



Colac Otway Shire

2003–2004
ANNUAL REPORT

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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 Otway's 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 total population of the municipality is 21,316.

The Shire at a Glance

Colac Otway Proclaimed	24 September 1994
Area of the Shire	3,530 square kms
Road Length (Local Roads)	1,730 kms
Population (30 June 2004)	21,316
Number of Voters (incl. absentee owners)	20,433
Rateable Property Assessments	13,298
Council Rates and Services Charged	\$11.7m
Council operating Expenditure	\$30.1m
Loan Indebtness	\$4.9m
Total Asset Valuation	\$184.2m

Employment:

(Major Sectors) Direct & Indirect employment opportunities – 2003/2004 Numbers

– Trade Services	923
– Manufacturing	6,600
– Agriculture	3,760
– Professional	1,910
– Economic	1,792
– Tourism	1,935

Tourism – Visitor Centre Numbers:

– Colac	28,000
– Apollo Bay	165,000



Responsibilities

Our Vision

Colac Otway be recognised as a progressive community, proud of its achievements in using a triple bottom line approach in creating balanced 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.

Mayor's Message

It is my pleasure to report to the Colac Otway community on the significant achievements of the Colac Otway Shire during the 2003/2004 financial year. The Annual Report reflects upon the highlights, disappointments, challenges and priorities set by Council in its Council Plan adopted in June 2003. Council's overall performance is summarised as follows:

Council Plan Performance

Of the eighty-six 2003/2004 Council Plan key actions, 83% (72 projects) have been completed or nearing completion. The remaining 17% (14 projects) were not achieved to a satisfactory level of completion, due to budgetary constraints or are actions scheduled to take place over a 3 year period and are therefore carried over to the 2004/05 year.

The Major projects completed during the year included the Lake Colac Master Plan, Apollo Bay Neighbourhood Character Study, and Rehabilitation of Colac Landfill Site, Colac Otway Stormwater Management Study and major traffic management expenditure.

Major items not achieved during the past year include the completion of the Apollo Bay Harbour Development Plan, improved television reception across the Shire, the construction of the Apollo Bay Transfer Station, an inability to review the Municipal Public Health Plan and the deferring of the Apollo Bay Housing Strategy.

Constituent Satisfaction Survey Results

The Colac Otway community's perception of Council's overall performance decreased marginally from an Indexed Mean of 62 to an Indexed Mean of 62. Areas perceived to have improved during the past year include recreation facilities, customer contact and local roads and footpaths. Services perceived to require further improvement include Council advocacy, waste management, economic development, local laws, traffic management and parking facilities.

Leadership

During the year the Council conducted forums in each of its four Council Wards, with the aim of seeking feedback on Council's performance and issues relating to maintenance and service provision. These forums proved valuable in the development of Council's 2003/04 Plan and Budget priorities. Council also continued its support to the development of small towns and communities through its Small Town Improvement Program. In addition Council allocated over \$100,000 through its Community Minor Projects Funds, Recreation Facilities Assistance Fund and COPACC Community Hire Fund.

Community Support and Recognition

Once again Council was proud to be associated with the Australia Day Council in recognising the contribution of individuals within its communities, by awarding the Citizen of the Year Award for 2003 to George Roberts of Colac and Young Citizen of the Year Award to Jason Tosch of Apollo Bay.

Council was successful in receiving a 3-year community commitment from the State Government for funding the development of a community transport network to assist those unable to access commercial transport services. The service provides transport for every day access to health, community and shopping activities. The service is progressively expanding from Colac and Apollo Bay townships to smaller communities within the Shire.

Sustainability

Council has made significant representations throughout the past year in the areas of sustaining employment and environment. The focus was in the areas of timber harvesting, tourism development and the improvement to Lake Colac and its environs. Council will be challenged during ensuing years to obtain guarantees of funding and support for industries dislocated by the Victoria State Government's decision to cease native forest logging in the Otways from 2008. There is a significant need for funding to undertake major rehabilitation works at Lake Colac and its environs.

