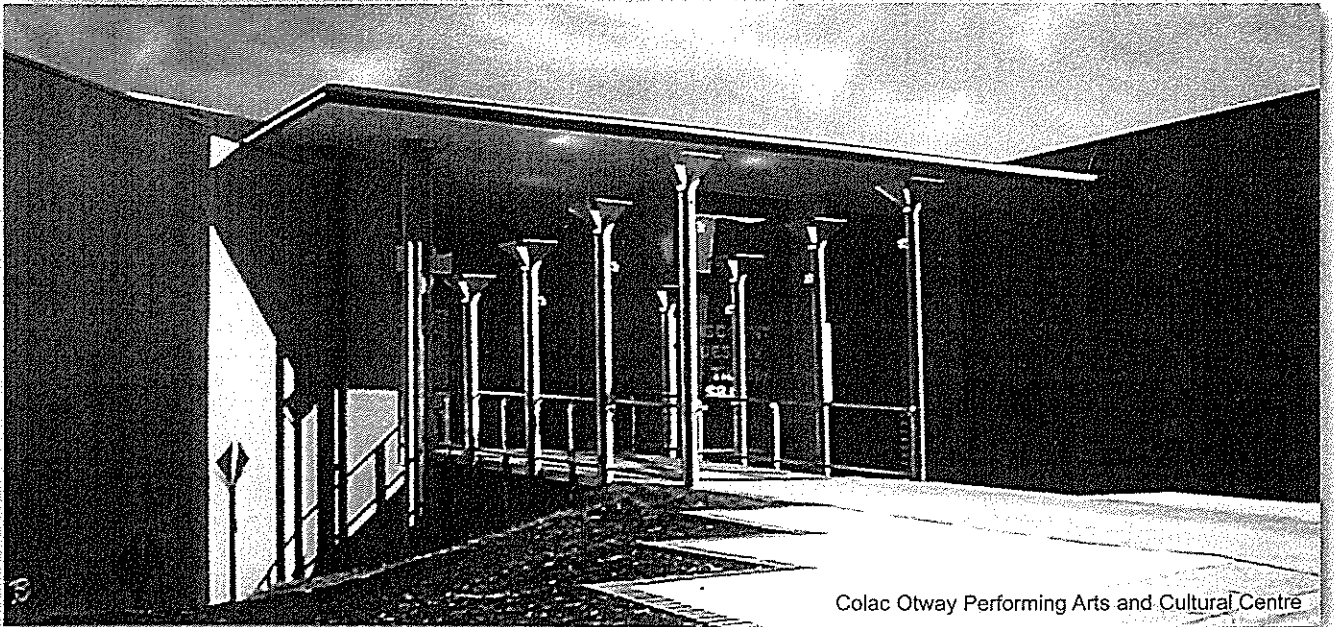


Colac Otway

S H I R E

*'Naturally Progressive'*



Colac Otway Performing Arts and Cultural Centre



2000-2001  
ANNUAL REPORT

# Shire Profile

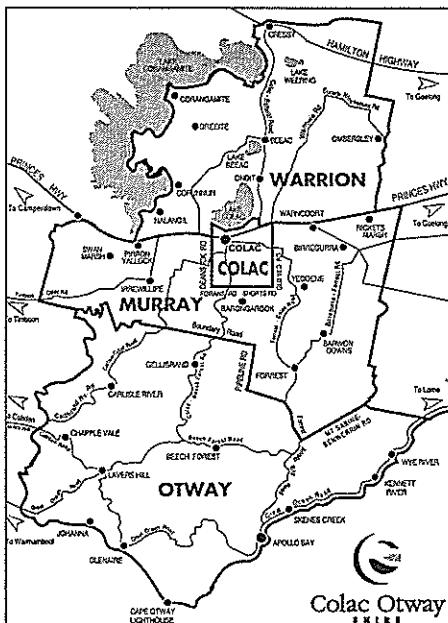
The Colac Otway Shire is one of the most picturesque municipalities in Victoria, covering a diverse area from volcanic lakes, craters and plains in the north, through the hinterland forests of the Otway Ranges to the Great Ocean Road coastline. The Shire provides diverse employment opportunities through a range of primary industries, tourism and commercial and community services.

The northern plains and lakes region and the foothills, from the northern side of the main Otways ridgeline to the Princes Highway, support productive grazing activities, particularly dairying.

A significant part of the Otway Ranges is designated as State Forest, including sites of National and State Rainforest significance. The ranges are also of importance to the municipality and wider region for timber harvesting and water harvesting.

The coastline is recognised as one of the most spectacular in Australia, the visual and environmental features of which are being protected. This area is experiencing increasing demand for tourism and recreation development.

Colac is the key industrial, commercial and service centre for the Shire and surrounding region with a population of 12,000. Apollo Bay is the other major urban centre with a permanent population of 1,000 that swells to over 15,000 during the summer season. The current population is 20,654.



## Details

Colac Otway Shire Proclaimed	24th September 1994
Area of Shire	3530 square kms
Road Length (Local Roads)	1,730 kms
Population of Shire (30 June 2000)	est. 20,654
Voters (incl. absentee owners)	20,550
Rateable Property Assessments	12,776
Employee's E.F.T.	188.1
Council's Rates & Services Charges	\$9.6m
Council Operating Expenditure	\$29.1m
Loan Indebtness	\$5.88m
Total Assets Valuation	\$182.8m

## Our Vision

*Colac Otway be recognised as a progressive community, proud of its achievements and creating social, economic and environmental conditions that generate growth in employment and improve quality of life.*

## Our Mission

*Colac Otway operates according to good governance principles and emphasises the importance of service, people and business in:*

- providing community development and support services

- managing Council's infrastructure and the natural environment

- facilitating strategic economic development

*The purpose of providing these services and activities is to enhance the quality of life of our residents and visitors, now and into the future.*

## Our Values

- **Partnership**

*We will work in partnership with the community to achieve agreed goals.*

- **Consultation**

*We will undertake genuine consultation on key issues as part of our decision making processes to improve the quality, accountability and transparency of those decisions.*

- **Service**

*We will promote a culture in which our services respond to community needs and aspirations.*

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# MAYOR'S MESSAGE



*The 2000/2001 year has been one of growth and increasing optimism for Colac Otway Shire. There has been significant business development in Colac, tourism visitation growth in the Otways and along the coast and increased Council infrastructure investment in our smaller towns.*

## Overall Performance

The vibrancy being experienced in the Colac Otway Shire over the last year is a direct result of our achievements in continuing to implement our vision based on creating social and economic conditions that generate growth in employment and improve quality of life. The jewel in our crown has been the completion of the Colac Otway Performing Arts & Culture Centre, truly a quality facility that will serve generations to come.

After years of advocacy by Council, TXU brought natural gas to Colac which will put us in a strong position to compliment current business development in Colac in aged care, food processing, timber manufacturing, hospitality and entertainment. Implementation of a revitalised tourism and economic development structure and programs has also occurred.

Improved vitality in the building industry with projects to the value of \$36 million over the last year and an unemployment rate of 0.6% below the Victorian rural average reinforce the confidence in our Shire's future.

Our capital works program has achieved a 90% completion rate and expenditure on asset maintenance increased for the third successive year. Over this time, the length of rural road resheeting has doubled and our success in obtaining accelerated payments from the "Roads to Recovery" Program clearly shows the high priority given to our Shire's road network.

Small town improvement works this year included a new car park at Wye River, car park and walkway at Lavers Hill, while smaller infrastructure works took place at Beac and Gellibrand.

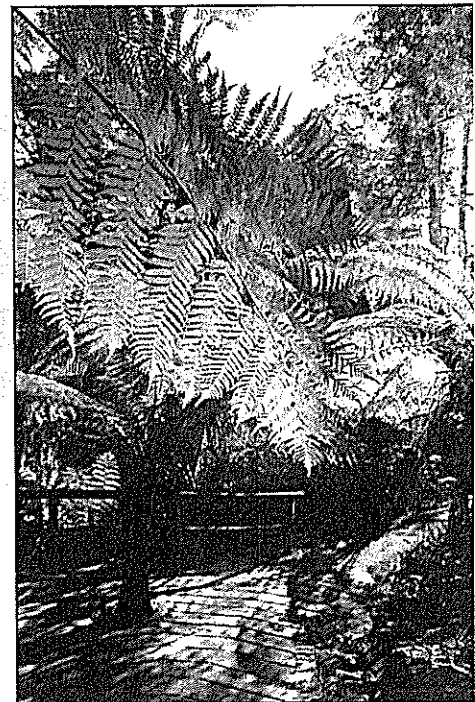
We have also been pro-active in obtaining grants for "StreetLife" initiatives, the Lake Colac Master Plan, tourism strategies including food, wine and nature based tourism while we have also submitted a range of funding applications for community projects.

Technology and telecommunications continue to be upgraded with the introduction of a full range of on-line and agency account payment arrangements, a new interactive web site and a regional global positioning system. Federal Government funding was obtained to construct a CDMA mobile telephone facility near Lavers Hill and we submitted five applications for black spot television funding.

The Shire wide Strategic Development Master Plan was completed giving a land use and coastal management blueprint for the next 20 years. Our environmental management was strengthened resulting in a concerted program of weed eradication. Council advocated on behalf of the community on issues such as the Birregurra train service and 12 Apostles Marine National Park.

## Governance

The Council during the year prepared a new draft Code of Conduct for Officers and Councillors to further strengthen the Governance Policies we currently have in place and the MAV Code of Good Governance adopted by Council some years ago.



# MAYOR'S MESSAGE

## Partnerships and External Relationships

We believe that building alliances and encouraging inter-agency co-operation are important elements in moving towards a holistic approach to service planning and delivery. This municipality aims to develop effective, collaborative networks.

Colac Otway is an active member of the Municipal Association of Victoria, Timber Towns Victoria and has representation of the Private Forestry Council and the Central Victorian Farm Plantations Committee.

We have partnerships in place with Powercor as the principal sponsor of our business awards and with Telstra in the "Businesses of the Future" project.

Regionally, Council is a member of the South West Municipalities Group, Geelong Otway Tourism and Corangamite Regional Library Service.

Our Works and Services Unit, Cosworks, has a strategic alliance with CSR Emoleum, through which Council received resealing work to which we contribute plant and labour.

We continue to utilise a range of partnerships to deliver environmental programs and works, this year including the property management planning project, the stormwater management plan and Social Justice Program.

Relationships with key State and Federal Government Departments are effective and healthy, as they are with our Local Members of Parliament, with whom regular meetings are held and whose advocacy on our behalf on issues throughout the year has been appreciated.

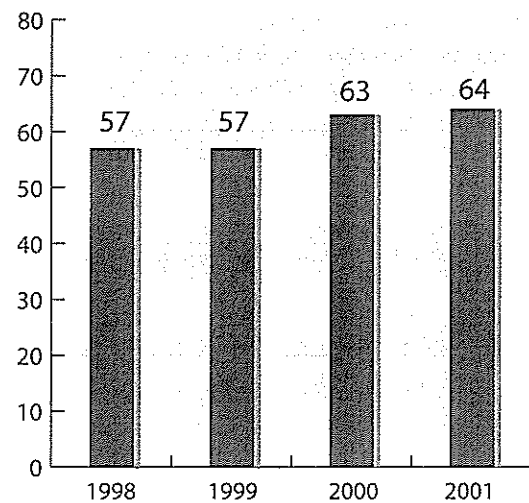
## Community Consultation

Council has strengthened its community consultation policy during the year to confirm: the introduction of a range of consultative mechanisms to be used as part of our Best Value process, the expanded use of our web site for information sharing and the use of Melbourne workshops to reach non residents when new initiatives are proposed.

## Constituent Satisfaction Survey Results

The Colac Otway community's overall perception of our service delivery performance improved from 63% to 64%. The largest individual service improvement was recorded in Waste Management, increasing by 11.6% to 67. Health and Community Services and Recreation Facilities recorded the highest scores of 75 and 72 respectively.

### Key Service Areas Overall Results



1.6% increase from 2000

12.3% increase from 1998

These results will influence our service planning, along with research gathered through the Best Value consultation process on an individual service basis.

The past year of achievement has been possible due to the co-operation of the Councillors, excellent working relationship with and commitment from the Council staff and positive attitude and voluntary community development involvement by our various communities.

Finally, I would like to thank our Chief Executive Officer, Glenn Patterson, whose strong leadership and management has been appreciated by all.

Cr. Warren Riches

Mayor

# Chief Executive Officer's Report

This year the Council has delivered a suite of services and programs that respond to the needs of a range of stakeholders.

The community and Council placed most importance on improvement in road maintenance, economic development and environmental management.

The Council has contributed to the State Government's vision that to maintain and sustain economic and social growth, the State must build a creative, knowledge economy based on education, innovation and new technology.

The Victorian Auditor General considers the key challenges for Victorian Local Government to be Best Value, infrastructure renewal and maintenance spending, long term financial planning, infrastructure asset valuation and community consultation, communication and engagement.

All of these expectations have been addressed in the Council's 2000/2001 Plan and in next year's annual plan.

## Corporate Plan Performance

Of the 106 2000/2001 Annual Plan action items, 98 have been completed or fulfilled. 8 were not achieved as outlined in this report, mainly due to lack of resourcing or due to waiting for adoption of the Strategic Development Master Plan.

There was no progress on four items. Of these four items only two are carried forward, the Municipal Strategic Statement Review and the landfill rehabilitation strategy. Overall this represents an excellent achievement rate of 96%.

## Key Performance Indicators

The Mayor has outlined the key Council achievements of this year. It is important to report on our achievement relative to our key performance indicators, which are included in the performance statement.

In summary, in terms of our Constituent Satisfaction Survey result targets for individual services, we exceeded some and underperformed on others, while overall satisfaction increased slightly. Our Employee Opinion Survey employee satisfaction result was again excellent. We exceeded our target on the public liability risk management assessment rating moving from 71% to 74% and our asset renewal target was met.

## 2000/2001 Financial Performance

The Shire's financial performance resulted in an operating deficit for the year of \$3.6m as compared to a cash deficit



of \$2.1m, with the major reason for the variance being the gap between depreciation (\$8.9m) and net capital expenditure (\$8.0m).

Major variances from budget related to adjustment to 1999/2000 Colac Abattoir WorkCover Premium (\$0.2m), additional plant replacements costs (\$0.3m) and the completion of the COPACC building (\$0.2m).

Our external grants, excluding the Victoria Grants Commission allocation, increased to \$1.133 million, supporting community project development.

## Long term Asset and Financial Planning

Our Strategic Asset Management Plan (SAMPLAN) indicates that to meet our asset renewal targets, Council needs to allocate a further \$150,000 per annum for each of the next five years, to maintain that level of spending for years five to ten and to then increase annual spending by \$75,000 in years ten to fifteen.

During the year we also prepared our first long term financial plan, which is influenced by SAMPLAN. This document establishes the steps Council needs to take to ensure its long term financial sustainability. This will be complemented by our Agenda 21 Action Plan that is to be developed to outline our social and environmental sustainability.

## Infrastructure Renewal and Maintenance Spending

The 2000/2001 year saw increased effort from Council to maintain our assets in good order and to replace assets that have worn out. Compared to expenditure in 1998/1999 footpath maintenance increased by 128%, road re-sheeting increased by 82% and line marking and signage increased by 33%.

# Chief Executive Officer's Report

## Human Resources, Organisation Development and Best Value

A number of Human Resource policies have been developed during the year, outlined in detail in the General Information section of this report.

Employee satisfaction has been maintained at last year's high levels, with positive (agree/strongly agree) responses being provided to the following statements in our Employee Opinion Survey, as examples:

- This organisation is a good place to work 97%
- I am proud to say I work for the organisation 97%

Our emphasis on developing our people culminated in the Council winning the inaugural statewide Local Government Professionals (LGPro) Award in March 2001 for innovation in Human Resource Management.

During the year we achieved re-accreditation of our Initial Level SafetyMap accreditation across the whole organisation, first achieved in 1998. Our Works and Services Team, Cosworks, also achieved Quality Assurance and an accredited Environmental Management System during 2000.

We undertook our first guided self assessment under the Australian Quality Council's Business Excellence Framework. We achieved a rating of 572 out of a possible 1,000 points. This demonstrates the progress made with organisation development initiatives, as most inaugural scores are about 250 to 350.

Our Best Value service reviews are progressing in accordance with the Best Value Program.

## Future Priorities

Next year's Corporate Plan has been recast to reflect our balanced approach to managing the organisation (Balanced Scorecard). Key result areas in that document are: Community Outcomes; Service Planning; Organisation Development; and Financial Management.

Some of the key projects for the ensuing period are:

- Developing and implementing the Lake Colac Master Plan
- Developing the Apollo Bay Neighbourhood Character Assessment Study
- Implementing our Best Value Program
- Committing to achieving the Strategic Asset Management Plan targets
- Delivering the accelerated Roads to Recovery works program and other capital works
- Achieving the COPACC business plan year one outcomes

- Implementing the Colac Otway Tourism and Colac Development Committee business plans
- Further developing and launching our redeveloped website
- Continuing our Small Town Improvement Program works projects, web sites and subject to funding, implementing Rural Transaction Centres at Beeac and Birregurra
- Continuing the organisation's improvement projects under the Business Excellence Framework

The key budget features for the ensuing year are:

- Increased emphasis on asset renewal with asset maintenance up \$90,000 to \$3.625 million.
- Reduced gross capital expenditure from \$8.0 million to \$4.4 million, a level similar to previous years prior to 2000/2001. This is due to the completion of COPACC.
- Increased expenditure in Economic and Tourism Development up 17.4% to a net \$626,000.

