2) Council representatives (one Councillor and one member of Council staff); five (5) Community representatives; one (1) DELWP representative (Department of Environment, Land, Water and Planning); one (1) Landowner representative; and one (1) Friends of the Old Beechy Rail Trail representative; and amend Section 3.3 of the current charter to include “more often as required as called by the chair”.</b><br/>Carried</p> <p><b>Action:</b><br/><i>That Nicole send letters/emails to the current OBRT Committee representatives and representative organisations informing them of the changes to the Committee membership and inviting interested persons to apply for one of the community representative positions.</i></p> <p><b>Motion: “That Tony Grogan, if available, is involved in the OBRT Committee community representative selection process”.</b><br/>Carried.</p> <p><b>Motion: "That the outgoing Old Beechy Rail Trail Committee formally recommends to put forward to Council for endorsement the four nominations received for the community representative OBRT Committee positions."</b><br/>Carried.</p> | Nicole Frampton | Completed   | <p>Report presented to 30 January 2019 OCM for consideration<br/>- Council endorsed the changes to the OBRT Committee Instrument of Delegation and Charter.</p> <p>Update 5/03/2019: Advertisement placed in Colac Herald (1 March), and requested to be placed in the Apollo Bay News, Birregurra Mail, Apollo Bay website, Otway Light, and Forrest Post.</p> <p>Action Completed - Letters sent to representatives and representative organisations</p> <p>Tony Grogan will be invited to attend selection panel meetings. Motion not required - only 4 community position nominations were received.</p> <p>Report presented to 24 April 2019 OCM for consideration - Council appointed the following nominated members Andrew Daffy, Philippa Bailey, Sue Thomas, Cyril Marriner, Craig Clifford (Proxy Linda Laurie), Tricia Jukes and Noel Barry to the Old Beechy Rail Trail Committee’.</p> |
| 2018 - 4 December   | <p>OBRT Risk Assessment Report - Dinmont to Ditchley Closure</p> <p><b>Motion: “That the Old Beechy Rail Trail Committee reinforces its position that the rail trail section through Humphris (Dinmont to Ditchley) remain closed due to risk factors and until such time as the steep section and the cattle crossing section are rectified in line with the committees expectations, and that the committee request that Council do the appropriate work on the road section to mitigate our risks as identified in the MAV Insurance Risk Assessment Report.”</b><br/>Carried.</p>   | Nicole Frampton | In Progress | <p>Whilst maintenance works are being completed in this section of the trail, the trail remains closed to users.</p> <p>Council officers are developing a traffic management plan to ensure the Old Beech Forest Road is signposted accordingly during trail closures and diversion to the road.</p> <p>Council has commissioned works to survey a proposed re-alignment of the existing trail to eliminate one of the very steep sections of trail, to improve the gate crossing, and two other steep sections of trail within the Ditchley gully area.</p>   |