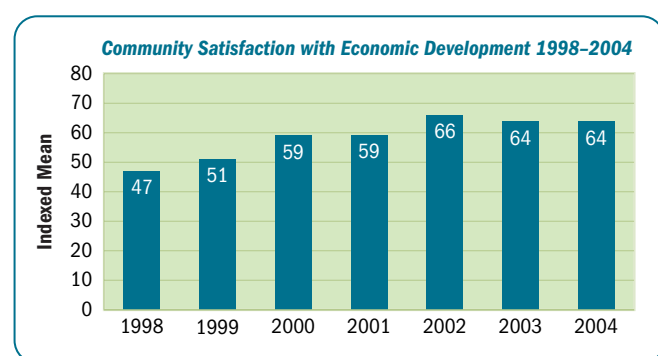
Economic Development

Council has achieved significant success in building confidence within the municipality for the expansion of existing industries and the attraction of new industries.

Colac Otway Shire presents significant advantages for businesses and their employees in that there is abundant lands available for industry and housing development. Ample supplies of clean water and comprehensively serviced townships, particularly in Colac and Apollo Bay, is available for the relocation of industry and potential employees.

These attractions bring with it challenges in the provision of appropriately zoned residential and industrial land and the provision of appropriate housing for the location of an increasing population.

During the year Council consideration was given to assessing available and suitable land for rezoning industrial use to accommodate new industries.



Source: Annual Constituent Satisfaction Survey

Positive Population Growth

Colac Otway Shire leads the South West Region of Victoria with a positive population growth of 4.6% for the period 2000-2002 as compared to a regional growth of 2.9%. This growth along with a new level of interest in investment activity and inquiries supports Council's increased investment in economic development and strategic planning. New estimated residential population statistics are expected to be released in 2005.

Key Stakeholder Expectations

Council, in its planning for the ensuing financial year, considered community feedback from Constituent Satisfaction Surveys, Best Value Consultation sessions, Municipal Ward Forums and external enquires for investment opportunities within the Colac Otway Shire. As a result of this information Council has placed a significant importance on improved infrastructure development, maintenance and social opportunities within the Colac Otway Shire in the development of the 2004/2005 Council Plan. Currently under way are the following infrastructure projects; the:

- investigation of the sewerage of small towns within the Shire,
- extension of natural gas connection to local communities,
- improvements to streetscapes in major towns,
- support for the release of the Great Ocean Road Strategy; and
- provision of increased asset renewal funding over the next 5 to 10 years.

In October 2003, Council recognised the significant contribution made to the Colac Otway community by volunteers involved in community transport, visitor information centres, meals on wheels services, recreation reserve committees and various other community organisations. These organisations included the Country Fire Authority, the Country Women's Association, Red Cross, Do Care, Health and Community Centre Auxiliary Committees, and local services clubs.

The success of Council requires significant co-operation at the policy and administration levels.



Mayor's Message

Council also recognises the commitment provided to the Colac Otway Shire by Chief Executive Officer, Rob Small who commenced with the Shire in March 2003. Council recognises the excellent contribution made over the past financial year by all employees of the Colac Otway Shire, in their respective roles.



Cr. Jim Ryan
Mayor
Colac Ward



Telephone (BH): 5231 5399

Telephone (Home): 5231 3620

Fax: 5231 3442

First elected 1996. Re-elected 1999; 2002. Mayor: 1996/1997, 2003/2004, 2004

Committees:

Audit Committee, CEO Appraisal Committee, Australian Local Government Association, Barnard Trust Committee, Colac Otway Shire/Corangamite Local Safety Committee, COPACC Trust, Disability Services Community Forum, Municipal Association of Victoria, Livestock Saleyards Association, Municipal Saleyards Committee, Police Community Consultative Committee, South West Municipalities Group.

Our Councillors

Cr. Helen Paatsch

Phone/Fax: 5232 2658
Phone (Home): 5231 3799
Mobile: 0407 881808
E-mail: fhpaatsch@primus.com.au



Colac Ward

First elected 1996. Re-elected 1999; 2002. Mayor: 1999/2000

Committees:

Apollo Bay Neighbourhood Character Study Steering Committee, CEO Appraisal Committee, Colac Development Committee, Community Transport Steering Committee, COPACC Trust, Geelong Otway Tourism, Lake Colac Co-ordinating Committee, Timber Towns Committee.

Cr. Brian Crook

Phone (AH): 5231 3885
Phone (BH): 5232 2640
Fax (AH): 5231 6954
Mobile: 0418 997043
E-mail: blpcrook@hotmail.com



Colac Ward

Elected 2002.

Committees:

Colac Skate Park Advisory Committee, Corangamite Catchment Rural Counselling Service, CEO Appraisal Committee, Youth Council.