The key competencies required by our organisation in the future will be the ability to creatively harness emerging technology, undertake long term financial planning, contribute to sustainable growth, further our environmental management role and maximise business and tourism development opportunities.

## Conclusion

The organisation has had another successful year, assisted by the dedication of staff, commitment of Councillors and the co-operative relationship that exists between the Executive and Council.

The organisation is financially sound, has a long term asset management and financial management plan in place, has high morale and job satisfaction, clear development strategies and has continued to maximise business and community development opportunities through practical projects, supported by significant external funding.

**Glenn Patterson**  
Chief Executive Officer



## Our Councillors

### **Cr. Warren Riches (Mayor 2001/2002)**

"Derrimut"

465 Ondit Warrion Road

Warrion 3249

Phone/Fax: 5234 8206

E-mail Address: [warrenr@swift.net.au](mailto:warrenr@swift.net.au)

Warrion Ward



Cr. Warren Riches has lived in the district all his life and operates a dairy farm at Ondit. He has a strong interest in sport, media and the community and is Colac Otway Shire's Mayor for 2001/2002.

Cr. Riches represents Council on the following committees:-

Access for all Abilites, 34 RCU Army Cadet Unit, Colac Skate Park Advisory Committee, COPACC Project Control Group, Leisure Networks, Municipal Aerodrome Committee, Old Beechy Line Committee, Target Sports Club Forum and Youth Council.

### **Cr. Keith Leorke**

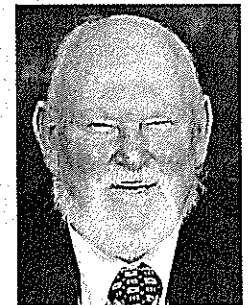
9 Whelan Street

Apollo Bay 3233

Phone: 5237 7195

Fax: 5237 7718

Otway Ward



Cr. Keith Leorke lives in the township of Apollo Bay and has a strong commitment to the community and youth of the Shire.

Keith was elected to the Colac Otway Shire in March 1999 and represents Council on the following committees:-

Apollo Bay Swimming Pool Committee, Apollo Bay Leisure Centre Committee and Apollo Bay Harbour Steering Group.

### **Cr. Peter Mercer**

Meadowell Farm

160 Meadowell Road

Colac 3249

Phone: 5236 6246

Fax: 5236 6546

Murray Ward



Cr. Peter Mercer operates a beef stud at Gerangamete and was first elected to the former Shire of Colac in 1966 and has served in local government for most of the past 35 years. Peter was elected Mayor of the Colac Otway Shire for the 2000/2001 term.

Peter represents Council on the following committees:-

Audit Committee, Barwon Regional Waste Management, CFA Region 6 Fire Prevention, COPACC Project Control Group, Colac Otway Services Board, Corangamite Catchment Rural Counselling Service, Corangamite Regional Library Corporation, Farm Safety Advisory Committee, Mt. Gellibrand Fire Tower Committee, Municipal Emergency Management Planning Committee, Ondit Quarry Consultative Committee and the Tirrengower Drainage Area Advisory Committee.

# Our Councillors

**Cr. Belinda Murnane**

24 Jennings Street

Colac 3250

Phone/Fax: 5232 2541

Mobile: 0418 568 106

E-mail Address: [pyrenadv@netconnect.com.au](mailto:pyrenadv@netconnect.com.au)

Colac Ward



Cr. Belinda Murnane was elected to the Colac Otway Shire in 1999.

Belinda represents Council on the Timber Towns Committee and the Colac City Entrances Project Control Group.

**Cr. Helen Paatsch**

13 Fulton Street

Colac 3250

Phone/Fax: 5232 2658

Phone (Home): 5231 3799

Mobile: 0407 881 808

E-mail Address: [fhpaatsch@primus.com.au](mailto:fhpaatsch@primus.com.au)

Colac Ward



Cr. Helen Paatsch was a former Colac City Councillor and has held the position of Mayor for the 1999/2000 term. Helen has a keen interest in tourism and the arts. Helen represents Council on the following committees:-

Audit Committee, Colac City Entrances Project Control Group, Colac Development Committee, COPACC Project Control Group, COPACC Trust, Geelong Otway Tourism, Lake Colac Management Plan Steering Committee and the Colac Tourism Board.

**Cr. Jim Ryan**

13 Gravesend Street

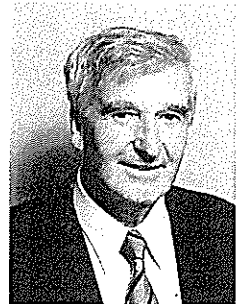
Colac 3250

Phone (BH): 5231 5399

Phone (Home): 5231 3620

Fax: 5231 3442

Colac Ward



Cr. Jim Ryan served as the first elected mayor for Colac Otway Shire in 1996/97 and was a Councillor with the former City of Colac Council. Jim has a great interest in the operation of local government and represents Council on the following committees:-

Audit Committee, Barnard Trust Committee, Best Value Steering Committee, Colac Otway Services Board, COPACC Trust, Disability Services Community Forum, Municipal Association of Victoria, Municipal Saleyards Association, Municipal Saleyards Committee, Police Community Consultative Committee and the Youth Venue Committee.

**Cr. Carol Wilmink**

665 Barham River Road

(P.O. Box 66)

Apollo Bay 3233

Phone (Home): 5237 6987

Fax: 5237 7719

E-mail Address: [wilminks@vicnet.net.au](mailto:wilminks@vicnet.net.au)

Otway Ward



Cr. Carol Wilmink is committed to the protection of our natural environment in partnership with planning. Carol was elected to the Colac Otway Shire in March 1999 and represents Council on the following committees:-

Apollo Bay & Kennet River Foreshore Committee, Apollo Bay Leisure Centre Committee, Colac Otway Tourism Board, Cliff Young & Community Recreation Centre Committee, COPACC Project Control Group, Lavers Hill Swimming Pool Committee of Management, Apollo Bay Harbour Steering Group and the RFA Environment Committee.

# Organisation Structure

## COUNCIL



Chief Executive Officer  
**Glenn Patterson**

Council Support  
Corporate Planning  
Human Resources  
Risk Management  
Organisation Development

Glenn has a Master of Business, Bachelor of Business (Local Government), IMM Continuing Professional Development Certificate and the Frank Rogan Award for Best Student. His professional affiliations include Associate Fellow, AIM (Australian Institute of Management); Associate Member, LGPro (Local Government Professionals); Associate Member, International City Managers' Association; Member, Municipal Association of Victoria CEO Advisory Panel and member of the Ministerial Taskforce (2000/2001).

## Colac Otway Services Board

### Cosworks

Parks & Gardens  
Road Construction  
Road Maintenance  
Plant Maintenance  
Bridge Maintenance  
Saleyards  
Apollo Bay Harbour

General Manager  
Infrastructure & Planning  
**Tony McGann**

- Strategic & Statutory Planning
- Environmental Management
- Local Laws
- Asset Management and Maintenance
- Engineering Design
- Waste Management
- Contract Management



Tony holds a Bachelor of Engineering (Civil) and a Master of Business Administration. He is a Member of the Institution of Engineers and is a Chartered Engineer. Tony also has expertise in civic engineering design and construction and contract management.

General Manager  
Corporate Services  
**Merv Hair**

- Corporate Services
- Information Services
- Customer Service
- Financial Management
- Business & Community Development
- Environmental Health
- Community Services
- BlueWater Fitness Centre



Merv holds a Dip. Business Studies, Victoria University and his professional affiliations include Fellow, Local Government Professionals, Local Government Managers Assoc., Institute of Water Management and Member International City Managers Assoc.

# Governance and Risk Management – 2000/2001 Initiatives

## Risk Assessment

A risk assessment review was undertaken during the year, reviewing the previous risk assessment carried out in 1998. The assessment resulted in the preparation of a three year organisation risk assessment plan.

The potential "high" rated risks that have been identified which impact on key themes in the Corporate Plan are listed below:

- Economic development opportunities not being exploited.
- Risk of detrimental business effects if the Shire's business community does not embrace technology.
- Long term (10 years plus) asset maintenance and replacement programs not being met.
- Council's continued involvement with the Colac saleyards represents an investment risk for business returns, business continuity and future infrastructure development requirements.
- Septic Tank systems in townships throughout the Shire are ageing and a high percentage are defective.
- Although not responsible for main roads, the main road network in the Shire is large and there is a risk that inadequate rehabilitation works will result in the network's decline with negative impacts.

## Audit Committee

The Audit Committee prepared an annual workplan that covers its administration, reporting, financial management, external audit, internal audit, compliance with laws and regulations.

Council's Internal Audit Program, focuses on priorities identified in the Risk Assessment Audit. The Audit Committee monitors the risk assessment implementation plan on a regular basis.

## Colac Otway Services Board

This Board has been in place since December 1998. The Board is a Section 86 Special Committee, with delegated authority and a charter, to oversee management of the provider side of our organisation (Cosworks). This Board, through a range of initiatives, maximises the accountability and transparency of Cosworks operations.

The Board comprises two Councillors, the Chief Executive Officer and two private sector representatives.

## Governance Policies

The Council has developed and adopted a series of Governance Policies covering the governance process, Council/CEO linkages and CEO limitations.

## 2000/2001 Council Meeting Attendance by Councillors

Council conducted its business in open and publicly advertised meetings held throughout the Shire at Colac, Apollo Bay, Beac, Forrest and Wye River.

	Ordinary Meetings	Special Meetings	Statutory Meeting
Number of meetings held	12	8	1
Cr. Keith Leorke	12	8	-
Cr. Peter Mercer	12	8	1
Cr. Belinda Murnane	10	3	1
Cr. Helen Paatsch	11	7	1
Cr. Warren Riches	12	7	1
Cr. Jim Ryan	11	8	1
Cr. Carol Wilmink	12	8	-

## Code of Conduct for Staff and Councillors

This Code has been developed during the year to ensure Council's business is conducted with efficiency, impartiality and integrity, to reduce the risk of real or perceived conflicts between private and public interest and to promote statutory and regulatory compliance.

## Continuous Improvement

An Organisation Improvement Team has been in place for over two years. This team has managed through Project Teams, a number of initiatives including: Organisation Communication; Business Development and Marketing Program; Call Management; Employee Opinion Survey Action Plan and Performance Standards Implementation and Monitoring.

The next phase of our continuous improvement effort sees us using the Australian Quality Council (AQC) Business Excellence 2000 Framework to guide our Organisation Development.

The Organisation Improvement Team has tackled the following projects, arising from the results of the guided self assessment used to assess the organisation's progress against the AQC framework in November 2000. The projects are: Strategic Planning and Business Performance Measurement; Database Integration; Business Continuity and Internet Redevelopment.

## Management Systems

The organisation received Initial Level Certification for SafetyMap in late 1998. This certification was confirmed after an audit process in mid 2000.

Cosworks achieved Quality Assurance Certification to International Standards in December 1999 and achieved AS/NZ Certified Environmental Management System (E.M.S.) in May 2000. Combined with SafetyMap, Cosworks has achieved the "trifecta" which provide a significant competitive advantage.

## Business Planning

The organisation has consolidated the number of Business Plans from 27 to 8 and introduced a new format so they are more "genuine", having three year action plans, resource requirements (recurrent and capital), marketing and financial plans. All significant initiatives are supported by a business case in a standard format.

The outcome achieves alignment between the Corporate Plan, Business Plans and Annual Budget and has produced three annual budgets.

A Five Year Capital Investment Plan is also in place, all of the projects in which have been assessed using our Capital Evaluation Process.

## Benchmarking

Council has participated in a group of eleven large rural Councils that undertook performance and process performance benchmarking. Council also participated in a Process Benchmarking Project managed by VECCI for our Purchasing Program, over the last year.

As part of our Best Value service review process, Council has registered for an LGPro Corporate Services Benchmarking Project, which will cover cost and quality issues for internal support services such as Finance, Human Resources and Information Technology.

## Management Review Process

For the past year, a Management Review Process has been in place which provided reporting on a range of operational and strategic management information to the Senior Management Team and Council at different frequencies.

The Chief Executive Officer's monthly Council reports included a summary of performance against Corporate Plan actions, compliance with CEO limitation policies and a year to date financial report.



Cr. Peter Mercer and Hon. Bob Cameron  
Presentation Safety Map Accreditation

# 2000/2001 Corporate Plan Performance

## KEY RESULT AREA - GOVERNANCE

### Community Leadership & Consultation

**Objective:** Provide leadership by recognising and being responsible for advocating on community issues. Communicate openly to ensure community interest and participation in Council decision making and transparency in operations.

#### Highlights 2000/2001:

- Council has strengthened its consultation policy using an upgraded website, local media and distribution of hard copy material to local associations and post offices through out the Shire.
- Council again recognised the significant contribution made by citizens throughout the municipality in its annual Australia Day Citizens Awards presentation. Awards for 2001 were presented to Janet Brien, Citizen of the Year, Jasmin Picking, Young Citizen of the Year, Keith Osborne, Community Service, Dorothy Styles, Community Service, and David Schram for Sporting Service.
- Major community consultative committees were established during the year. These included the Apollo Bay Harbour Development Committee, Colac Development Committee and Lake Colac Management Plan Development Committee. These committees will recommend to Council on significant infrastructure and project development within the Shire during the year 2001/2002.



**Janet Brien**  
Citizen of the Year

#### Challenges & Priorities 2001/2002:

- Subject to Federal Government funding the development of rural transaction centres at Beeac and Birregurra will provide significant opportunities to do more local business in their local centres.
- Council will continue to seek suitable projects for the allocation of funds under its Community Minor Projects Support, Minor Recreation and Small Town Improvement Funding Programs.
- Utilise the Council web site to communicate extensively with customers, clients and residents.

### Financial Management

**Objective:** Develop and implement financial management strategies that ensure the long term viability of the Shire and optimise use of funds.

#### Highlights 2000/2001:

- Successful implementation of GST policies and procedures.
- Increased Grants Commission funding.
- Continued monitoring of Cosworks operation by Colac Otway Services Board (\$ approx. \$700,000 profit).
- Improved Business Planning whereby all significant initiatives are supported by a business case in a standard format.
- Preparation of a 5 Year Financial Strategic Plan

#### Challenges & Priorities 2001/2002:

- Implement Internal Audit Program.
- Improve cash position.
- Continue to narrow the gap between capital expenditure and depreciation.
- Increase funding from external sources (e.g. State and Federal Government).

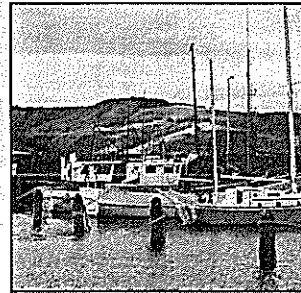
# 2000/2001 Corporate Plan Performance

## Best Value Management

**Objective:** Purchase goods and services through Best Value Principles which will include the monitoring of customer satisfaction with outputs.

### Highlights 2000/2001:

- The total number of contracts let during the financial year was 24. Significant contracts let during the year were:-
- Speedway Rd construction works three sections.
- Thomson St Private Street Scheme.
- Sitlington's Carpark construction.
- Apollo Harbour works - breakwater wall and landing reconstruction.
- Contract monitoring of the following service contracts, *Asset Maintenance, Cleaning Service, Waste Collection, Bluewater Fitness Centre, and Saleyards Operations* has been continuing with results showing good service delivery with high quality standards achieved.
- Quarterly customer surveys conducted privately continue to give valuable feedback on contract performance and customer perception of service quality.
- Council adopted a 5 Year Program for review of 39 service areas in accordance with Best Value Principles and legislation.



### Challenges & Priorities 2001/2002:

- Achieve Best Value Program timetable reflecting community service needs and levels.

## Organisation Development - People, Service and Business

**Objective:** Develop an organisation learning culture that values the contribution of its employees and will continuously improve all aspects of organisation performance.

### Highlights 2000/2001:

- Achieving a Local Government Professionals award for Human Resource Management.
- Successful implementation of the Colac Otway Shire Performance Management System.
- Re-accreditation for SafetyMAP (Victorian Workcover Authority - Safety Audit System).
- Ongoing support of Colac Otway Shire employees through the Reward and Recognition program.
- The successful completion of the Australian Institute of Management Frontline Management Initiative of 12 candidates.

### Challenges & Priorities 2001/2002:

- Implement improvement projects from Business Excellence Framework Self Assessment Audit.
- Continue commitment to local and other government employment initiatives.
- Continue to develop initiatives that will enhance the skills and performance of employees.
- Implement recommendations from Civic Mutual Plus Liability Audit.
- Implement the outcomes of Best Value program reviews and communicate improvements to the community.
- Continue commitment to Annual Constituent Satisfaction Survey.