| Meeting Date                        | Meeting Action   | Responsibility                        | Status        | Update / Comments  |
|-------------------------------------|--|---------------------------------------|---------------|--|
| 2018 - 4 December                   | OBRT Audit - Trail Management Plan   | Nicole Frampton/COS Assets Department | Not Commenced | This is still being completed.   |
| 2018 - 4 December                   | <p>Old Beechy "Train" rides (by C &amp; M Smith) along the OBRT for the 2018/19 season</p> <p>A Risk Assessment must be provided to Council and reviewed prior to conducting any train rides along the trail on behalf of the committee. The train will be required to operate in accordance with the completed Risk Assessment.</p> <p>The dates of use must be provided to Council prior to using the train along the trail. All bookings will be entered into the OBRT calendar bookings system. This is required to ensure maintenance works can be scheduled around the train's use of the trail.</p> <p>A report will need to be provided to the committee at the conclusion of the trains operating season.</p> <p><b>Motion: "That the Old Beechy Rail Trail Committee members agree to C &amp; M Smith operating the "train" on behalf of the Old Beechy Rail Trail Committee from December 2018 until the end of May 2019 as detailed above and as per the Risk Assessment and dates of use being provided to Colac Otway Shire prior to the "trains" use of the trail".</b><br/><b>Carried.</b></p> | Chris Smith                           | Not Received  | COS has not yet received a completed risk assessment for review.<br>COS has not yet received any dates for the train along the trail.      |
| 2018 - 4 December                   | <p>Crowes Buffer Stop</p> <p>Works will need to be completed to fix the Crowes Buffer Stop.</p>  | Committee                             | Not Commenced | Committee to determine the works required to be completed.   |
| 2019 - 2 April<br>2018 - 4 December | <p>Timber trolley/OBRT information building at Rex Norman Park, Gellibrand</p> <p>Works will be required in the future on both the trolley and the building. If Council is going to undertake any works on this building, the Committee would like to know what is going to happen prior to any works occurring. Noted.</p> <p>Works are required - needs a good clean and some boards need to be replaced. Some signs need fixing, promotional material and old photos need to be protected. Fireplace is being used for rubbish.</p> <p>The building needs a working bee to spruce it up. The Committee is responsible for the upkeep and maintenance of the building. Council would possibly be responsible for the structural elements of the building.</p> <p>The comments book - there are great comments that need to be captured - comments should be photocopied at regular intervals.</p>  | Nicole Frampton                       | Not Commenced | Committee will be updated if works are to be undertaken  |
| 2018                                | Beech Forest to Ferguson maintenance/condition update  | Nicole Frampton                       | Ongoing       | Maintenance is being completed to improve this section of trail. Works completed include spraying, vegetation clearance, surface           |
| 2018                                | Outstanding maintenance items  | Nicole Frampton                       | Ongoing       | An audit has been completed for the full length of the trail. Maintenance is being completed as per identified works.                      |
| 2018                                | Broken trail sign - Gellibrand   | Nicole Frampton                       | Not Commenced | This still needs to be completed. Works will commence once the Coram sign is replaced.   |
| 2018                                | List of land owners (including map) & Licence Renewal update   | Nicole Frampton                       | In Progress   | Update 5/2/19 - Letter sent to land owners re Licence Renewal on 21/12/2018.<br>Current Licence Agreement is being reviewed at the moment. |

| Meeting Date   | Meeting Action                 | Responsibility | Status      | Update / Comments   |
|--|--------------------------------|----------------|-------------|---|
| 2019 - 4 June<br>2019 - 7 May<br>2019 - 2 April<br>2019 - 5 March<br>2019 - 5 February<br>2017 | Coram Station Sign Replacement | Noel Barry     | In Progress | Works are progressing to complete the replacement sign.<br>Update 7/5/19 - Board finished with letters needing painting<br>Update 2/4/19 - Still progressing but slowly.<br>Update 5/3/19 - Sign was attempted to be painted. Due to the hot weather, the paint job isn't very good and will need redoing. The fascia panel will also now need replacing.<br>Update 5/2/19 - Sign needs painting and will then be finished. |



## August 2019

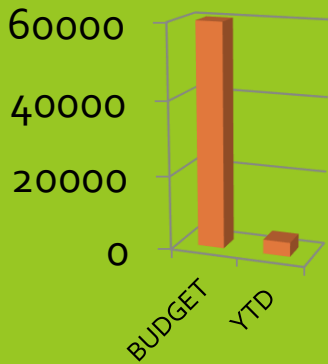
### Monthly Report

### Summary

In the 2018/19 financial year, \$72,327 was spent completing maintenance along the OBRT. The trail remains closed from Gellibrand to Ferguson whilst Council works with landowners to address their concerns.



### Budget Status 2019/20



Average Pedestrians per day  
 May: 17.4  
 August: 10.3  
 (open trail sections only)

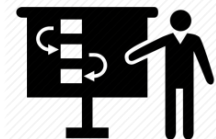


### Works Completed

Weekly inspections of the trail are carried out on the last working day of each week and include clearing of low hanging branches, removal of fallen logs, clearing drainage and inspection of signage.