Cr. Stephen Hart

Phone: 5237 3109
Fax: 5237 3107
Mobile: 0427 055951
E-mail: lavershill@bigpond.com



Otway Ward

Elected 2002.

Committees:

Audit Committee, CEO Appraisal Committee, Apollo Bay Neighbourhood Character Study Steering Committee, Cliff Young and Community Recreation Centre Committee, Lavers Hill Swimming Pool Committee of Management, Victorian Environmental Assessment Council.

Cr. Stuart Hart

Phone/Fax: 5235 8159
Mobile: 0427 050960
E-mail: shart@swift.net.au



Otway Ward

Elected 2002.

Committees:

Apollo Bay Airfield Development Review, Apollo Bay Harbour Steering Group, Apollo Bay Leisure Centre Committee, Apollo Bay Neighbourhood Character Study Steering Committee, Apollo Bay Swimming Pool Committee, Apollo Bay Pool Investigation Committee, CEO Appraisal Committee, Contracts Committee, Colac Otway Services Board, Municipal Emergency Management Planning Committee, Otway's Tourism Inc., Wye River/Separation Creek Foreshore Committee.

Cr. Peter Mercer

Phone: 5236 6246
Fax: 5236 6546



Murray Ward

First elected 1996. Re-elected 1999; 2002. Mayor: 2000/2001, 2002/2003

Committees:

Audit Committee, Barwon Regional Waste Management, CFA Region 6 Fire Prevention, CEO Appraisal Committee, Colac Otway Services Board, Colac Otway Shire/Corangamite Local Safety Committee, Contracts Committee, Corangamite Regional Library Corporation, Farm Safety Advisory Committee, Friends of Colac Botanic Gardens, Mt. Gellibrand Fire Tower Committee, Municipal Fire Prevention Committee, Oudit Quarry Consultative Committee, Rural Access Advisory Group.

Cr. Warren Riches

Phone/Fax: 5234 8206
E-mail: warren@swift.net.au



Warrior Ward

First elected 1996. Re-elected 1999; 2002. Mayor: 2001/2002

Committees:

Army Cadet Unit 34 RCU, BlueWater Fitness Centre Advisory Committee, CEO Appraisal Committee, Leisure Networks, Municipal Aerodrome Committee, Old Beechy Line Committee, Premier Recreation Reserve Committee, Target Sports Club Forum, Tirrengower Drainage Area Advisory Committee.

Organisation Structure

Council



Chief Executive Officer Rob Small

- Council Support
- Strategic Planning
- Internal Audit

Rob has an honours Degree in Horticulture, holds qualification as a Chartered Secretary and a Diploma in Business Studies. He has professional affiliations to Local Government Professionals, Local Government Managers Association and is a World Commissioner on the Horticultural Federations of Parks and Recreation Administration.

Organisation Support Team

- Human Resources
- Risk Management
- Organisation Development
- Communications

General Manager Corporate Services Merv Hair



- Governance
- Information Services
- Customer Service
- Financial Management
- Rating and Property
- Environmental Health
- Aged and Disability Services
- Family and Children Services
- Economic Development
- Tourism Development
- Arts, Culture and Events
- COPACC
- Recreation and Leisure
- BlueWater Fitness Centre
- Youth
- Library
- Vicroads Agency

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

General Manager Infrastructure Services Gary Dolan



- Asset Management Systems
- Capital Works Programs
- Design Contract Supervision
- Waste Management Supervision
- Contract Supervision
- Emergency Management
- Fleet Management
- Property Management and Maintenance
- Apollo Bay Harbour Planning
- Parks and Gardens
- Road Construction and Maintenance
- Plant Maintenance
- Bridge Maintenance
- Saleyards

Gary holds a Bachelor of Engineering and a Graduate Diploma of Management (Technology). He has professional affiliations with the Association of Professional Engineers, Scientists and Managers, Australia and Local Government Professionals.

General Manager Environment and Planning Ron Mildren



- Statutory Planning and Regulations
- Building Surveying
- Environmental Management
- Fire Prevention
- Planning Enforcement
- Local Laws

Ron holds a Bachelor of Town and Regional Planning from the University of Melbourne and is trade qualified in the building industry. He is a member of the Planning Institute of Australia.

Governance Policies

Council responded to the State Government's consultation on amendments to the Local Government Act 1989 through the passage of the Local Government (Democratic Reform) Act 2003 through State Parliament.