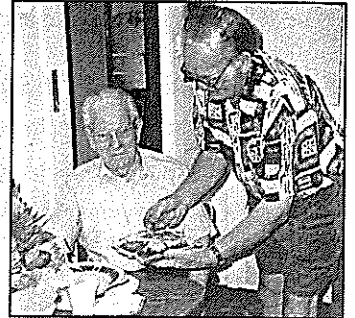
# 2000/2001 Corporate Plan Performance

## Community Support - Aged & Disability

**Objective:** Provide support and assistance for eligible clients which include the frail aged, disabled and families in crisis.

### Highlights 2000/2001:

- Obtained funding for disability change room in the Blue Water Fitness Centre.
- Preparation of the "Access for Everyone" booklet.
- Department of Veteran Affairs contract.
- Preparation of Barwon Primary Care Partnership Alliance Community Health Plan.



### Challenges & Priorities 2001/2002:

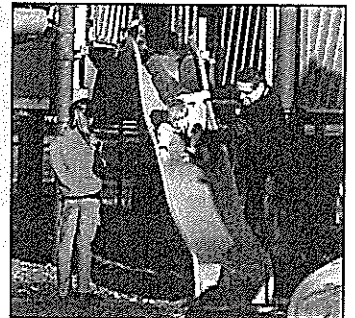
- Rural Access Program for people with disabilities.
- Implement strategies in the Disability Action Plan.
- Implement actions in the Barwon Primary Care Partnership Alliance Community Health Plan.
- Develop a Barwon Community transport Strategy.

## Community Support - Family & Children

**Objective:** Provide support and advice to families with young children.

### Highlights 2000/2001:

- Introduction of the Enhanced Home Visiting Maternal & Child Health Service.
- Federally funded research into child care throughout the Shire.
- Family and Babies Directory.
- Increase in the number of Lactation Consultants.
- Adoption of Maternal & Child Health Policy.



### Disappointments 2000/2001:

- No alternative site found for Colac Maternal & Child Health Service.

### Challenges & Priorities 2001/2002:

- Accreditation of Family Day Care.
- Implement Maternity Services Enhancement Strategy.
- Refurbishment/replacement of Colac Maternal & Child Health Centre.

## Community Support - Environmental Health & Safety

**Objective:** Promote and support the improvement of public and environmental health.

### Highlights 2000/2001:

- Funding and approval for the sewerage of Skenes Creek.
- Innovative Food Safety initiatives.
- Immunisation rates increased to amongst the highest in Victoria.
- Introduction of changes to tobacco laws.
- Strategies in Municipal Public Health Plan have been enacted in Road Safety, Immunisation and Community Health Alliances.



### Challenges & Priorities 2001/2002:

- Wye River/Separation Creek waste water strategy.
- Introduce new changes to food legislation.
- Barwon Community Health Plan and Rural Health Plan initiatives.



## KEY RESULT AREA - INFRASTRUCTURE

### Strategic Asset Management

**Objective:** Manage roads, buildings, parks and reserves so that present and future generations benefit from their use.

#### Highlights 2000/2001 :

- Draft Strategic Asset Management Plan presented to June 2001 Council Meeting.
- 90% of Year 1 projects from 5 year Capital Investment Plan completed.
- Industry, community and asset data reviewed and reflected in the Capital Investment and Maintenance Plans.

#### Challenges & Priorities 2001/2002 :

- The Draft Strategic Asset Management Plan highlights the need for extra funding to be applied to infrastructure renewal.
- Implementation of a Management and Maintenance System for our assets.
- Undertake detailed condition assessment of timber bridges with the Shire.

### Building Assets

**Objective:** Provide and maintain a rational buildings portfolio for the community.

#### Highlights 2000/2001 :

- Colac Otway Performing Arts and Cultural Centre constructed on time, safely and using a regional contractor.
- Sale of land on the corner of Chapel and Bruce Streets and the Hart Street Pound House were both identified for sale and marketing commenced.



#### Disappointments 2000/2001:

- No support for implementation of strategy for the provision of Community Halls' needs.

#### Challenges and Priorities 2001/2002 :

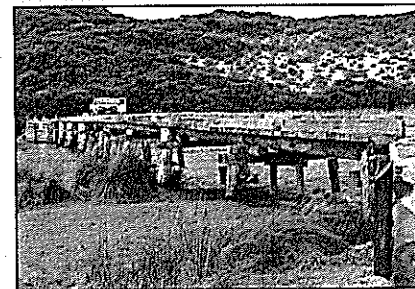
- Prepare strategy on the need, location and key requirements of Community Halls.

### Roads Assets

**Objective:** Provide and maintain a sustainable road, bridge and drainage network that responds to the needs of industry and community.

#### Highlights 2000/2001:

- Sittlington's carpark in Colac constructed and now serving the east end of Murray Street.
- Development of a carparking strategy was commenced in Apollo Bay.
- Road Safety Plan in partnership with Vicroads produced and currently in public consultation phase.
- Achievement of accelerated funding for "Road to Recovery" program, 4 years funding compressed into a three year period.
- Construction works completed on Cape Otway Road, Speedway Road, Glen Aire Bridge and 100km of gravel road re-sheeted.



#### Challenges and Priorities 2001/2002 :

- Implementation of extensive Capital Works Program due to the "Roads to Recovery" funding injection.
- Achieve better partnership with industry and community on the issues relating to local and state roads.

# 2000/2001 Corporate Plan Performance

## Parks and Reserves

**Objective:** Provide and maintain a rational parks portfolio for the community.

### Highlights 2000/2001:

- Forrest and Lake Colac Caravan Parks successfully leased.
- Playground equipment budget fully expended, program of removal and unsafe equipment carried out.
- Budget for Gardens project expended and new fencing, gatehouse, gates, benches, paths and drainage constructed.

### Disappointments 2000/2001:

- Lack of implementation of recommendations of the Lake Beeac Catchment Management Plan.

### Challenges and Priorities 2001/2002:

- Increase focus on achieving the actions of the Lake Beeac Catchment Management Plan.
- Develop the Lake Colac Management Plan including Meredith Park.

## Waste Management

**Objective:** Reduce the amount of waste going to landfill by encouraging the reduction, reuse and recycling of waste.

### Highlights 2000/2001:

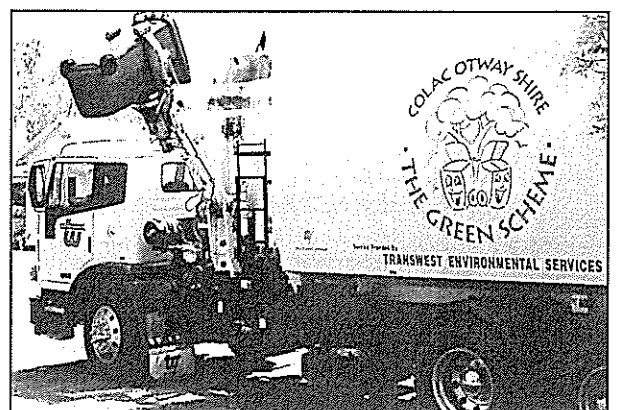
- Marengo Landfill rehabilitated (80%).
- Operation of the Greenscheme reviewed.
- Education program carried out on recycling and composting.
- Community satisfaction index relating to Waste Management increased by 31% (1998-2000).

### Disappointments 2000/2001:

- Transfer Station in the Apollo Bay area not constructed.
- Strategy not produced to rehabilitate the Colac, Forrest, Gellibrand and Beeac (2) Landfills.

### Challenges & Priorities 2001/2002:

- Improve the separation of waste streams.
- Improve production and marketing of compost.
- Achieve further increases in the level of community satisfaction.
- Deliver strategy for landfill rehabilitation.



# 2000/2001 Corporate Plan Performance

## KEY RESULT AREA - STRATEGIC DEVELOPMENT

### Strategic Planning

**Objective:** Review and develop strategies and policies that will facilitate sustainable development and economic growth.

#### Highlights 2000/2001:

- Continuation of the C2 Town Planning Scheme Amendment which proposes a number of significant amendments to Council's Town Planning Scheme including extensions to the Vegetation Protection, Environmental Significance and Significant Landscape Overlays.
- Council has maintained its commitment to protecting the heritage of the Shire through the completion of a Heritage and Conservation Study covering public privately owned heritage sites. This work will form the basis of an amendment to Council's Heritage Overlay in its Town Planning Scheme.
- Draft report on Landslide Risk Management for the Shire resulted in Council adopting the Australian Geomechanical Society's guidelines on landslide risk assessment, as an interim measure.
- Council has participated as a key stakeholder in the Great Ocean Road Strategic Planning process and the Coastal Marine Planning Project.
- Coastal Action Plans for Skenes Creek to Marengo, inclusive of Apollo Bay, adopted as part of Colac Otway Strategic Development Master Plan. The Master Plan sets the broad direction for development in the Shire via the incorporated Economic Development and Tourism Strategy, Colac and Apollo Bay Structure Plans, Skenes Creek to Marengo Coastal Action Plan, and the Apollo Bay Harbour Side Development Plan.
- Council established a Lake Colac Management Steering Group to oversee the establishment of a Project Reference Group and appointment of a consultant to undertake the preparation of a Lake Colac Management Plan. The Study has already received significant community support as well as the important sponsorship of Clean Up Australia and the support of Ian Kiernan.



#### Disappointments 2000/2001:

- Review of Municipal Strategic Statement not undertaken.

#### Challenges & Priorities 2001/2002:

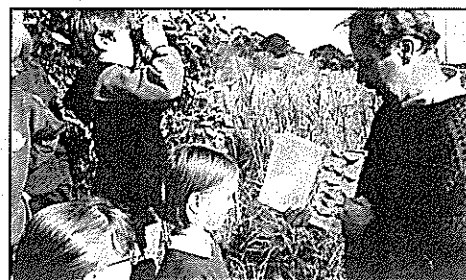
- Lake Colac Management Plan.
- Apollo Bay Neighbourhood Character Assessment Study.
- Strategic Development Master Plan approved by State Government and Council.
- Car Parking Precinct Plans for Apollo Bay and Colac.



# 2000/2001 Corporate Plan Performance

## Environment

**Objective:** Protect and enhance the natural resource base.



### Highlights 2000/2001:

- Council initiated a new weed management initiative through the employment of a trainee weed control facilitator. Roadside weed control programs and a weed identification brochure have been achieved with significant external sponsorship. A community Weed Consultative Committee will assist in setting the directions for weed control in the Shire.
- A Social Justice Program involving Community Service participants has undertaken various projects including maintenance and upgrade works which has had positive environmental and social outcomes.
- Development of a Contaminated Sites Register which form a critical component of the environmental assessment of any further use changes or development of the sites.
- A Roadside Vegetation Mapping Project, funded by Council and the Natural Heritage Trust, has identified areas of significant remnant vegetation and assigned conservation values to the sites.
- Revegetation and enhancement of remnant vegetation within the Shire's Vegetation Protection Overlay areas has been promoted through a Direct Seeding Project.
- Funding obtained for the development of a Stormwater Management Plan for the Colac-Elliminyt stormwater catchment area from the Corangamite Catchment Management Authority.
- Improved planning for Coastal regions has continued through the Coast and Marine Planning Program, which is a joint venture with City of Greater Geelong, Borough of Queenscliffe and Surfcoast Shire. This program is developing the Coastal Action Plan for the region and is also linked to Estuary Management and surrounding Catchment Management Strategies.

### Challenges & Priorities 2001/2002:

- Implement Weed and Roadside Management Strategy

## Economic Development

**Objective:** Promote and facilitate economic activity that leads to job creation.



### Highlights 2000/2001:

- Conducted Annual Business Awards.
- Explored opportunities to promote development of 18 hole golf course/resort in Apollo Bay.
- Undertook a feasibility study to investigate development of Apollo Bay airfield.
- Colac Otway Shire Website redeveloped.
- Council has worked with a number of new and existing investors to ensure their requirements are met with regard to availability of land, infrastructure and labour force. These new investments has seen an increase in employment and to the regional economy, e.g. CRF (Colac Otway Pty Ltd and Regal Cream).
- Application successful to NTN for improved mobile telephony infrastructure at Lavers Hill.
- Application submitted for Television Black Spot funding to improve television reception in the Otways.
- Colac Development Committee formed as an advisory body to Council.
- Colac Development Committee appointed MPN Retail & Property Services to develop a Retail Marketing Plan for Colac.

# 2000/2001 Corporate Plan Performance

## Challenges & Priorities 2001/2002:

- Prepare a development specification for Apollo Bay Harbour precinct.
- Continue implementation of Small Town Improvement Program by preparing Master Plans for Cressy, Beeac, Swan Marsh, Lavers Hill and Forrest townships.
- Implement Colac Development Committee Business Plan priorities (marketing, housing and events)



## Tourism

**Objective:** Promote and facilitate economic activity that leads to job creation.

## Highlights 2000/2001:

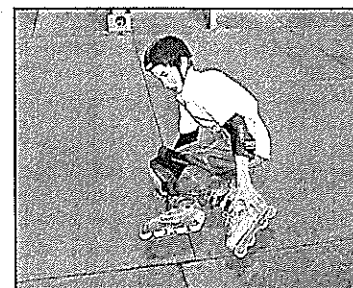
- Development of a niche Food and Wine Tourism Strategy, designed to encourage development of new product and initiate regional branding and marketing.
- Audit completed of the regional food and wine industry through the new Food & Wine Tourism Strategy.
- Memorandum of Understanding between Geelong Otway Tourism and Colac Otway Shire finalised.
- New Colac Otway Tourism Board structure was implemented in November 2000, to ensure that the function, vision and direction would be strategic and accountable, allowing the board real influence and capacity.
- Colac and Apollo Bay Visitor Information Centres obtained a Level 2 Accreditation.
- Visitor Centres have recorded strong growth trends in the number of visitors through the doors, with the Apollo Bay Visitor Information Centre experiencing a 10% increase on the previous year.

## Disappointments 2000/2001:

- A full product audit was not completed due to funding restrictions.

## Challenges & Priorities 2001/2002:

- Implement recommendations contained within the Food and Wine Tourism Strategy.
- Implement Colac Otway Tourism Business Plan priorities.
- Implement a Tourism Product Audit to identify tourism product needs and opportunities.



## Recreation

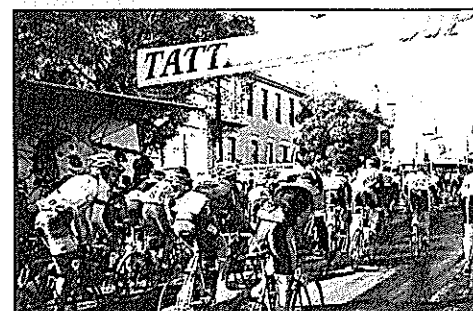
**Objective:** Develop and maintain recreation facilities, programs and projects which are accessible and enhance residents and visitors quality of life.

## Highlights 2000/2001:

- Apollo Bay Pool Feasibility study completed.
- The Forrest community pathway was also funded under Dept. State and Regional Development.
- Implement the recommendations of the bicycle strategy with council receiving Vic roads funding for line marking in Murray St.
- Colac Otway Shire hosted the Great Victorian Bike ride and continued its association with the Suntour and Tattersalls Cup Bike races.
- Beechy Line Committee formed and developing the trail in line with the concept plan.
- Colac Skate Park completed and opened by the Hon. Justin Madden, Minister for Sport and Recreation.

## Challenges and priorities 2001/2002:

- Completion of the Apollo Bay Skate Park.
- Recreation strategy review.
- Planning and development of a regional playground.
- Premier Recreation reserve development.
- Youth active recreation initiative.

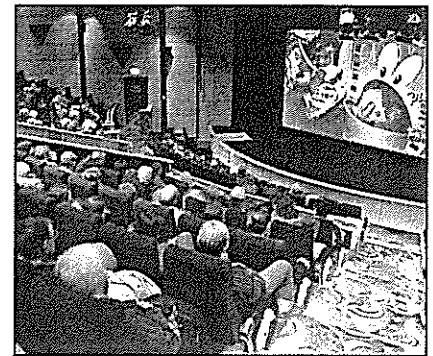


# 2000/2001 Corporate Plan Performance

## Arts, Culture and Events

**Objective:** Facilitate and foster the creation of arts and culture facilities, programs and projects which promote diverse cultural opportunities for residents and visitors.

- COPACC was in full "multipurpose" operation by April 2001 with the cinema component opened in late December 2000. Two awards have already been won for the design.
- The COPACC Trust was established with the Hon. Richard McGarvie agreeing to be Patron and by the close of the financial year over \$20,000 has been committed to the fund.
- The Lake Colac Arts project has been completed with the design recognising Lake Colac's Koori heritage.
- The Olympic Torch Relay was the largest event held in the Shire this year with 10,000 flooding Memorial Square to watch the Torch and the community performance featuring over 100 local performers and fireworks.



- Council made available a specific budget for key community festivals for the first time and provided substantial support to the Apollo Bay Music Festival.



- The Colac Otway FReeZA committee continued to run events across the Shire for young people.

### Challenges & Priorities 2001/2001:

- Ensure all aspects of COPACC are operating smoothly with appropriate policies and plans in place.
- Provision of strategic directional support for community festivals.
- Completion of the COPACC Gala and Federation projects.
- Develop a public arts policy and review the arts and culture strategy.