Other specific works completed along the trail for June/July have included:

- Kawarren Pedestrian Bridge works (1-5 July).
- Installation of trail temporary closure signage.



### Works Planned

Weekly inspections continue along the full length of the trail, which includes sections of the trail currently temporarily closed.

Council's Quality Assurance inspector is completing an end to end review of the surface and drainage, and will generate a works for completion task sheet.

### Events along the OBRT

Event applications received:

- Nil

Recent Events:

- Nil

Upcoming Events:

- Hunt for the Golden Gumboot (21/9-5/10)

**Trail Count**      **Merits Received**      **Media Posts**

0

2



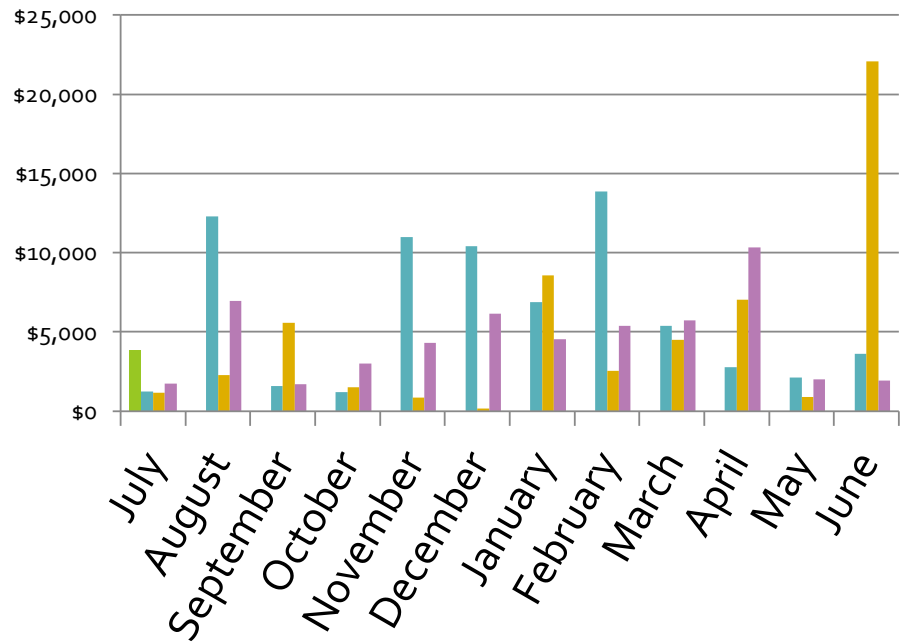
## Licence / Landowner Agreements

Purpose of this section is to provide the committee with an update of current and due to expire agreements.

- 14 landowner licence agreements – 5 expired in December 2018. Property owners have been notified that the agreement continues as per existing arrangement.
- 21/12/2018 – Letter sent to all landowners advising that Council is reviewing the licence agreement to ensure it meets today’s legislative requirements.
- A draft new licence agreement was received from legal and has been reviewed by Council officers.
- Further advice is being sought in relation to insurance and indemnity clauses and the landowners’ coverage.
- A benchmarking investigation of licence agreements for other rail trails has been completed (discussions were held with Bendigo’s O’Keefe Rail Trail managers).
- Discussions have been held with trail advisers regarding landowner risk assessments.
- Letter sent to landowners 31/05/2019 providing them with an update.
- Landowner risk assessments have been completed. Council is waiting to receive the report.
- Draft agreements will be finalised and be provided to landowners for consideration upon receiving the risk assessment reports. The findings of those assessments will be considered in the draft agreement.