Amendments to introduce new Conflict of Interest provisions, Code of Conduct and Caretaker Pre Election guidelines have been acted upon by Council.

Councillors set annual remuneration allowances in March 2004 on the basis of:

- Councillors \$12,000
- Mayor \$36,000

Council Meeting Attendance by Councillors 2003/2004

Council conducted its business in open and publicly advertised meetings held in Colac and Apollo Bay. In 2003/2004 there were 12 Ordinary Meetings, 5 Special Meetings and 1 Statutory Meeting of Council. Council also held Ward Forums in each of the four wards to informally discuss issues with the community and provide and receive feedback.

Number of meetings held	Ordinary Meetings 12	Special Meetings 5	Statutory Meeting 1
Cr. Peter Mercer	12	5	1
Cr. Warren Riches	12	5	1
Cr. Jim Ryan	12	5	1
Cr. Stephen Hart	12	5	1
Cr. Stuart Hart	12	5	1
Cr. Helen Paatsch	12	5	1
Cr. Brian Crook	11	4	1

Customer Service Charter

The Customer Service Charter outlines Council's commitment to ensuring customers using Council facilities or services receive quality, efficient and responsive service. The Charter covers specific areas of accessibility, consultation, visitor acknowledgment and handling of telephone, correspondence and account enquiries.

Chief Executive Officer and Staff Delegation

Council has a formal Instrument of Delegation which provides the Chief Executive Officer with power to implement actions on behalf of Council in the implementation of policies, local laws and various Acts of Parliament. The Chief Executive Officer further delegates some of these powers to staff throughout the organisation.

Instruments of Delegation were reviewed in January and June 2004.

Continuous Improvement

Colac Otway Shire is committed to continuous improvement and uses the Australian Business Excellence Framework to identify areas for improved organisational performance and operational efficiency.

Colac Otway Shire is using the Business Excellence philosophy to develop a culture of excellence, implement its continuous improvement strategies and drive our long term planning processes. The framework measures the organisation against seven key categories – Leadership and Innovation; Strategy and Planning Processes; Data, Information and Knowledge; People; Customer and Market Focus; Processes, Products and Services; Business Results.



The organisation has developed a holistic approach to continuous improvement by establishing a framework to ensure input from a number of sources – Business Excellence, Best Value, Annual Surveys and Benchmarking are used in the development of the Continuous Improvement Plan. Outcomes from the Plan feed into Council's Business Planning Process to ensure that the resourcing, financial planning and monitoring are undertaken through existing systems.

The future potential for embracing Business Excellence includes:

- Improved service delivery to the community
- Improved customer satisfaction
- Improved operational efficiencies
- Improved organisational performance
- Improved staff morale
- Improved councillor, ratepayer, community, government and key partner relations.

The organisation will continually benchmark against other high performing organisations and Councils using the Business Excellence framework to assist in measuring our performance.

Council and Business Planning

The Council Plan is a four-year plan confirming Council's commitment to the Colac Otway community. The Plan incorporates an Annual Plan and a four year Strategic Resource Plan (SRP) which is a plan of resources required to achieve the objectives set out in the Council Plan. The Council Plan is prepared on a balanced focused basis recognising that Council aims to be even-handed in its approach to achieve desired outcomes. Key objectives within the Plan are listed under:

- Advocacy and Governance
- Strategic Planning
- Social Services
- Physical Services
- Environmental Health Services
- Information Provision
- Financial Support

Key objectives within the Council Plan continue to be reflected in Business Unit Business Plans to ensure Council's policy decisions are aligned with continuous improvement action plans, resource and financial plans. The Unit Business Plans support Council's continuous improvement plans the principles of Best Value.

Progresses on key objectives from the Council Plan are reported quarterly to Council and the community. Business Unit Business Plans are monitored and reported regularly to Senior Management through the recently developed Business Measurement System "Pulse".

Risk Management

Colac Otway Shire has maintained a strong committed and pro-active approach to Risk Management over the past year, which has been reflected by the significant improvement by the audits conducted by external bodies:

The following external audits have been undertaken during the year and thus ensured compliance with AS/NZ 4360:1999:

- Civic Mutual Plus Liability Assessment: 4 December 2004
- SafetyMap Certification
- Worksafe Local Government Occupational Health and Safety Project: 30 June 2004
- Jardine Lloyd Thompson – Asset Audit: 29 March 2004

Council maintains a Risk Register that details the total number of risks identified by all risk audits. The total number of risks in Risk Register for the 2003/04 financial year was 71, of these 31 were addressed and are completed, the 40 previously identified and 9 newly identified risks have been added to the Risk Management plan for 2004/05.