# External Funding, Grants, Donations, Memberships and Subscriptions

## EXTERNAL FUNDING

Council has been extremely successful in obtaining external funding from a number of major funding sources during 2000/2001. The following projects have been made possible by Federal and State Government assistance:-

### Heritage Study Stage 2B

Heritage Victorian funded \$6,600. Total \$6,600.

### Enhanced Home Visiting Service

Dept. of Human Services funded \$26,250. Total \$26,250.

### Information Technology Public Access Project

Greater Green Triangle Regional Association funded \$150,000. Total \$150,000.

### Apollo Bay Mechanic Hall Seating and Apollo Bay Music Festival Storage

Arts Victoria funded \$16,100. Total \$16,100.

### Business Retention Project

Greater Green Triangle (DRAP) funded \$30,000. Total \$43,000.

### Business Plans for Colac Development Committee

Dept. of State and Regional Development - Priority Projects funded \$2,500. Total \$5,000.

### RTC Business Plans for 9 Small Towns

Commonwealth Government - RTC Program funded \$18,000. Total \$18,000.

### Pride of Place Plans for 4 Small Towns

Dept. of Infrastructure funded \$75,000. Total \$89,000.

### Beech Forest Hall Upgrade

Dept. of State and Regional Development - Rural Community Development Program funded \$10,180. Total \$19,260.

### Forrest Shared Footway and Picnic Area

Dept. of State and Regional Development - Rural Community Development Program funded \$22,000. Total \$33,000.

### Colac Botanic Gardens Upgrade

Dept. of State and Regional Development - Rural Community Development Program funded \$28,825. Total \$57,000.

### Nature Based Tourism Strategy

Dept. of State and Regional Development - RFA Funding funded \$17,920. Total \$17,920.

### Glenaire Bridge Reinstatement Project

Dept. of State and Regional Development - Rural Community Development Program funded \$10,000. Total \$70,000.

### Food & Wine Tourism Strategy

Dept. of State and Regional Development - RFA Funding funded \$19,712. Total \$19,712.

### Swan Marsh Hall Upgrade

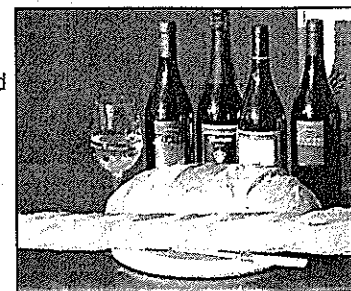
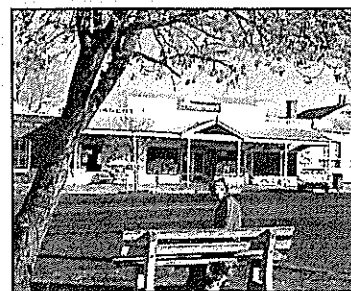
Dept. of State and Regional Development - Rural Community Development Program funded \$10,000. Total \$20,000.

### Bluewater Fitness Centre Change, First Aid & Program Development Rooms

Dept. of State and Regional Development - Better Pools Program funded \$27,100. Total \$54,200.

### Lavers Hill Car Park and Board Walk

Dept. of State and Regional Development - Rural Community Development Program funded \$53,000. Total \$53,000.



# External Funding, Grants, Donations, Memberships and Subscriptions

## Tobacco Strategy

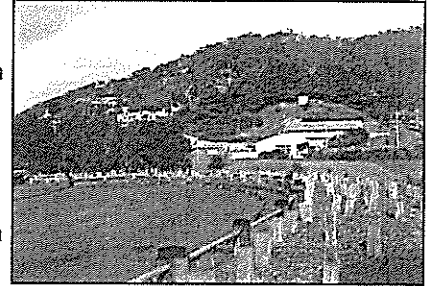
Dept. of Human Services funded \$6,443. Total \$6,443.

## Forrest Clubrooms Extension

Dept. of State and Regional Development - Minor Community Grant Scheme funded \$9,333. Total \$30,000.

## Wye River Carpark & Picnic Area

Dept. of State and Regional Development - Rural Community Development Program funded \$35,000. Total \$70,000.



## Lavers Hill Icon and Seating Area

Dept. of State and Regional Development - Rural Community Development Program funded \$6,800. Total \$14,500.

## Youth Action and Collaboration

Vic Health funded \$25,000. Total \$30,000.

## Food Safety Template Trial

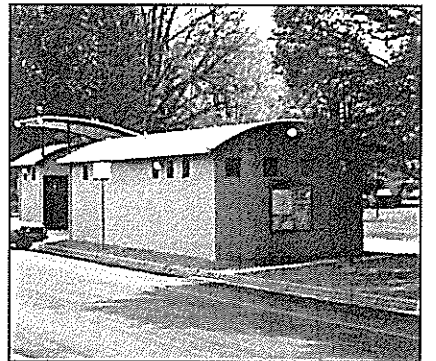
Dept. of Human Services funded \$4,500. Total \$7,400.

## Innovative Child Care Project

Dept. of Family & Children's Services funded \$15,936. Total \$15,936.

## Mobile Phone Infrastructure for Lavers Hill

Commonwealth Department of Communications, Information & Technology - "Networking the Nation" funded \$140,000. Total \$150,000.



## 2001 Business Awards

Dept. of State and Regional Development - Rural Leadership & Community Events Program funded \$5,500. Total \$11,000.

## Rural Access

Dept. of Human Services funded \$128,000. Total \$128,000.



# External Funding, Grants, Donations, Memberships and Subscriptions

## Other Grants

Watson Access Bridge	\$15,000	Sourced by C.F.A.
Direct Seeding Grant	\$15,000	Sourced by Natural Heritage Trust
Forrest School Fire Refuge Grant	\$13,000	Sourced by C.F.A.
Erosion Overlays	\$10,000	Sourced by C.C.M.A.
Apollo Bay Airfield Study Grant	\$9,090	Sourced by Tourism Victoria
BlueWater Fitness Centre Equipment Grant	\$1,500	Sourced by Dept. of Human Services
Aire River Bridge CFA Grant	\$25,000	Sourced by C.F.A.
Roads to Recovery Assistance	\$953,940	Sourced by Commonwealth Dept. of Transport and Regional Services

## COMMUNITY MINOR PROJECTS AS EXTERNAL FUNDS

Council provided grants totalling just under \$36,885 for community projects across the Shire. This year 22 projects were funded under this program. Projects funded were:

Organisation	Purpose	Amount
Apollo Bay Arts Council	Participate in Our Nation on Parade	\$1,000.00
Apollo Bay Mechanics Institute	New Seating for Mechanics Institute	\$8,000.00
Arts Colac Inc.	Assist in re-establishment	\$99.00
Beeac Progress Association	Computer Purchase	\$2,400.00
Birregurra & District Action Group	Birregurra Weekend Festival	\$1,500.00
Colac City Band	Purchase uniforms and photocopier	\$1,900.00
Colac Do Care	Volunteer Luncheon	\$400.00
Colac Chorale	Extend their music repertoire	\$900.00
Colac Community Development Assoc.	Develop theatre pieces for community festivals	\$2,250.00
Colac & District Historical Society	Microfilm of the Shire's history	\$1,020.00
Colac & District Family History Group	Purchase of a computer	\$1,500.00
Colac Pastoral & Agricultural Society	Annual Show	\$500.00
Colac & District Pipes & Drums	Outfit new Pipers and update Drummers	\$6,000.00
Colac Oral History	Develop History of Colac	\$355.00
Colac Toy Library	Purchase items for Toy Library	\$960.00
Colac Writers Guild	Writers Workshop	\$1,000.00
Cressy Community Activities Group	Create Cressy Historical Quilt	\$300.00
Gellibrand Kwarren Progress Assoc.	Purchase of photocopier	\$864.00
Joint Emergency Services Expo	Combined Emergency Services Expo 2000	\$990.00
Lavers Hill Hall	Purchase of tables, chairs and stage backdrop	\$1,000.00
Lavers Hill Progress Association	Purchase of defibrillator for emergency use	\$2,947.00
Leisure Networks Association	Conduct Disability Triathlon	\$1,000.00
		\$36,885.00

# External Funding, Grants, Donations, Memberships and Subscriptions

## RECREATION FACILITIES ASSISTANCE FUND

Recreation facilities throughout the Shire have been upgraded through the allocation of funding under this program. This year 13 projects have been assisted with the allocation of funds as follows:

Name of Organisation	Purpose	Amount
Alvie Football Club	Minor works	\$1,986.10
Apollo Bay Tennis Club	Tennis Courts Upgrade	\$10,000.00
Beeac Progress Association	Barbecue	\$2,568.00
Birregurra Senior Citizens Club	Indoor Carpet	\$544.09
Colac Imperials Football/Netball Club	Netball Change Rooms	\$8,000.00
Colac Little Athletics Club	Colourbond Shed	\$5,952.36
Cressy Recreation Reserve Trustees	Minor works	\$2,525.00
Eurack Recreation Centre	Repainting	\$300.00
Irrewarra Recreation Reserve	Minor works	\$312.09
South Colac Sports Club	Netball Change Rooms	\$3,000.00
Warrion Recreation Reserve	Upgrade watering system	\$7,301.00
Western Eagles Football Netball Club	Minor works	\$500.00
Wye River Surf Life Saving Club	Donation Building Levy	\$1,590.00
		\$44,578.64

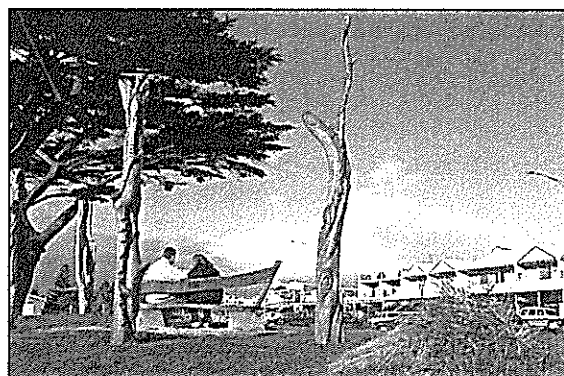
## DONATIONS AND GRANTS

The Local Government Regulations 1990 requires that Donations, Grants, Memberships and Subscriptions made to external bodies be listed in the Annual Report. The following list is provided:

Apollo Bay Foreshore Committee of Management	\$10,000.00
Barwon Youth Accommodation Service	\$500.00
Colac & District Eventide Hostel	\$4,901.13
Corangamite Catchment Rural Counselling Service	\$1,500.00
Municipal Engineering Foundation Victoria	\$1,000.00
Portsea Children's Holiday Camp	\$1,000.00
Southern Otway LandCare	\$3,000.00

## MEMBERSHIPS/SUBSCRIPTIONS

Local Government Professionals	\$500.00
Municipal Association of Victoria	\$18,400.00
Timber Towns Victoria	\$2,000.00
V.E.C.C.I.	\$2,126.00
Geelong Otway Tourism	\$33,050.00
Livestock Saleyards Association of Victoria	\$1,868.45



# General Information

## Human Resource Policy Development

Policies developed during the year include:

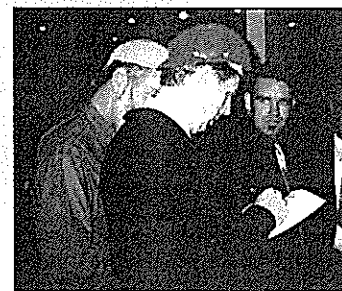
- Policies for off site work, study assistance, alcohol and other drugs, EEO/Sexual Harrassment, smoking, information sharing and motor vehicle use
- A systematic training needs analysis and training program linked to job competencies, including a frontline management program
- An expanded reward and recognition program
- Competency based recruitment and selection
- Comprehensive employee support programs
- More comprehensive communication planning
- A new, integrated performance management system
- Continuation of twice yearly Employee Opinion Surveys
- Continuation of collection and analysis of HR indicators such as turnover, induction and exit interviews.

## Occupational Health and Safety

### Risk Management

Key activities included:

- the conduct of the organisational risk assessment and subsequent action plan;
- development of the Risk Management Policy;
- formation of the Risk Management Committee;
- achievement of SafetyMAP re-certification;
- management of ongoing workcover issues arising from the closure of Western District Meats;
- development of emergency management procedures;
- promotion of community safety and health issues, e.g. Safety Week; and
- conduct of staff and management education in the on-going organisational health and safety program.



### SafetyMAP

SafetyMAP is a self assessment audit tool developed by the Victorian Workcover Authority that enables employers to identify their level of occupational health and safety systems. Achievement of SafetyMAP certification establishes a level of achievement for an employer, allows an employer to display the SafetyMAP logo and is seen by the Victorian Workcover Authority and many others as indicating an audited level of performance in occupational health and safety.

In April 1998, Colac Otway Shire was audited by the Victorian Workcover Authority and achieved the Initial Level of SafetyMAP. This Certification expired in May 2000.

The Colac Otway Shire was involved in an audit for SafetyMAP re-certification during the period June/July 2000. The Shire was successful in meeting the requirements for SafetyMAP Initial Level Certification.

In January 2001, the Minister for Workcover, Bob Cameron attended the Shire and presented the SafetyMAP Initial Level re-certification certificate. The Colac Otway Shire held an Occupational Health and Safety/Workcover seminar for selected local businesses in Colac.

## Performance Management

Performance Management is the process that details the steps required to achieve continuous improvement of the overall performance and development of our people. The benefits of the process are:

- Develops understanding, knowledge of team and individual's role in corporate strategic plan
- Defines accountabilities with all staff focused on shared organisational goals
- Promotes greater self/organisational knowledge of performance against agreed measures
- Enhanced customer focus delivering higher level of customer service
- Improved customer satisfaction

The Performance Management process provides the platform to ensure succession planning is available to all staff. This will ensure the Colac Otway Shire has skilled competent staff providing services to the community whilst continuing to build a profile as an employer of choice.

# General Information

## Reward and Recognition

Colac Otway Shire is committed to recognising the performance of employees and teams as they complete their required duties. This is reinforced via three key mechanisms:

- The Reward and Recognition Program that is decided based on nominations and the adherence to the Shire's corporate values.
- Incorporating Key Performance Indicators into the Colac Otway Shire Enterprise Bargaining Agreement that allows people to work toward targets. Targets that are completed contribute toward annual salary appraisal percentage increases.
- The application of Australian Quality Council principles to allow comprehensive benchmarking and opportunities for continuous improvement.

As a result of the above strategies, morale within the organisation continues to remain positive and is reflected by recently completed Employee Opinion Survey.

## Employment and Training

A number of major initiatives undertaken during the year continue to deliver positive results. These initiatives include the implementation of the revised performance management program, conduct of the Australian Quality Council Organisation Guided Self-assessment and the on-going development of statistical reports that will illustrate the measurable outcomes of our strategies.

### Employees by Employee Type and Gender as at 30 June 2001

	M	F	Total
Full Time+	93	30	123
Part Time/Casual, etc	48	135	183
Totals	141	165	306
Total EFT			188.09

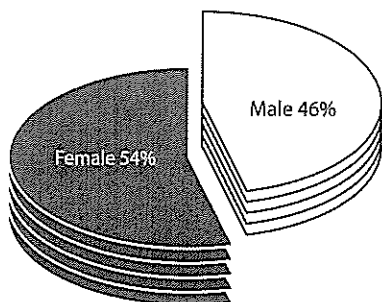
## Equal Employment Opportunity

The Colac Otway Shire actively supports the practice of Equal Employment Opportunity by ensuring all applicants and employees are treated on their ability to carry out the functions of a position and not on any presumed or real attributes that may be thought to affect job performance.

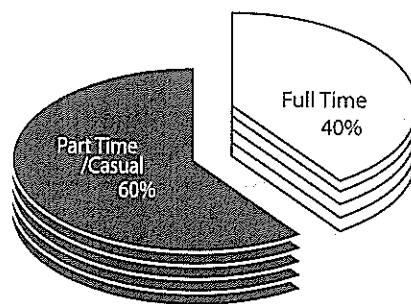
Council ensures equality of opportunity by implementing non-discriminatory processes in all areas of Human Resource Management, in particular recruitment and selection, conditions of employment and termination and cessation of employment.

The Equal Employment Opportunity Committee, consisting of trained staff representatives and a Senior Management representative, meet regularly to develop and implement policies and procedures associated with EEO.

No claims have been lodged with the committee over the past year.



Employees by Gender



Employees by Employment Type

## Organisation Development

Two indicators used to measure organisational effectiveness include job satisfaction and turnover. The following paragraphs highlight the organisation's positive results achieved through our strategic direction and alignment with the Australian Quality Council Framework. The AQC Framework is used in conjunction with management strategy to assess and improve any aspect of an organisation's systems, including leadership, planning, safety, service delivery, product quality and bottom-line results.

# General Information

## Colac Otway Shire Job Satisfaction

The Colac Otway Shire has continued to conduct the annual Employee Opinion Survey. Once again there has been a very pleasing result with 96.4% of employees satisfied with working at the shire. To ensure the continued satisfaction of employees at the Shire, further analysis of the results will be developed into an action plan to address any areas of concern.

## Colac Otway Shire Employment Turnover

The following statistics indicate the level of employee turnover for the past two financial years. Since 1992, employee turnover across industry groups has been steady at 16 - 17%. The results achieved by the Colac Otway Shire have positive implications in the retention of skills within the organisation and reduced costs in advertising and recruitment.