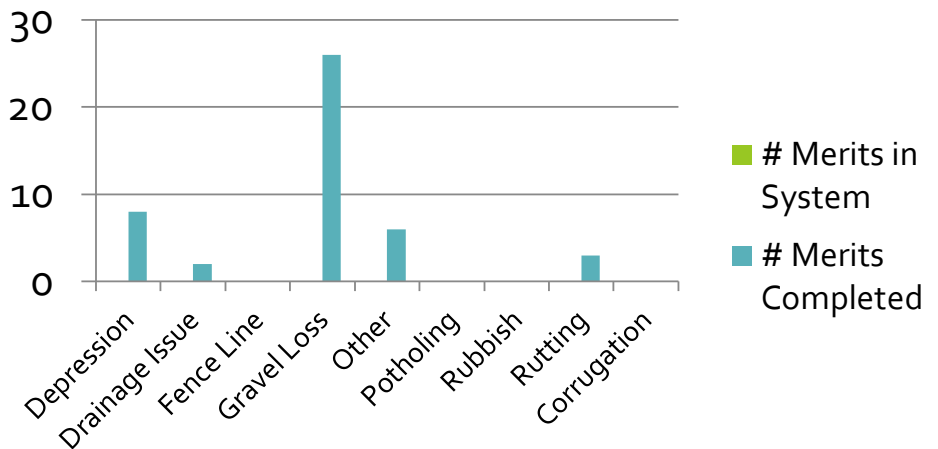
## OBRT Maintenance Budget – Monthly Expenditure

■ 2019/20 Budget ■ 2018/19 Budget ■ 2017/18 Budget ■ 2016/17 Budget

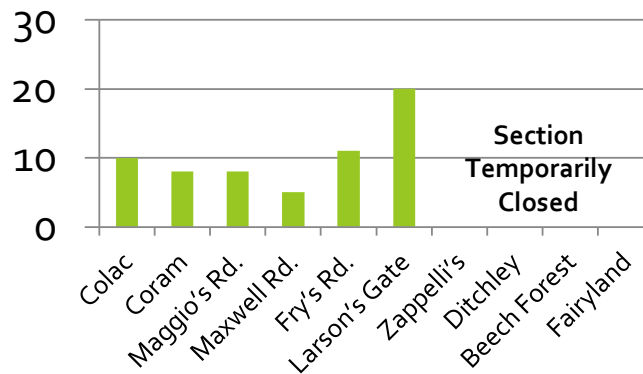


## OBRT Merits – Monthly Report

45 completed actions – no open Merit actions



## OBRT Average Pedestrians Per Day





## CLOSED SESSION

### Recommendation

**That pursuant to the provisions of Section 89(2) of the Local Government Act 1989, the meeting be closed to the public and Council move into Closed Session in order to deal with:**

| <b>SUBJECT</b>   | <b>REASON</b>   | <b>SECTION OF ACT</b>  |
|--|---|--|
| <b><i>Minutes of the Closed Session Council Meeting held on 24 July 2019</i></b>             | This matter deals with personnel matters and this matter deals with contractual matters   | Section 89 (2) (a)<br>Section 89 (2) (d)                       |
| <b><i>Minutes of the Closed Session Council Meeting held on 28 August 2019</i></b>           | This matter deals with personnel matters and this matter deals with contractual matters and this matter deals with legal advice | Section 89 (2) (a)<br>Section 89 (2) (b)<br>Section 89 (2) (c) |
| <b><i>Minutes of the Closed Session Special Council Meeting held on 4 September 2019</i></b> | This matter deals with contractual matters and this matter deals with legal advice  | Section 89 (2) (d)<br>Section 89 (2) (f)                       |
| <b><i>Winifred Nance Kindergarten</i></b>  | This matter deals with personnel matters and this matter deals with contractual matters   | Section 89 (2) (a)<br>Section 89 (2) (d)                       |
| <b><i>Assembly of Councillors</i></b>  | This this matter deals with contractual matters and this matter deals with legal advice   | Section 89 (2) (d)<br>Section 89 (2) (f)                       |