Strategic Planning Process

Council Plan 2004–2008

The 2004-2008 Council Plan is a four-year plan, confirming our commitments to the Colac Otway community, identifying our vision and providing clear direction to the organisation. The Council Plan outlines the three-year goals and objectives against which its performance will be measured.

Council reviews its vision and goals annually by consulting with its community and stakeholders, and ensuring legislative and policy obligations are met.



Business Unit Plans

The Business Plans provide detailed Unit objectives, actions, resources, and financial budgets to achieve the goals of the Council Plan.

The Business Plans also include strategies, which are aligned to the Best Value principles of consultation, responsiveness, continuous improvement, accessibility, reporting, quality and cost.

The Annual Budget is developed to achieve outcomes of Business Plan objectives.



Monitoring Performance

Annual objectives and key actions are monitored through a business measurement system to ensure performance targets are met and that Council is achieving its commitments to their community and its stakeholders.



Annual Report 2003–04

This Annual Report provides an important scorecard to the community and stakeholders of Colac Otway Shire and is a key reporting tool to measure Council's performance and financial result for the year.

The Report also reflects on the highlights, disappointments, challenges and priorities set by Council in its Council Plan.

Organisational Audit Practices

Council's Audit Committee has met regularly throughout the year and exists for the purposes of:

- Acting as an advisory Committee of Council to assist in discharging Council's responsibilities as they relate to the organisation's accounting policies, management systems, internal controls and financial reporting.

Actions arising from the Audit Committee's agenda over the past year include:

- A review and endorsement of the 2002/2003 Financial Statements and Performance Statement.
- Monitoring of the Risk Register actions and developments.
- Monthly review of operational Financial Management, including:
 - Statement of Financial Position
 - Cash Management and Debt Management
 - Capital Works Program Analysis
 - Co-ordination of recently completed Internal Audit projects, including Saleyards, Port of Apollo Bay, Airfield Management, Cash Management and Waste Management.
 - Review and response to the Cosworks Business Unit Operations Audit.
 - Review of National Competition Policy legislative compliance.
 - Review of 2003/04 External Audit Strategy.
 - Endorsement of Asset Revaluation Policy
 - Review Draft Fraud Control Policy.
 - Review Legislation Compliance Report.



Internal audit is a significant component of Council's risk management framework. Internal audits were conducted in the following service areas during the year:

- COPACC
- Blue Water Fitness Centre
- Contract Management
- Asset Management

Internal audit provides Council and management with assurances that systems and internal controls are adequate to minimise risk and litigation.

Business Continuity Management

Business Continuity Management is the development of strategies, plans and actions that provide protection for the business activities which, if interrupted, might otherwise bring about seriously damaging consequence. Council is progressing well toward the completion of a Business Continuity Plan.

Business Continuity Management is an integral element of the risk management framework and of prudent operational practices that support the objections of:

- Ensuring continuity of critical community services
- Ensuring the health and safety of our staff and community
- Protecting revenue streams
- Protection Colac Otway's reputation and legal standing
- Providing assurance to Directors and Officers
- Minimising costs associated with repair of and recovery from damage and
- Maintaining the confidence of the community and the State Government.

Occupational Health and Safety, SafetyMAP and WorkCover

Colac Otway is committed to providing a safe and healthy work environment for all employees, our contractors and the public at our 13 work sites. These sites are.

- Head Office in Rae St, Colac
- Colac Otway Performing Arts and Cultural Centre
- Colac Visitors Information Centre
- Aged and Disability office, Murray St, Colac
- Maternal and Child Health Centre's
- Bluewater Fitness Centre
- Colac Saleyards
- Colac Depot
- Gellibrand Depot
- Apollo Bay Depot
- Apollo Bay Customer Service Centre
- Apollo Bay Harbour
- Apollo Bay Visitors Information Centre

There are a significant number of Acts and Regulations, which detail responsibilities for Occupational Health and Safety and related compliance. One of the most significant is the Occupational Health and Safety Act.