### Employee Turnover

	2000	2001
July to December	7.7%	5.5%
January to June	5.7%	4.9%
Total for Financial Year	13.4%	10.4%

## Freedom of Information

The Freedom of Information Act 1992 requires Council to make available information and documentation where such information and documentation is not exempted by the legislation. Council processed ten requests during the year for information under the provisions of this Act.

## Victorian Local Government Indicators

Category	Indicator	
Affordability/Cost of Governance	Average rates and charges per assessment	\$731.44
	Average rates and charges per residential assessment	\$648.79
Sustainability	Average Liabilities per assessment	\$712.11
	Operating result prior to capital funding	(\$6,784,647)
Services	Constituent Satisfaction Rating for Overall Performance generally of the Council	64
	Average operating expenditure per assessment	\$2,258.43
Infrastructure	Average capital expenditure per assessment	\$699.19
	Renewal Gap	1:1
	Renewal and Maintenance Gap	1:1

# General Information

## Best Value

The Local Government (Best Value Principles) Act 1999 recognises the importance of having local government accountable to the community by delivering quality services at the best price.

### The six principles of Best Value require:

- ☞ Community consultation on all services and activities
- ☞ Responsiveness to community needs
- ☞ Continuous improvement
- ☞ Accessibility of services to those who need them
- ☞ Best quality and value for money
- ☞ Continuous improvement
- ☞ Regular community reporting on Council achievements

Colac Otway Shire, through on-going consultation with the community and staff, will incorporate the legislated Best Value philosophy and principles into our Council Planning processes. We will research the service needs of our community now and for the future; agree on service requirements; deliver what is agreed; evaluate and report on service delivery performance; and make a commitment to continuously improve service delivery. All services will be reviewed every five years to ensure that we continue to deliver services that are needed, accessible, and affordable to our community.

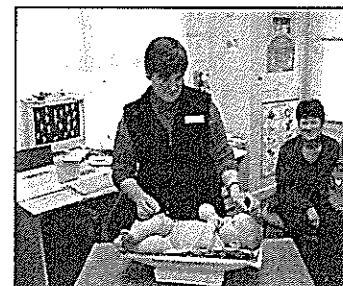
Colac Otway Shire will encourage community input at all stages of the Best Value Service Review process. We will publicise opportunities for community consultation and involvement through the media, internet and via our community newsletter.

Colac Otway Shire has submitted the five year Best Value review time table to the Minister and is currently working toward the review of all Council areas and the successful completion of the time table.

## Policy Development & Strategies

The following policies and strategies were reviewed by Council during 2000/2001;

- Road Safety Strategy
- Maternal & Child Health Policy Review
- Barwon Community Transport Strategy
- Vicroads Princes Highway Strategy - Waurin Ponds to South Australian Border Draft Paper
- COPACC Policy and Guidelines
- Community Consultation Policy



## Local Laws

1. Consumption of Liquor in Public Places
2. Street Management and Protection of Physical Assets
3. Environmental Health
4. Meeting Procedure
5. Municipal Property
6. Livestock on Roads
7. Windrow Burning
8. Colac Livestock Selling Centre
9. Meeting Procedure (Amendment)
10. Petitions
11. Livestock
12. Amendment Local Law

# General Information

## Statutory Information

Where applicable, the following details can be obtained by contacting the Chief Executive Officer.

- Operating Statement.
- Statement of Financial Position.
- Notes to the Financial Statements for each of the following entities: (i) trust funds (ii) leases (iii) joint ventures.
- Details of current allowances fixed for the mayor, Deputy Mayor and Councillors under Section 74 of the Act.
- Details of senior officers current gross salaries, allowances and other benefits for the current financial year and two previous financial years plus details of overseas or interstate travel undertaken in an official capacity by Councillors or any members of Council staff in the previous 12 months.
- Names of Council officers who are required to submit a return of interest during the financial year and the dates these returns were submitted.
- Names of Councillors who submitted return of interest during the financial year and the dates these returns were submitted.
- Agendas and minutes for ordinary and special meetings kept under Section 93 of the act except where such minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act.
- Major committees established by Council and the committee's purpose.
- Major committees established by Council which were abolished or ceased to function during the financial year.
- Minutes of meetings of special committees established under Section 86 of the Act except where such minutes related to parts of meetings which have been closed to members of the public under Section 89 of the Act.
- Applications for enrolment on the voters roll under Section 12 and 13 of the act for the immediate past roll and the next roll being prepared.
- Register of delegations kept under Section 87 of the Act.
- Register of delegations kept under Section 88 of the Act.
- Submissions received under Section 223 of the Act during the previous 12 months.
- Agreements to establish regional corporations under Section 196 of the Act.
- Guarantees given by a Council under Section 197 of the Act.
- Register of leases entered into by Council.
- Register of authorised officers appointed under Section 224 of the Act, and
- Quality and Costs Standards - Best Value.

# **COLAC OTWAY SHIRE**

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ABN 32 430 819 755

## **AUDITED FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED 30 JUNE 2001**

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**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2001**

2000			Note	2001	
\$'000	%			\$'000	%
REVENUE FROM ORDINARY ACTIVITIES					
8,997	21	Rates and Charges		9,576	38
1,964	5	Grants Commission		2,253	9
2,652	6	Recurrent Grants & Subsidies	3	2,797	11
2,783	6	Non-Recurrent Grants & Subsidies	3	3,678	15
4,890	11	Charges, Fees & Fines		4,212	16
613	1	Reimbursements		662	3
345	1	Contributions		734	3
1,233	3	Proceeds on Sale of Assets	5	933	4
362	1	Donated Property, Plant and Equipment		289	1
260	1	Interest		231	1
7,886	19	Property, Plant and Equipment not previously recognised		0	0
36	0	Other		0	0
<u>32,021</u>	<u>75</u>	<b>TOTAL REVENUE FROM ORDINARY ACTIVITIES EXCLUDING ABATTOIR OPERATIONS</b>		<u>25,365</u>	<u>100</u>
10,585	25	Abattoir Revenue	31	0	0
<u>42,606</u>	<u>100</u>	<b>TOTAL REVENUE FROM ORDINARY ACTIVITIES</b>		<u>25,365</u>	<u>100</u>
EXPENSES FROM ORDINARY ACTIVITIES					
6,815	14	Employee Costs		6,638	23
6,393	13	Depreciation	4	8,888	30
298	1	Borrowing Costs	16	309	1
9,662	20	Materials & Services		9,444	32
109	0	Grants and Donations		111	0
1,507	3	Plant Costs		1,049	4
1,258	3	Written Down Value of Assets Sold	5	1,000	4
3,391	7	Property, Plant and Equipment Revaluation Decrement	1(e)	0	0
7,869	16	Property, Plant and Equipment written off	1(e)	0	0
0	0	Property, Plant and Equipment Disposal		871	3
69	0	Share of Net Profit/(Loss) of Associates accounted for using the equity method	34	173	1
624	1	Other		670	2
<u>37,995</u>	<u>78</u>	<b>TOTAL EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING ABATTOIR OPERATIONS</b>		<u>29,153</u>	<u>100</u>
10,715	22	Abattoir Expenses	31	0	0
<u>48,710</u>	<u>100</u>	<b>TOTAL EXPENSES FROM ORDINARY ACTIVITIES</b>		<u>29,153</u>	<u>100</u>
<u>(6,104)</u>		<b>NET PROFIT/(LOSS)</b>		<u>(3,788)</u>	

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2001

2000		Note	2001
\$'000			\$'000
	CURRENT ASSETS		
4,172	Cash	7	2,314
2,737	Receivables	8	2,232
1,693	Other Financial Assets	9	776
85	Inventories	10	71
79	Prepayments	11	155
3	Other	12	0
<u>8,769</u>	TOTAL CURRENT ASSETS		<u>5,548</u>
	NON-CURRENT ASSETS		
177,906	Property, Plant & Equipment	13	176,358
147	Receivables	8	143
712	Other Financial Assets	9	710
0	Other	12	0
<u>178,765</u>	TOTAL NON-CURRENT ASSETS		<u>177,211</u>
<u>187,534</u>	TOTAL ASSETS		<u>182,759</u>
	CURRENT LIABILITIES		
705	Bank Overdraft		0
2,316	Payables	14	1,988
662	Provision for Employee Entitlements	15	686
20	Lease Liability	28	22
684	Interest Bearing Liabilities	16	757
<u>4,387</u>	TOTAL CURRENT LIABILITIES		<u>3,453</u>
	NON-CURRENT LIABILITIES		
638	Provision for Employee Entitlements	15	669
23	Lease Liability	28	1
5,390	Interest Bearing Liabilities	16	5,125
<u>6,051</u>	TOTAL NON-CURRENT LIABILITIES		<u>5,795</u>
<u>10,438</u>	TOTAL LIABILITIES		<u>9,248</u>
<u>177,096</u>	NET ASSETS		<u>173,511</u>
	EQUITY		
109,680	Accumulated Funds		106,018
67,263	Asset Revaluation Reserves	32	67,485
153	Other Reserves	33(a)	8
<u>177,096</u>	TOTAL EQUITY		<u>173,511</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2001

2000			Accumulated	Asset	Asset	2001
		Note	Surplus	Replacement	Revaluation	Total
\$'000			\$'000	Reserve	Reserve	\$'000
				\$'000	\$'000	
127,628	Balance at end of previous year		109,680	153	67,263	177,096
(6,104)	Net Profit/(Loss)		(3,788)			(3,788)
55,435	Revaluation of Property, Plant and Equipment	13				0
137	Increase/(Decrease) in Share of CRLC Asset Revaluation Reserve	34			222	222
0	Increase/(Decrease) in Share of CRLC Asset Replacement Reserve			(19)		(19)
0	Transfers to Reserves	33(b)	(800)	800		0
0	Transfer from Reserves	33(b)	926	(926)		0
<u>177,096</u>	Balance at end of current year		<u>106,018</u>	<u>8</u>	<u>67,485</u>	<u>173,511</u>

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 2001

2000		Note	2001
	CASH FLOWS FROM OPERATING ACTIVITIES		
\$'000			\$'000
8,604	Receipts from ratepayers		9,758
7,732	Receipts from Abattoir customers		354
5,260	Government Grants		5,362
2,139	Capital grants for asset acquisition		3,366
4,890	Council User charges and reimbursements received		4,212
2,727	Abattoir User charges received		0
958	Contributions and donations received		1,396
(7,118)	Council payments to employees		(6,539)
(10,430)	Council payments to suppliers		(10,879)
(3,709)	Abattoir payments to employees		0
(6,995)	Abattoir payments to suppliers		0
260	Interest received		231
(286)	Interest paid		(311)
(109)	Council Grants and Donations paid		(111)
0	GST paid		(73)
161	Other receipts		0
(677)	Other payments		(670)
<u>3,407</u>	Net cash provided by operating activities	22	<u>6,096</u>
	CASH FLOWS FROM INVESTING ACTIVITIES		
(5,183)	Payments for asset acquisition		(8,922)
1,233	Proceeds from disposal of assets		933
<u>(3,950)</u>	Net cash used in investing activities		<u>(7,989)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
(612)	Repayment of borrowings		(692)
1,650	Proceeds from borrowings		500
(598)	Sale of investments		5
3	Reduction in Cash Advances		3
(19)	Lease Payments		(20)
<u>424</u>	Net cash provided in financing activities		<u>(204)</u>
(119)	Net increase/(decrease) in cash held		(2,097)
4,530	Cash at the beginning of the year		4,411
<u>4,411</u>	CASH AT THE END OF THE YEAR	23	<u>2,314</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2001****NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

The financial report is for the entity Colac Otway Shire Council, as an individual reporting entity and economic entity. Colac Otway Shire is a local government authority, domiciled in Australia. The principal activities of Council are described in Note 2(c).

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

As a result of applying AAS 1 Statement of Financial Performance, revised AAS 37 Financial Report Presentation and Disclosures and AAS 36 Statement of Financial Position for the first time, a number of comparatives were represented or reclassified to ensure comparability with the current reporting period.

**(a) The Local Government Reporting Entity**

All funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report. In the process of reporting on the municipality as a single unit, all transactions and balances between Council business units have been eliminated. Accordingly, the activities of the Port of Apollo Bay for the period are included in these financial statements.

**(b) Basis of accounting**

This financial report is a general purpose report that has been prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements, Local Government Act 1989 and the Local Government Regulations 2001. It has been prepared on an accrual accounting basis under the historical cost convention, with the exception of certain non-current assets which are valued at current cost or market value. The accounting policies have been consistently applied.

**(c) Recognition of assets**

Assets acquired during the reporting period are initially recorded at cost. Cost includes all costs incidental to the acquisition and installation ready for use. Where assets are constructed by Council, cost includes an appropriate share of variable and fixed overheads including interest on borrowed funds.

**(d) Depreciation of non-current assets**

Non-current assets having limited useful lives are systematically depreciated over those useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets by the Council.

Straight line depreciation is used based on residual useful lives as determined each year. Reducing balance depreciation is provided based on rates which are reviewed each reporting period.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)**

(d) Depreciation of non-current assets (cont'd)

There is no depreciation charged for assets disposed of during

2000 Estimated Useful Life Years	Major depreciation classes are:	Capitalisation Threshold	Depreciation Method	2001 Estimated Useful Life Years
25	Buildings	\$500	Straight Line	25
5-15	Furniture and equipment	\$500	Straight Line	5-15
80	Drainage	\$5,000	Straight Line	80
10-55	Roads and Streets	\$5,000	Straight Line	10-55
	Improvements to parks & gardens	\$500	Straight Line	10-100
10-100				
50-70	Bridges	\$5,000	Straight Line	50-70
30-60	Footpaths	\$500	Straight Line	30-60
35-45	Kerb and Channelling	\$500	Straight Line	35-45
5-10	Plant and Machinery	\$500	Reducing Bal.	5-10
5-10	Equipment under lease	\$500	Straight Line	5-10

(e) Revaluation of Non-Current Assets

All non-current assets, other than receivables and investments, were revalued to their current cost less accumulated depreciation at the date of the last general revaluation of property within the municipality. The last such revaluation was carried out as at 1 January 2000.

Current cost in relation to an asset, means the lowest cost at which the gross service potential of the asset could currently be obtained in the normal course of operations.

To the extent that a revaluation increment does not reverse a prior revaluation decrement which has been recognised as an expense in the Statement of Financial Performance, the decrement is debited to that reserve. Otherwise the decrement is recognised as an expense in the Statement of Financial Performance. To the extent that a revaluation decrement does not reverse a prior revaluation increment which has been recognised as a revenue in the Statement of Financial Performance, the increment is credited to that reserve. Otherwise the increment is recognised as a revenue in the Statement of Financial Performance.

Land and furniture and equipment were recognised at market value and buildings were recognised at market value and written down current cost based on sworn valuations by Landlink Property Group (Qualified Valuers) on 1 January 2000.

The revaluations of all other property, plant and equipment were recognised at their written down current cost based on sworn Council valuations by Bryan Cooley, Asset Management Co-Ordinator, BE(Civil) on 1 January 2000.

Subsequent to the initial recognition, all non-current assets are measured at fair value being the amounts for which the assets could be exchanged between willing parties in an arms length transaction. Revaluations are made with sufficient regularity to ensure that the carrying amount of each non-current asset does not differ materially from its fair value at the reporting date. Annual assessments will be made by Council, supplemented by independent assessments at least every five years for infrastructure and at least three years for all other non-current assets.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)**

(e) Revaluation of Non-Current Assets (cont'd)

This policy was adopted effective from 1 July 2000. The previous policy was to revalue land and buildings and plant and equipment at fair value at three yearly intervals and infrastructure at fair value at two yearly intervals. The changed policy has not had a material effect in the current or prior financial year, nor is it expected to have a material effect in subsequent financial years. The changed policy has been adopted to comply with AAS38 Revaluation of Non-Current Assets, released in July 2001 which has been applied for the first time to the year ended 30 June 2001.

(f) Recoverable Amount of Non-Current Assets

Where the carrying amount of a non-current asset is greater than its recoverable amount the asset is revalued to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets.

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal.

The recoverable amount test does not apply to Council as the service potential of its non-current assets are primarily related to the provision of goods and services rather than the generation of net cash flows.

(g) Land Under Roads

Council has deferred the recognition of land under roads as an asset until 31 December 2002 due to the present lack of a reliable valuation methodology. This is in accordance with AAS27 'Accounting for Local Governments'.

(h) Employee entitlements

*(i) Long Service Leave*

The provision for long service leave is determined in accordance with Australian Accounting Standard AAS30 'Accounting for Employee Entitlements'. Long service leave entitlements payable are assessed at each reporting date, having regard to current rates of pay, oncosts and other factors including experience of employee departure and their periods of service. Long service leave entitlements later than one year have been measured at the present value of the estimated future cash outflows to be made for these entitlements. The current long service leave provision is the amount expected to be taken by employees who have reached 10 years of service, having regard to past experience of employee long service leave taken. Commonwealth Bond Rates are used for discounting future cash flows.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)

*(ii) Other Leave and Entitlements*

Council employees accrue annual leave entitlements in accordance with Australian Accounting Standard AAS30 'Accounting for Employee Entitlements'. Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to the reporting date. Such accruals are assessed at each reporting date, having regard to current rates of pay and oncosts and are provided for at their nominal values.