Occupational Health and Safety Management System Committee

An Occupational Health and Safety Plan was implemented in February 2004. The Plan monitors the progression and completion of all key health and safety related initiatives and activities. It included the following:

- Development of Working from Heights Policy and Procedures
- Manual Handling training
- Compliance training with appropriate staff
- Conduct monthly spot inspections
- Managing Incidents, accidents and near misses

SafetyMAP Certification

SafetyMap is an audit tool that provides the means to undertake an independent audit and review of the organisations Occupational Health and Safety system. This helps to establish safer working

environments that will protect people at work by eliminating, or better managing, health and safety hazards.

- The International Standards Certification Pty Ltd undertook two audits, of Colac Otway Shire's SafetyMap certification in April and September 2003/2004.
- In addition to the audits undertaken for certification to SafetyMap, Colac Otway Shire has an Occupational Health and Safety audit program as part of its comprehensive health and safety system.
- Initiatives such as the Safety Audits are a key example of our ongoing efforts to improve our work practices.

These audit programs involve employees from all levels within safety reviews and observations. We completed 100 per cent of our planned safety audits for 2003/2004.

Worksafe Inspections

Worksafe have been conducting an Occupational Health and Safety, Local Government Project. All of Colac Otway Shire worksites have been inspected and were successful in meeting Worksafe standards/requirements, which reflects the commitment by Colac Otway Shire to Occupational Health and Safety.

Number of WorkCover incidents reported and accepted from 1 July 2001 to June 30 2004

2003/2004	9
2002/2003	8
2001/2002	21

Insurance

Council continues its commitment to risk management and our annual Civic Mutual Plus, Insurance audit saw Colac Otway Shire receiving a result of 62%. NOTE: The higher the percentage figure the lower Council's Insurance premium will be.

In comparison with the other Victorian and Tasmanian councils' areas that are members of the Civic Mutual Plus scheme, Colac Otway ranked 37th out of 107 Councils. If compared only with just the 78 Victorian Councils, Colac Otway ranked twenty-eight.

The 2004 overall score represents a 14% decrease from the previous year of 76%. This drop is primarily due to change in the weighting in the scoring in different sections and increasing the standards in Council's Risk Management practices. Overall, Colac Otway Shire has performed well in most aspects. Of particular note were the areas of Organisational Risk Management, Contract Management, Playground Management, and Road and Footpath Management.

Results of the Civic Mutual Plus, Insurance Audits over the past 3 years

2004	62%
2003	76%
2002	66%

Highlights

The highlights for Occupational Health and Safety Management were:

- Civil Mutual Plus, Liability Assessment score which rates Council 28th in the state
- Successful completion of Worksafe Local Government Occupational Health and Safety Project completed on 30 June 2004
- SafetyMap re-accreditation. A total criteria of 82 was used the accreditation is for a further 3 years.

Challenges and Priorities 2004/05

The Challenges for Occupational Health and Safety Management are:

- The completion of Stage 6 of Business Continuity Management Plan project by 31 December 2004
- Maintenance of the SafetyMap accreditation with regular audits to be conducted.



Chief Executive's Overview

The Annual Report provides an important scorecard to the residents and ratepayers of the Colac Otway Shire's progress, and I am pleased to present the 2003/2004 Report which records the successes, disappointments and future challenges facing the Shire in the year ahead.

Key Stakeholders Expectations

Council's 2003/2004 Council Plan highlighted the medium term challenges of Council as being:

- Ensuring the long term financial health of the organisation
- Strategically managing planning and development to achieve ecological sustainable development
- Continued community leadership in considering the needs and views of the Colac Otway Shire residents delivering and facilitating services aligned to the communities needs through the implementation of the Best Value program
- Encouraging Colac Otway stakeholders participation in decision making
- Building an organisational culture of excellence

Key actions addressing these challenges were set out in Council's Plan and Business Unit Business Plans. Their implementation was monitored throughout the year and progress regularly reported to the Senior Management Team and Council. The content of this Annual Report provides detail of Council achievements in meeting the above challenges.

Management Reporting

The Chief Executive Officer reported monthly, quarterly and half-yearly through the Council Agenda, Website and Newsletters on the performance of the organisation against key actions listed in the Corporate Plan. Ward Forums and media releases were used during the year to also share information with and report to the community.

Informing our Community

The Council Website has greatly enhanced the community's access to Council information and opportunity to register personal requests for information or action to be undertaken on a particular matter.