*(iii) Superannuation*

The superannuation expense for the reporting period is the amount of the statutory contribution the municipality makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in note 21.

(i) Investments

*(i) General*

Investments other than as set out at (ii) below, are brought to account at cost. Interest revenues are recognised as they accrue.

(ii) *Investment in Associated Entities*

The interest in the Corangamite Regional Library Corporation is stated at Council's equity interest in the underlying net assets of the Library. The equity interest is calculated on the basis of the ratio it contributes to the operating costs of the service. Annual contributions to the Library are recognised as expenses in the Statement of Financial Performance.

(j) Leased Non-current Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of leased non-current assets (finance leases), and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. An asset and liability are established at the present value of minimum lease repayments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

Leased assets are amortised on a straight line basis over the term of the leases or where it is likely that Council will obtain ownership of the asset, the life of the assets.

Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)****(k) Revenue Recognition**

Rates, charges, fees and fines, grants, donations and contributions other than reciprocal contributions received are recognised as revenues when the municipality obtains control over the assets comprising these revenues. Control over assets acquired from rates is obtained at the commencement of the rating period, or where earlier, upon receipt of rates. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured. A liability is only recognised in respect to granted assets if there is an obligation to disperse future economic benefits to the grantor.

Where contributions recognised as revenues during the year were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in note 3. That note also discloses the amount of contributions recognised as revenues in previous years which were obtained in respect of the municipality's operations for the current year.

Donations received by the Council are accounted for on a cash basis.

**(l) Financial Ratios**

For the purposes of the calculation of financial ratios in Note 25, realisable assets have been considered to be those assets which are not subject to any restriction on realisation or use.

**(m) Borrowing Costs**

Borrowing Costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets. Borrowing costs included in the cost of qualifying non-current assets are those that would have been avoided if the expenditure on the construction of the assets had not been made.

When borrowing costs are expensed they are distributed to functions based on the use of loan funds by the different functions.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)**

(n) Inventories

Stores and materials are stated at the lower of cost or net realisable value. Costs are assigned to individual items of stock mainly on the basis of weighted average cost.

(o) Cash

For purposes of the Statement of Cash Flows, cash includes cash deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(p) Receivables

Receivables are amounts due to Council by external parties for the purchase of goods and services and recognised as assets when the goods and services are delivered. Receivables are normally invoiced monthly.

(q) Payables and other current liabilities

Payables and other current liabilities are amounts due to external parties for the purchase of goods and services and recognised as liabilities when the goods and services are received. Payables are normally paid monthly. Interest is not payable on these liabilities.

(r) Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised net of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the asset or part of an item of expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position. GST Cash flows are separately included in the Statement of Cash Flows on a net basis.

(s) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(t) Budgeted Cash Flows Non Compliance

Due to the timing of preparation of Council budgets for the year ended 30 June 2001, cashflow budgets were not drawn up to meet Regulation 11(b) of the Local Government Regulations 2001. This regulation was introduced in April 2001 and Council budgets were adopted prior to the commencement of the financial year. Therefore, cashflow budgets are not readily available, nor disclosed in the Statement of Cashflows.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)**

2000	Note	2001
NOTE	2 (a)	
	<b>REVENUE AND EXPENSES BY FUNCTION</b>	
	REVENUE FROM ORDINARY ACTIVITIES	
\$'000		\$'000
8,913	Rates	9,643
1,964	Grants Commission	2,253
2,021	Governance	2,512
16,986	Infrastructure	7,965
2,137	Strategic Development	2,992
<hr/>		<hr/>
32,021	TOTAL REVENUE FROM ORDINARY ACTIVITIES EXCLUDING ABATTOIR OPERATIONS	25,365
10,585	Abattoir Revenue	0
<hr/>		<hr/>
42,606	TOTAL REVENUE FROM ORDINARY ACTIVITIES	25,365
	EXPENSES FROM ORDINARY ACTIVITIES	
4,972	Governance	6,133
28,860	Infrastructure	19,486
4,163	Strategic Development	3,534
<hr/>		<hr/>
37,995	TOTAL EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING ABATTOIR OPERATIONS	29,153
10,715	Abattoir Expenses	0
<hr/>		<hr/>
48,710	TOTAL EXPENSES FROM ORDINARY ACTIVITIES	29,153
<hr/>		<hr/>
(6,104)	NET PROFIT/(LOSS)	(3,788)
<hr/>		<hr/>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)

NOTE	2(b)	ASSETS BY FUNCTION		2001
2000		Council assets are applied to its functions as follows:		
\$'000%	%		\$'000	%
7,668	4	Governance	7,233	4
172,861	92	Infrastructure	169,491	93
7,005	4	Strategic Development	6,035	3
<u>187,534</u>	<u>100</u>	<b>TOTAL</b>	<u>82,759</u>	<u>100</u>

NOTE	2(c)	COMPONENT FUNCTION/ACTIVITIES	
		The activities relating to the municipality's components reported on in the Statement of Financial Performance are as follows:	
(A) GOVERNANCE	(B) INFRASTRUCTURE		
(1) Executive	(35) Recreation Reserves		
(2) Organisational Development	Maintenance		
(3) Insurance	(36) Other Parks		
(4) Corporate Services	(37) Botanic Gardens		
(5) Information Services	(38) Memorial Square		
(6) Property & Customer Relations	(39) Lakes and Beaches		
(7) Community Information	(40) Cemeteries		
(8) Vic Roads Agency	(41) Waste Management		
(9) Office Accommodation	(42) Street Sweeping		
(10) Grants and Donations	(43) Council Properties		
(11) Council	(44) Public Conveniences		
(12) Finance	(45) Cosworks Administration		
(13) Interest	(46) VicRoads		
(14) Overheads	(47) Private Works		
(15) Pre-Schools	(48) Saleyards		
(16) Family Day Care	(49) Plant Operation		
(17) Maternal and Child Health	(50) Emergency Services		
(18) Senior Citizens Centre			
(19) Delivered Meals	(C) STRATEGIC DEVELOPMENT		
(20) Aged and Disability Services	(51) Arts and Culture		
(21) Libraries	(52) Colac Otway Performing Arts and Cultural Centre		
(22) Public Health	(53) Recreation		
(23) Local Laws	(54) Bluewater Fitness Centre		
(24) Animal Control	(55) Events		
(25) Parking	(56) Environment		
(26) School Crossings	(59) Planning		
(B) INFRASTRUCTURE	(60) Economic Development		
(27) Asset Management	(61) Tourism		
(28) Contract Management	(62) Colac Visitor Information Centre		
(29) Local Roads Maintenance	(63) Great Ocean Road Visitor Information Centre		
(30) Drainage Maintenance			
(31) Footpaths, Kerb & Channel Maintenance	(D) GRANTS COMMISSION		
(32) Street Beautification			
(33) Street Lighting	(E) RATES & SERVICE CHARGES		
(34) Road Signs and Marking			

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)**

NOTE	3	GOVERNMENT GRANTS	2001	
2000			Recurrent	Non-Recurrent
\$'000			\$'000	\$'000
		Governance		
		- Benchmarking Project		3
		- Local Learning Program		5
344		- Family Day Care	479	16
74		- Maternal & Child Health	97	
12		- Senior Citizens	12	
31		- Delivered Meals	31	
400		- Aged & Home Care	390	48
		- Tobacco Act Administration		10
		- Immunisation	8	
36		- School Crossings	36	
905			1,053	82
		Infrastructure		
1,071		- Local Roads	1,109	
137		- Vic Roads Roads		
103		- Vic Roads - Better Roads	118	
		- Federal - Roads to Recovery		1,161
		- Bridges		45
45		- Footpaths		
		- Lavers Hill Parking/Boardwalk		53
		- Wye River Boulevard		33
6		- Road Safety		
		- Colac Bus Interchange		2
9		- Pedestrian Crossings		
22		- Public Hall Upgrades		36
50		- Apollo Bay Streetscape		
		- Apollo Bay Airfield Study		9
4		- Beach Cleaning	5	
70		- Waste Management		
569		- Colac Otway Performing Arts and Culture Centre		1,481
250		- Business Victoria - Abattoir Infrastructure		
6		- State Emergency Service	7	
1,856		- Port of Apollo Bay	504	400
4,198			1,743	3,220
		Strategic Development		
61		- Strategic Development Master Plan		
		- Heritage Study		6
10		- StreetLIFE Program		85
		- Rural Transaction Centre		18
11		- Tourism		18
12		- Apollo Bay Market		
2		- Premier Playing Field		
		- Bicycle Pathways		61
15		- Apollo Bay Pool Feasibility Study		
30		- Lake Colac Foreshore Arts Project		
4		- Revegetation Program		10
59		- Corangamite Catchment Management Authority		16
24		- Weed Management		
30		- Fire Prevention		21
		- Community Theatre Project		20
		- School Holiday Program	1	
2		- Colac Skateboard Facility		67
		- Active Youth Recreation		25
15		- Barongarook Creek Reserve Upgrade		
		- Botanic Gardens		29
57		- Small Town Improvement Program		
332			1	376
5,435		TOTAL	2,797	3,678

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)**

NOTE	3	GOVERNMENT GRANTS	2001
2000			\$'000
\$'000		CONDITIONS OVER GRANTS	\$'000
		Grants recognised as revenues during the reporting period which were obtained on the condition that they be expended in the manner specified by the grantor but had yet to be applied in that manner, are included in income as at the reporting date and were:	
0		Local Learning Program	5
0		Family Day Care	15
0		Maternal & Child Health	21
0		Aged & Home Care	47
0		Botanic Gardens	29
0		Apollo Bay Airfield Study	9
1,422		Port of Apollo Bay	522
0		Tourism	6
2		Colac Skateboard Facility	0
0		Active Youth Recreation	25
0		Bicycle Pathways	40
<hr/> 1,424			<hr/> 719
		Grants or contributions recognised as revenues in previous reporting periods and were expended during the current reporting period in the manner specified by the grantor were:	
60		Corangamite Catchment Management Authority	0
25		Heritage Study	0
15		Planning Reform	0
16		Strategic Development Master Plan	0
0		Colac Skateboard Facility	2
128		Port of Apollo Bay	715
<hr/> 244			<hr/> 717



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 CONT'D)

NOTE	4	DEPRECIATION EXPENSES	2001 \$'000
			2000 \$'000
		Depreciation expenses for the period are as follows;	
	444	Buildings	936
	438	Plant	645
	5,172	Roads, Streets and Bridges	6,902
	58	Furniture and Equipment	62
	97	Parks and Gardens	146
	174	Drainage	187
	10	Equipment Under Lease	10
			<hr/>
			6,393
			<hr/>
			8,888
			<hr/>

NOTE	5	SURPLUS/(DEFICIT) ON DISPOSAL OF ASSETS	2001 \$'000
		<u>Plant</u>	
	1,216	Proceeds from sales	933
	1,242	Less: Carrying Amount of assets sold	1,000
			<hr/>
	(26)	Surplus/(Deficit) on Disposal	(67)
			<hr/>
		<u>Land and Buildings</u>	
	16	Proceeds from sales	0
	16	Less: Carrying Amount of assets sold	0
			<hr/>
	0	Surplus/(Deficit) on Disposal	0
			<hr/>
		<u>Furniture and Equipment</u>	
	1	Proceeds from sales	0
	0	Less: Carrying Amount of assets sold	0
			<hr/>
	1	Surplus/(Deficit) on Disposal	0
			<hr/>
	(25)	TOTAL	(67)
			<hr/>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)

NOTE 6(a) COMPARISON OF ACTUAL AND BUDGET RESULTS

2001

	OPERATING			RATE DETERMINATION		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
REVENUE FROM ORDINARY ACTIVITIES	\$'000	\$'000	%	\$'000	\$'000	%
Rates & Charges	9,477	9,643	2	9,477	9,643	2
Grants Commission	2,224	2,253	1	2,224	2,253	1
Governance	2,267	2,512	11	12,277	2,511	10
Infrastructure	8,637	7,965	(8)	9,638	9,094	(6)
Strategic Development	3,494	2,992	(14)	3,494	2,992	(14)
TOTAL REVENUE FROM ORDINARY ACTIVITIES	<u>26,099</u>	<u>25,365</u>	(3)	<u>27,110</u>	<u>26,493</u>	(2)
EXPENSES FROM ORDINARY ACTIVITIES						
Governance	5,425	6,133	13	7,373	8,380	14
Infrastructure	18,551	19,486	5	16,965	16,131	(5)
Strategic Development	4,078	3,534	(13)	4,966	4,102	(17)
TOTAL EXPENSES FROM ORDINARY ACTIVITIES	<u>28,054</u>	<u>29,153</u>	4	<u>29,304</u>	<u>28,613</u>	(2)
NET PROFIT/(LOSS)	<u>(1,955)</u>	<u>(3,788)</u>	94	<u>(2,194)</u>	<u>(2,120)</u>	(3)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)**

NOTE	6(b)	RECONCILIATION OF DIFFERENCES BETWEEN RATES DETERMINATION SURPLUS/(DEFICIT) AND NET PROFIT/(LOSS)	2001 \$'000
2000 \$'000 457		RATE DETERMINATION SURPLUS/(DEFICIT)	(2,120)
		Items included in the Rates Determination result which are not included in the Statement of Financial Performance:	
3,972		Capital Expenditure (Net)	7,989
500		Transfers to Reserves	800
(465)		Transfers from Reserves	(926)
612		Debt Redemption	692
(1,650)		Loan Proceeds	(500)
			8,055
3,426		Items included in the Statement of Financial Performance which are not included in the Rates Determination:	5,935
(69)		Increase/(Decrease) in Net Assets - CRLC	(173)
(25)		Profit/(Loss) on Sale of Assets	(67)
362		Donated Property, Plant and Equipment	289
0		Property, Plant and Equipment Disposal	(871)
(15)		Superannuation Expense Adjustment	0
(16)		CRLC Loan Reimbursement	(13)
(6,393)		Depreciation	(8,888)
(2,730)		NET PROFIT/(LOSS)	(3,788)

NOTE	6(c)	MAJOR VARIANCES BETWEEN ACTUAL AND BUDGET OPERATING RESULT
------	------	---

- (i) Governance  
The actual net cost was an increase of \$463,000 (+14.7% over budget) due mainly to:
- Colac Abattoir WorkCover premium adjustment from 1999/2000.
  - increased Colac Customer Service Centre office accommodation expenses.
  - reduced interest income due to lower interest rates.
- (ii) Infrastructure  
The actual net cost was an increase of \$1,607,000 (+16.2% over budget) due mainly to:
- increased depreciation expense on infrastructure assets.
  - donated infrastructure assets.
  - writeoff of replaced infrastructure assets.
  - \$1.2m Port of Apollo Bay Wharf Landing Subsidy received in 1999/2000, in advance of 2000/2001 Budget.
  - reduced income from Colac Livestock Selling Centre due to lower throughput.
  - increased plant operation expense including transfer to Plant Replacement Reserve.
- (iii) Strategic Development  
The actual net cost was an decrease of \$42,000 (-7.2% under budget) due mainly to:
- increased Bluewater Fitness Centre operating expenses.
  - reduced income from Great Ocean Road Visitor Information Centre.
  - Recreation Facilities Minor Fund not fully expended.
  - State Government grants received in advance not expended.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)**

NOTE	7	CASH	
	2000		2001
	5	Cash on hand	5
	4,167	Cash at bank	2,309
	<u>4,172</u>		<u>2,314</u>

Cash is on hand or available on demand.

	3	Non-interest bearing	3
	4,169	Interest bearing at average rate of 4.5% (1999/2000 - 5.5%)	2,311
	<u>4,172</u>		<u>2,314</u>

Interest rates are variable and reflect current market values.

NOTE	8	RECEIVABLES	
		<u>Current</u>	
	354	Abattoir Debtors	0
	274	Rates & Charges	271
	449	Government Grants	361
	586	User Charges	726
	742	Private Works Debtors	652
	230	Pensioner Remissions	0
	25	Reimbursement Unfunded Superannuation Loan - CRLC	16
	4	GST Asset	77
	73	Other Debtors	129
	<u>2,737</u>		<u>2,232</u>
		<u>Non-Current</u>	
	147	Reimbursement Unfunded Superannuation Loan - CRLC	143
	<u>147</u>		<u>143</u>

Rates are secured by a charge over each ratepayer's property. Interest is charged on overdue rates at 11.5% (1999/00 12.3%). Rates are due for payment in a lump sum on 15 February or by instalments due on 30 September, 30 November, 28 February and 31 May. The amount of overdue rates upon which interest is being charged is \$270,655, before any provision for doubtful debts.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)

NOTE	9	OTHER FINANCIAL ASSETS	Note	2001 \$'000
	2000			
	\$'000			
	1,693	<u>Current</u>		
		Cash - on call #		776
		<u>Non Current</u>		
	39	Cash - on call		7
	673	Interest in Corangamite Regional Library Corp.	34	703
	712			710
		# Restricted Assets		
	748	Long Service Leave investment		776
		Cash is held to specifically meet Council's long service leave liability as required by statute.		
		The average interest rate applicable to cash investments call is 4.5% (1999/2000 - 5.5%)		
<b>NOTE</b>	<b>10</b>	<b>INVENTORIES</b>		
	61	Raw Materials and Stores		56
	16	Great Ocean Road Visitor Information Centre		13
	6	Colac Visitor Information Centre		0
	2	Indoor Aquatic Centre		2
	85			71
<b>NOTE</b>	<b>11</b>	<b>PREPAYMENTS</b>		
	31	Vehicle Registrations/Insurance		30
	30	Councillor Allowances		27
	18	Other		98
	79			155
<b>NOTE</b>	<b>12</b>	<b>OTHER</b>		
		<u>Current</u>		
	3	Cash Advances		0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)

NOTE	13	PROPERTY, PLANT AND EQUIPMENT		2001 \$'000
	2000			
	\$'000			
		<u>Non-Current</u>		
		Land		
	50	- at Cost	61	
	18,279	- at Independent Valuation 1/1/2000	18,279	
	18,329			18,340
		Buildings		
	1,610	- at Cost	5,806	
	24,629	- at Independent Valuation 1/1/2000	24,629	30,435
	(5,639)	Less: Accumulated Depreciation		(6,575)
	20,600			23,860
		Plant and Machinery		
	1,007	- at Cost	1,438	
	5,603	- at Council Valuation 1/1/2000	5,603	7,041
	(2,818)	Less: Accumulated Depreciation		(3,057)
	3,792			3,984
		Roads and Streets		
	325	- at Cost	2,664	
	171,086	- at Council Valuation 1/1/2000	170,039	172,703
	(66,324)	Less: Accumulated Depreciation		(72,446)
	105,087			100,257
		Parks and Gardens		
	58	- at Cost	231	
	2,076	- at Council Valuation 1/1/2000	2,057	2,288
	(871)	Less: Accumulated Depreciation		(1,006)
	1,263			1,282
		Furniture and Equipment		
	77	- at Cost	127	
	153	- at Independent Valuation 1/1/2000	153	280
	(90)	Less: Accumulated Depreciation		(152)
	140			128

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)

NOTE	13	PROPERTY, PLANT AND EQUIPMENT		2001
				\$'000
2000				2001
\$'000				\$'000
		Drainage		
16		- at Cost	277	
14,657		- at Council Valuation 1/1/2000	14,657	14,934
(4,214)		Less: Accumulated Depreciation		(4,401)
<u>10,459</u>				<u>10,533</u>
		Bridges		
17		- at Cost	134	
12,410		- at Council Valuation 1/1/2000	12,352	12,486
(8,687)		Less: Accumulated Depreciation		(8,846)
<u>3,740</u>				<u>3,640</u>
		Footpaths		
299		- at Cost	410	
4,462		- at Council Valuation 1/1/2000	4,462	4,872
(1,619)		Less: Accumulated Depreciation		(1,716)
<u>3,142</u>				<u>3,156</u>
		Kerb and Channelling		
70		- at Cost	186	
12,173		- at Council Valuation 1/1/2000	12,173	12,359
(953)		Less: Accumulated Depreciation		(1,235)
<u>11,290</u>				<u>11,124</u>
		Equipment under Lease		87
87		Less: Accumulated Amortisation		(33)
(23)				
<u>64</u>				<u>54</u>
<u>177,906</u>		Total Written Down Value of Non-Current Fixed Assets		<u>176,358</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)

### NOTE 13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	2001												
	Land	Buildings	Machinery	Plant and and Streets	Roads and Streets	Bridges	Footpaths	Kerb and Channel	Furniture and Equipment	Parks and Gardens	Drainage	Equipment under Lease	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
127,951	18,329	20,600	3,792	105,087	3,740	3,142	11,290	140	1,263	10,459	64	177,906	
5,568	11	4,196	1,837	2,339	116	111	116	50	174	261	0	9,211	
(1,258)	0	0	(1,000)	(844)	(18)	0	0	0	(9)	0	0	(1,871)	
52,021	0	0	0	0	0	0	0	0	0	0	0	0	
(7,869)	0	0	0	0	0	0	0	0	0	0	0	0	
7,886	0	0	0	0	0	0	0	0	0	0	0	0	
(6,393)	0	(936)	(645)	(6,325)	(198)	(98)	(281)	(62)	(146)	(187)	(10)	(8,888)	
177,906	18,340	23,860	3,984	100,257	3,640	3,155	11,125	128	1,282	10,533	54	176,358	
	Carrying amount at end of year												



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)

NOTE	14	PAYABLES	2001 \$'000
		<u>Current</u>	
	2,001	Trade Creditors	1,530
	112	Accrued Expenses	134
	165	Apollo Bay Harbour Creditors	231
	6	Abattoir Creditors	0
	25	Trust Deposits	86
	1	Superannuation	0
	6	Other	7
			1,988
		2,316	
NOTE	15	PROVISION FOR EMPLOYEE ENTITLEMENTS	
		<u>Current</u>	
	552	Annual Leave	579
	110	Long Service Leave	107
			686
		662	
		<u>Non-Current</u>	
		638	669
		No.	No.
		289	306
		Number of employees at year end.	
NOTE	16	INTEREST BEARING LIABILITIES	
		(a) Loans	
		<u>Current</u>	
		Secured	757
		684	
		<u>Non-current</u>	
		Secured	5,125
		5,390	
		The bank overdraft (Note 24), which relates to the operations of the Abattoir, and loans are secured over the general rates of the Council.	
		Loans are expected to be settled as follows:	
		684	757
		5,390	5,125
		Within 12 months	
		12 months or more	
		6,074	5,882
		(b) Debt Servicing and Redemption for the Year	
		298	309
		82	121
		612	692
		Operating Interest Repayments on Loans	
		Capitalised Interest Repayments on Loans	
		Debt Redemption (Principal)	
		992	1,122
		Total	

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)**

NOTE	16	<b>INTEREST BEARING LIABILITIES (CONT'D)</b>	
	2000		2001
		The following average interest rates are applicable to:	
	9.20%	Bank Overdraft	8.45%
	7.65%	Bank Loans	7.41%
		Interest rates on bank loans are fixed. The interest rate on the bank overdraft is variable and reflects current market values.	
NOTE	17	<b>BORROWING COSTS</b>	
	\$'000		\$'000
		Specific borrowing costs were capitalised during the year	
		Capitalised Borrowing costs incurred at cost (Note 16):	
	80	- Buildings	121
	2	- Footpaths	0
	82		121

NOTE	18	<b>NET FAIR VALUES</b>		
		The net fair values of financial assets and financial liabilities at the reporting date are as follows:		
			2000	2001
			Carrying Amount	Carrying Amount
			Net Fair Value	Net Fair Value
			\$'000	\$'000
		<u>On Statement of Financial Position</u>		
		<b>FINANCIAL ASSETS</b>		
		Cash	4,172	2,314
		Receivables	2,884	2,375
		Other Financial Assets	2,405	1,486
			9,461	6,175
		<b>FINANCIAL LIABILITIES</b>		
		Bank Overdraft	705	0
		Payables	2,316	1,988
		Lease Liability	43	23
		Interest Bearing Liabilities	6,074	5,882
			9,138	7,893
			7,116	5,719

For current assets and liabilities, excluding finance leases and borrowings, the net fair value approximates the carrying amount because of the short period to maturity.

For finance leases, the carrying amount approximates net fair value and has been measured by discounting future cash flows by the interest rate implicit in the lease.

The net fair value of fixed rate borrowings has been measured by discounting contracted future cash flows by prevailing market interest rates.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)**

**NOTE 19 RELATED PARTY DISCLOSURE**

- (i) Names of persons holding the position of a Responsible Person at the Colac Otway Shire Council during the reporting period are:

Councillors	Peter Mercer Helen Paatsch Jim Ryan Warren Riches Carol Wilmink Belinda Murnane Keith Leorke
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Chief Executive Officer	Glenn Patterson
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- (ii) Remuneration of Responsible Persons in bands of \$10,000

Income Range:	2000 No.	2001 No.
\$0-\$9,999	0	0
\$10,000 - \$19,999	6	6
\$20,000 - \$29,999	0	0
\$30,000 - \$39,999	1	1
\$110,000 - \$119,999	0	0
\$120,000 - \$129,999	1	1
<b>TOTAL</b>	<b>8</b>	<b>8</b>
Total Remuneration for the reporting period for Responsible Persons included above, amounted to	237	235

- (iii) Senior Officers Remuneration

The number of senior officers, other than the Chief Executive Officer, whose total remuneration exceeded \$70,000 during the reporting period, are shown below in their relevant income bands:

Income Range:	2000 No.	2001 No.
\$70,000 - \$79,999	1	0
\$80,000 - \$89,999	2	1
\$100,000 - \$109,999	0	1
<b>TOTAL</b>	<b>3</b>	<b>2</b>
Total Remuneration for the reporting period for Senior Officers included above, amounted to	243	201

- (iv) There were no retirement benefits paid by the Council in connection with the retirement of Responsible Persons of the Council.

- (v) No loans have been made, guaranteed or secured by the Council to a Responsible Person of the Council during the reporting period.

- (vi) There are no other related party transactions requiring disclosure.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)****NOTE 20 AUDITOR'S REMERATION**

Remuneration of the auditor of the reporting entity for auditing or reviewing the financial report for the period was \$20,000 (1999/2000 \$20,000).

**NOTE 21 SUPERANNUATION**

The council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund and the Western Australia Local Government Superannuation Plan.

The Local Authorities Superannuation Fund (the Fund) has two categories of membership, each of which is funded differently.

**LASPLAN Members**

The Fund's LASPLAN category receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with the Superannuation Guarantee Legislation (8% in 2000/2001 and 7% in 1999/2000). No further liability accrues to Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund. During 2000/2001 Council's superannuation contributions relating to LASPLAN members' service was \$160,421 (\$164,601 in 1999/2000).

**Defined Benefits Members**

Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Fund's Trustee. The rate is currently 9.25% of superannuation salary (9.25% in 1999/2000). During 2000/2001 Council's superannuation contributions relating to that year's defined benefits member's service was \$127,925 (\$281,451 in 1999/2000).

In addition, Council reimburses the Fund for the difference between resignation and retrenchment benefits paid to its retrenched employees. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

In 1996/97 Council brought to account, as an abnormal expense item, a liability of \$1,608,143 including \$209,758, for its share of the Fund's unfunded superannuation liability relating to benefits accrued for past service as at 30 June 1997. Interest is applied by the Fund on outstanding balances at the annual earning rate of the Fund. Federal tax is applied to principal and interest and included in the liability recorded by Council.

During 1999/2000 Council borrowed funds to extinguish the estimated outstanding liability to the Fund for an amount of \$1,705,906.

Council has an ongoing obligation to share in the future experience of the Fund. Favourable or unfavourable variations may arise should the experience of the Fund differ from the assumptions made by the Fund's actuary in estimating the Fund's accrued benefits liability.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)**

**NOTE 21 SUPERANNUATION**

The most recent full actuarial review of the Fund was undertaken by the Fund's actuary, Grant Harslett, FIA, FIAA, of Towers Perrin, as at 30 June 2000. The Fund's liability for accrued benefits was determined by reference to expected future salary levels and by application of a market-based risk-adjusted discount rate and relevant actuarial assumptions. It was determined that the net assets of the Fund, which includes amounts owed by Council to the Fund, were more than sufficient to meet the accrued benefits of the Fund's defined benefit category members. The Western Australia Local Government Superannuation has one category of membership to which Council contributes superannuation.

WALGS Members

The Fund's WALGS category receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with the Superannuation Guarantee Legislation (8% in 2000/2001 and 7% in 1999/2000). No further liability accrues to Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the fund. During 2000/2001 Council's superannuation contributions relating to WALGS members' service was \$4,652 (\$0 in 1999/2000).

**NOTE 22 RECONCILIATION OF NET CASH PROVIDED BY OPERATING  
ACTIVITIES TO NET PROFIT/(LOSS)**

2000 \$'000		2001 \$'000
(6,104)	Net Profit/(Loss)	(3,788)
6,393	Depreciation	8,888
(53)	Provision for Doubtful Debts	0
(559)	Increase in receivables	583
(4)	Increase in GST Asset	(73)
3	Decrease in other assets	3
665	Decrease in creditors	(347)
(215)	Increase in employee entitlements	54
(7)	Increase in prepayments	(76)
165	Decrease in inventories	14
25	(Profit)/Loss on Sale of Assets	67
309	Other reconciling items:	5,325
(3)	Cash Advances received	(3)
20	Lease Payments	20
69	Change in Net Assets - Regional Entities	173
3,391	Property, Plant and Equipment Revaluation Decrement	0
(7,886)	Property, Plant and Equipment not previously recognised	0
7,869	Property, Plant and Equipment written off	0
0	Property, Plant and Equipment disposal	870
(362)	Donated Property, Plant and Equipment	(289)
3,407	Net cash provided by operating activities	6,096

**NOTE 23 RECONCILIATION OF CASH**

Cash at the end of the period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

4,172	Cash	2,314
944	Investments	0
(705)	Bank Overdraft	0
4,411		2,314

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)**

NOTE	24	FINANCING FACILITIES	2000 \$'000	2001 \$'000
		The following overdraft facilities were available to Council as at 30 June:		
		<u>Council</u>		
		Used Facilities	0	0
		Unused Facilities	1,000	1,000
			<u>1,000</u>	<u>1,000</u>
		<u>Abattoir</u>		
		Used Facilities	0	0
		Unused Facilities	0	0
			<u>0</u>	<u>0</u>

NOTE	25	FINANCING INDICATORS	2000
		(i) Debt servicing ratio (%) (to identify the capacity of a council to service its outstanding debt);	
		Debt servicing costs	<u>430</u>
		Total revenue <sup>2</sup>	5,365
			1.7%
		(ii) Debt commitment ratio (%) (to identify a council's debt redemption strategy);	
		Debt servicing & redemption Rate and Charges revenue (12 months)	<u>1,122</u> 9,576
			11.7%
		(iii) Revenue ratio (%) (to identify a council's dependence on non-rate income);	
		Rate and Charges revenue (12 months) Total revenue	<u>9,576</u> 25,365
			37.8%
		(iv) Debt exposure ratio (1 : ) (to identify a council's exposure to debt);	
		Total indebtedness Total realisable assets	<u>9,248</u> 52,767
			0.19:1
		(v) Working capital ratio ( : 1) (to assess a council's ability to meet current commitments).	
		Current assets Current liabilities	<u>5,548</u> 3,453
			1.42:1

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)

NOTE	26	CONTINGENT LIABILITIES	2000 \$'000	2001 \$'000
		Details and estimates of maximum amounts of contingent liabilities, classified in accordance with the party whom the liability could arise, are as follows:		
		<u>Council</u>		
		Council has provided contract performance guarantees. The details and extent of Council's exposure at the reporting date are as follows:		
		Rehabilitation bond - Department of Conservation and Natural Resources		
	23	Scoria pit, Lineens Road, Coragulac		23
		- Department of Energy and Minerals		
	15	Sandstone pit, Ocean Road, Princetown		15
	38	Contract performance- Roads Corporation		33
		No material losses are anticipated in respect of any of the above contingent liabilities.		
NOTE	27	COMMITMENTS FOR CAPITAL AND OTHER EXPENDITURE		
		At the reporting date, the municipality had entered into contracts for the following capital and other expenditures:		
		Construction	3,300	0
		Lease	730	0
		Cleaning	200	220
		Garbage Collection	8,000	6,000
		Port of Apollo Bay Construction	0	1,700
		Miscellaneous	425	30
			<hr/> 12,655	<hr/> 7,950
		These expenditures are due for payment:		
		Not later than one year	5,975	3,840
		Later than one year and not later than five years	6,680	4,110
			<hr/> 12,655	<hr/> 7,950
		In addition to the above, there are contracts for the provision of goods and services at Schedule of Rates for a period not later than one year.		

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)**

NOTE	28	FINANCE LEASE COMMITMENTS	2000 \$'000	2001 \$'000
		At the reporting date, the municipality had the following obligations under finance leases, which includes equipment (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):		
	24	Not later than one year		24
	24	Later than one year and not later than five years		1
	1	Later than five years		0
	49	Minimum Lease Payments		25
	(6)	Less: Future finance charges		(2)
	43	Lease Liability		23
		Classified as:		
	20	Current		22
	23	Non-Current		1
	43			23
NOTE	29	OPERATING LEASE COMMITMENTS		
		At the reporting date, the municipality had the following obligations under non-cancellable operating leases which include computer equipment and photocopiers (these obligations are not recognised as a liability):		
	220	Not later than one year		202
	247	Later than one year and not later than five years		341
	467			543
NOTE	30	PORT OF APOLLO BAY		
		The Council controls the Port of Apollo Bay Committee of Management. The assets and liabilities of the Committee have been included in Council's financial statements and are summarised below:		
		ASSETS		
	1,958	Current Assets		1,738
	1,958	TOTAL ASSETS		1,738
		LIABILITIES		
	186	Current Liabilities		237
	1	Non Current Liabilities		2
	187	TOTAL LIABILITIES		239
	1,771	NET ASSETS		1,499
	1,771	Accumulated Funds		1,499
	1,771	EQUITY		1,499



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)

NOTE	31	ABATTOIR	2000 \$'000	2001 \$'000
		(a) <i>Closure of Business</i>		
		Council purchased the net assets, excluding employee entitlements, of Western District Meat Packing Co. on 19 January 1998. Council ceased operating the Abattoir on 31 March 2000.		
		(b) <i>Trading Profit and Loss Statement</i>		
		The trading result of the Abattoir for the year (period 1/7/1999 - 31/3/2000) has been included in Council's Statement of Financial Performance and is summarised below:		
		REVENUE		
	7,732	Sales		0
	2,853	Charges & Fees		0
	10,585	TOTAL REVENUE		0
	(4,149)	LESS: COST OF GOODS SOLD		0
	6,436	GROSS PROFIT FROM TRADING		0
		EXPENSES		
	4,284	Employee Costs		0
	8	Depreciation		0
	2,189	Materials & Services		0
	85	Other		0
	(6,566)	TOTAL EXPENSES		0
	(130)	TRADING PROFIT/(LOSS)		0
		(c) <i>Contingent Liabilities</i>		
		(i) Council provided guarantees in respect of trade or business with creditors until 8 August 2000. The details and extent of Council's exposure at the reporting date are as follows:		
	350	Livestock and - Victorian Stock Agents Association		0
	50	merchandise - Westfarmers Dalgety Ltd		0
		purchases		
	400			0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)

NOTE	32	ASSET REVALUATION RESERVE	2000 \$'000	2001 \$'000
		The Asset Revaluation Reserve records revaluations of non-current assets.		
		Balance at beginning of year	11,691	67,263
		Increase/(Decrease) in Share of CRLC Asset Revaluation Reserve	137	222
		Revaluation of Property, Plant and Equipment	55,435	0
		Balance at end of year	<u>67,263</u>	<u>67,485</u>
<b>NOTE</b>	<b>33(a)</b>	<b>BALANCE OF RESERVES</b>		
		<u>Asset Replacement Reserves</u>		
		The Asset Replacement Reserves record funds allocated for the future replacement of non-current assets.		
		Plant Replacement	117	8
		Recreational Land	36	0
			<u>153</u>	<u>8</u>
<b>NOTE</b>	<b>33(b)</b>	<b>MOVEMENT IN RESERVES</b>		
		<u>Plant Replacement</u>		
		Balance at beginning of year	82	117
		Increase/(Decrease) in Share of CRLC Asset Replacement Reserve	0	(19)
		Transfer from Accumulated Surplus	500	800
		Transfer to Accumulated Surplus	(465)	(890)
		Balance at end of year	<u>117</u>	<u>8</u>
		<u>Recreational Land</u>		
		Balance at beginning of year	36	36
		Transfer from Accumulated Surplus	0	0
		Transfer to Accumulated Surplus	0	(36)
		Balance at end of year	<u>36</u>	<u>0</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001 (CONT'D)**

**NOTE 34 INVESTMENT IN ASSOCIATES**

2000 \$'000		2001 \$'000
	Name of Associate:	Corangamite Regional Library Corporation
	Principal Activity:	Library
	Ownership Interest	Carrying Amount
	2000                  2001	2000                  2001
	%                      %	\$'000                \$'000
	24.90                  24.61	673                   703
		Equity-Accounted Amount
		2000                  2001
		\$'000                \$'000
		673                   703
	The above investment comprises an interest in the unaudited equity of the associate. The balance date of the investment is 30 June.	Equity-Accounted Amount
	<b>Accumulated Surplus Attributable to Associates</b>	
(69)	Share of Profit/(Loss)	(173)
582	Accumulated Surplus attributable to Associates at the beginning of the financial year	513
513	Accumulated Surplus attributable to Associates at the end of the financial year	340
	<b>Reserves Attributable to Associates</b>	
	<u>Asset Replacement Reserve</u>	
23	Balance at beginning of the financial year	23
0	Share of Decrease in Asset Replacement Reserve	(19)
23	Balance at the end of the financial year	4
	<u>Asset Revaluation Reserve</u>	
0	Balance at beginning of the financial year	137
137	Share of Increase in Asset Revaluation Reserve	222
137	Balance at the end of the financial year	359
160	Reserves attributable to Associates at the end of the financial year	363
673	Interest in Associates	703

**NOTE 35 REPORTING ENTITY**

The registered office of the reporting entity is:  
2-6 Rae Street  
Colac Vic 3250

CERTIFICATION OF FINANCIAL STATEMENTS

In my opinion the accompanying financial statements have been prepared in accordance with the Local Government Act 1989, the Local Government Regulations 2001, Australian Accounting Standards and other mandatory professional reporting requirements.

PRINCIPAL ACCOUNTING OFFICER ..... *M. Stevenson* .....

Date: ..... *12/9/2001* .....

In our opinion the accompanying financial statements present fairly the financial transactions of the Colac Otway Shire for the year ended 30 June 2001 and the financial position of the Council as of that date.

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

The following Councillors have been authorised by Council on 22 August 2001 to certify the Financial Statements in their final form.

COUNCILLOR ..... *A. James Ryan* .....

Date: ..... *13 September 2001* .....

COUNCILLOR ..... *[Signature]* .....

Date: ..... *13.9.01* .....

CHIEF EXECUTIVE OFFICER ..... *[Signature]* .....

Date: ..... *13 SEPTEMBER 2001* .....

## COLAC OTWAY SHIRE

### PERFORMANCE STATEMENT

for the year ended 30 June 2001

### Annual Plan Indicators

Actual Result 1999/2000	Community Satisfaction	CSMP 2000/2001 Indexed mean.	ABP Target 2000/2001	Difference
64	CS.1 Community satisfaction rating for OVERALL PERFORMANCE GENERALLY of the Council.	62	65	-3
50	CS.2.1 Community satisfaction rating for LOCAL ROADS AND FOOTPATHS.	52	52	0
77	CS.2.2 Community satisfaction rating for HEALTH AND HUMAN SERVICES.	75	78	-3
69	CS.2.3 Community satisfaction rating for RECREATIONAL FACILITIES.	72	70	2
70	CS.2.4 Community satisfaction rating for APPEARANCE OF PUBLIC AREAS.	67	71	-4
60	CS.2.6 Community satisfaction rating for WASTE MANAGEMENT SERVICES.	67	62	5
66	CS.2.7 Community satisfaction rating for ENFORCEMENT OF LOCAL LAWS.	63	67	-4
59	CS.2.8 Community satisfaction rating for ECONOMIC DEVELOPMENT.	59	60	-1
60	CS.2.9 Community satisfaction rating for TOWN PLANNING POLICY AND APPROVALS.	58	62	-4
70	CS.3 Community satisfaction rating for council's INTERACTION AND RESPONSIVENESS in dealing with the public.	71	72	-1
65	CS.4 Community satisfaction rating for Council's ADVOCACY AND COMMUNITY REPRESENTATION on key local issues.	64	66	-2
<b>Rates Management</b>			ABP	
9.7%	RM.1 % MOVEMENT in rates and charges declared.	5.9%	4.8%	1.1%
<b>Financial Management</b>				
10.7%	FP.5 TOTAL DEBT SERVICING COSTS as a % of rates and charges revenue.	11.7%	11.6%	0.1%
11.2%	FP.6 % OF RATES, FEES AND CHARGES OUTSTANDING at 30 June 2001.	9.4%	10.0%	-0.6%
<b>Capital Expenditure</b>				
0.81:1	CE.5 Ratio of capital expenditure to total depreciation.	0.9:1	1:1	-0.1

## Other Corporate Plan Indicators

Actual Result 1999/2000	Governance	ABP		Difference
		Actual Result 2000/2001	Target 2000/2001	
97.4%	Employee Opinion Survey Satisfaction Index	96.2%	94.0%	+2.2%
71%	Civic Mutual Plus Liability Assessment	79.0%	72.0%	+7.0%
Actual Result 1999/2000	<b>Infrastructure</b>			
86%	Asset Renewal Sustainability Index	77%	94%	-17%
14.3%	Percentage of unsealed network provided with a gravel re-sheet each year	9.3%	12%	-2.7%
8.3%	Percentage of sealed network that is resealed each year	8.0%	8.10%	-0.1%
0.64m <sup>3</sup>	Amount of household waste to landfill per tenement receiving kerbside collection	1.48m <sup>3</sup>	1.0m <sup>3</sup>	+0.06 m <sup>3</sup>
32%	Percentage of household garbage recycled	54%	62%	-3%
-	Percentage achievement of Capital Expenditure Program	90%	90%	-

## NOTES TO AND FORMING PART OF THE PERFORMANCE STATEMENT FOR 2000/2001

### Introduction to the Performance Statement

The Victorian Government is of the view that it is reasonable to expect all councils to collect and publish performance information.

The use of performance indicators by local government is a significant first step towards achieving:

- An improved capacity to objectively measure council performance leading to a better set of relationships between state and local government.
- Better informed local communities.

Since 1997/98, there has been a requirement for councils to adopt an annual business plan as part of its corporate planning cycle and to include in its annual report a statement of performance against the targets set in the annual business plan.

### Common Terms

The majority of the terms used in the performance statement are the same as those used in the financial statements, however some of the terms are different. A full and detailed explanation of each indicator, how it is calculated, its purpose and interpretation etc, can be found in the "Explanatory Guide" which is available from the Council.

Short explanations of the "different" terms used are listed below:

**Capital expenditure** – is the amount capitalised to the Statement of Financial Position (i.e. the aggregate additions to non current assets for the year) and contributions by Council to major assets not owned by Council.

**Customer Satisfaction Ratings** – Indexed mean of 350 respondents' answers in a survey, conducted by the independent strategic research consultants Newton Wayman Research, asking them to rate council's performance. The indexed mean is a weighted score across five performance ratings being 100 – for an excellent / outstanding performance, 80 – a good / high standard, 60 – adequate / acceptable, 40 – needs some improvement and 20 – needs a lot of improvement.

**Rates and Charges – Declared** – are those declared as being receivable, in the calculations for the adopted rates, at the beginning of the year.

### Explanation of Major Variances

The major variations between actual results for the year as compared to Annual Business Plan targets are explained as follows:-

- The Civic Mutual Plus Liability Assessment increased from target of 72% to actual of 79% due to demonstration of a positive approach and strong commitment to risk management.
- The Asset Renewal Sustainability Index decreased from target of 94% to actual of 77% due to refinement of calculation.

COLAC OTWAY SHIRE

CERTIFICATION OF PERFORMANCE STATEMENT

In my opinion, the accompanying performance statement of the Colac Otway Shire Council in respect of 2000/2001 financial year has been prepared in accordance with *the Local Government Act 1989*.

PRINCIPAL ACCOUNTING OFFICER ..... *M. Stevenson* .....

Date: ..... *12/9/2001* .....

In our opinion, the accompanying performance statement of the Colac Otway Shire Council in respect of 2000/2001 financial year is presented fairly in accordance with *the Local Government Act 1989*.

The statement outlines the performance targets and measures set out in relation to the achievement of the business plan in respect of that year described in Council's Corporate Plan and describes the extent to which the business plan was met in that year having regard to those targets and measures.

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

NAME ..... *W. James Ryan* .....

COUNCILLOR ..... *WILLIAM JAMES RYAN* .....

Date: ..... *13 SEPTEMBER 2001* .....

NAME ..... *Peter Ryan Mercer* .....

COUNCILLOR ..... *PETER RYAN MERCER* .....

Date: ..... *13 9 01* .....

NAME ..... *GLENV ANDREW PATTERSON* .....

CHIEF EXECUTIVE OFFICER ..... *[Signature]* .....

Date: ..... *13 SEPTEMBER 2001* .....





AUDITOR GENERAL  
VICTORIA

**AUDITOR-GENERAL'S REPORT  
ON PERFORMANCE STATEMENT**

**To the responsible Ministers and the Councillors of the Colac-Otway Shire Council**

**Audit Scope**

The accompanying performance statement of Colac-Otway Shire Council in respect of the 2000-2001 financial year has been audited. The Councillors are responsible for the preparation and presentation of the statement and the information it contains. An independent audit of the statement has been carried out in order to express an opinion on it to the responsible Ministers and the Councillors as required by the *Local Government Act 1989*.

The *Local Government Act 1989* requires the performance statement to outline the performance targets and measures set out in relation to the achievement of the business plan as described in the council's corporate plan submitted to the responsible Minister and to describe the extent to which the business plan was met having regard to those targets and measures.

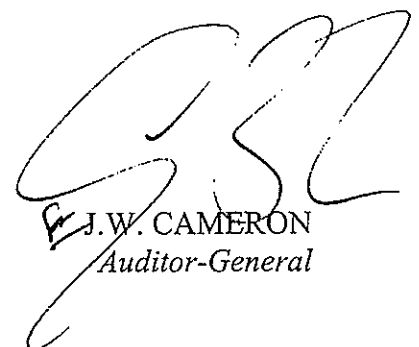
The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the performance statement is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the statement. These procedures, which do not extend to an assessment of the relevance or the appropriateness of the performance measures contained within the statement, have been undertaken to form an opinion as to whether, in all material respects, the performance statement is presented fairly in accordance with the *Local Government Act 1989*.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In my opinion, the performance statement of the Colac-Otway Shire Council in respect of the 2000-2001 financial year is presented fairly in accordance with the *Local Government Act 1989*.

MELBOURNE  
26/9/2001



J.W. CAMERON  
Auditor-General

**NCP Statement for Financial Year 2000/2001  
CEO's certificate**

 <p><b>COLAC OTWAY SHIRE COUNCIL</b> NCP certification by Chief Executive Officer</p>	
<p>Colac Otway Shire Council has implemented <i>Competition Neutrality Policy 2000</i> for the financial year 2000/2001 as set out below.</p>	
Competition Code	Compliant
Competitive Neutrality applied to significant business	Compliant
Best Value Competitive Neutrality	Not applicable for 00/01
Local Laws	Compliant
<p>I certify that:</p> <ol style="list-style-type: none"> <li>the NCP statement has been prepared in accordance with the guidelines issued by the Minister for reporting on the implementation of <i>Competitive Neutrality Policy Victoria 2001</i>;</li> <li>and</li> <li>the NCP statement presents fairly the Council's implementation of the agreement.</li> </ol> <p>(signed)  ..... Chief Executive Officer</p> <p>Date : .....15.....AUGUST..... 2001</p>	

## ADDENDUM TO FINANCIAL STATEMENT

Auditor General's Report on Financial Statements



AUDITOR GENERAL  
VICTORIA

### AUDITOR-GENERAL'S REPORT

To the responsible Ministers and Councillors of Colac-Otway Shire Council

#### Audit Scope

The accompanying financial report of Colac-Otway Shire Council for the financial year ended 30 June 2001, comprising a statement of financial performance, a statement of financial position, a statement of changes in equity, a statement of cash flows and notes to the financial statements, has been audited. The Councillors are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the responsible Ministers and Councillors as required by the *Audit Act* 1994.

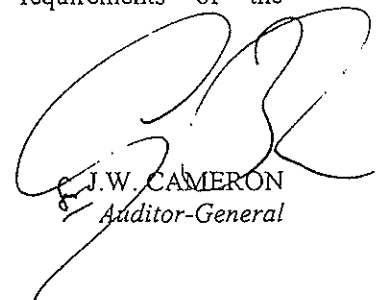
The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and complies with the requirements of the *Local Government Act* 1989, so as to present a view which is consistent with my understanding of Colac-Otway Shire Council's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

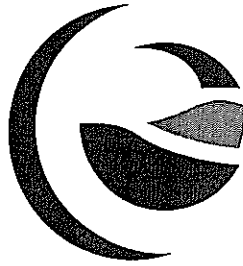
#### Audit Opinion

In my opinion, the financial report presents fairly the financial position of Colac-Otway Shire Council as at 30 June 2001 and the results of its operations and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and complies with the requirements of the *Local Government Act* 1989.

MELBOURNE  
26/9/2001



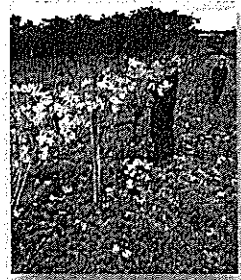
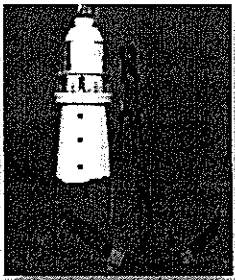
J.W. CAMERON  
Auditor-General



# Colac Otway

S H I R E

*'Naturally Progressive'*



## ***Our Vision:***

*Colac Otway be recognised  
as a progressive community,  
proud of its achievements and creating  
social and economic conditions that  
generate growth in employment  
and improve quality of life.*

## **Colac Service Centre**

2-6 Rae Street, Colac 3250

Telephone: (03) 5232 9400

## **Apollo Bay Service Centre**

69-71 Nelson Street, Apollo Bay 3233

Telephone: (03) 5237 6504

## **Postal Address:**

PO BOX 283, Colac, Victoria 3250

## **Email:**

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## **Website:**

[www.colacotway.vic.gov.au](http://www.colacotway.vic.gov.au)