Monthly news columns were prepared for publication during the year with the aim of informing the community on Council contacts and services. Council averaged four media releases per week on Council activities and used its Community Consultation Policy to allow time for the community to comment on Council Policy, as it was prepared.



Source: Annual Constituent Satisfaction Survey

Capital Works Performance

The capital works completion rate for the past year has been 80% for the program.

Projects that were not started include Apollo Bay Transfer Station, Municipal Animal Pound and Stage 1 Cressy-Shelford Road.

Long Term Infrastructure Financial Planning

Council is pursuing the objectives of the Strategic Asset Management Plan (SAMPlan) to meet asset renewal targets. The adopted plan indicated that Council requires to allocate \$150,000 per annum over the next 4 years, to maintain that level of commitment to asset renewal for a further 5 years, and then increase this spending by a further \$75,000 per year for the following 5 years. Council expenditure for 2003/04 on Asset Renewal was \$3.1m.

Strategic Asset Management Plan provided an influence to Council's strategic financial plan by providing a long-term view, which established the steps Council needs to take to ensure its long-term asset sustainability.

Infrastructure Renewal and Maintenance Spending

The 2003/04 year saw a continuing expenditure increases by Council to maintain its assets in good order and to replace assets that have worn out. The expenditure for unsealed roads in the 2003/04 financial year increased by 10% to \$1.13m.

Additional allocations have been provided for gravel road reconstructions, vegetation control, footpath renewal programs in 2004/05.

Council will continue to focus on asset renewal projects within the capital works program and implementation of a number of road and bridge renewal projects under the Roads to Recovery program.

Human Resources/Organisational Development

Considerable review has taken place throughout the year of systems, policies and resources associated with employee engagement and identification of development opportunities for both individuals and the organisation.

An Employee Opinion Survey conducted in December 2003 was aligned to the Australian Business Excellence Framework.

This allowed Council to have a more detailed analysis of the data in turn will provide valuable continuous improvement opportunities in Organisation Development. The outcome of the survey resulted in a score of 668 out of possible 1000 points. This result was 65 points short of an award level and placed Council in the top 10 to 15 Councils in Australia.

Employment over the past two financial years has seen effective full-time staff numbers at 180 employees. Turnover during the past year was recorded at 10% a small decrease on the previous financial year.

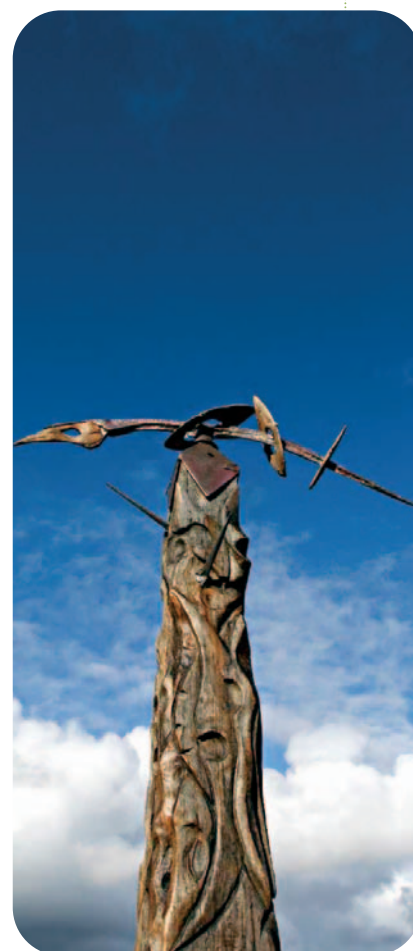
Strategic Development

Council has foreseen the need to ensure strategic planning and economic development programs meet the needs and the expectations of Colac Otway communities to the future. A need to review both Colac and Apollo Bay Structure plans has been recognised as key strategies in Council's 2004 to 2008 Council Plan. Council continues to experience pressure in applications for planning and building permits throughout the Shire and additional resources and commitment have been acquired to meet this increasing demand.

Conclusion

The Council recorded a decrease in its operating deficit from \$7.1m to \$1.5m a marked improvement on the 2002/03 operating results. The organisation also achieved a high level of constituent satisfaction results indicating a general satisfaction with the delivery of services throughout the Shire. Eighty three percent of the Council Plan and Business Plans key actions have been achieved and detailed attention has been given to long term asset management and financial management programs.

Rob Small
Chief Executive Officer



Summary of Financial Performance

Financial Result

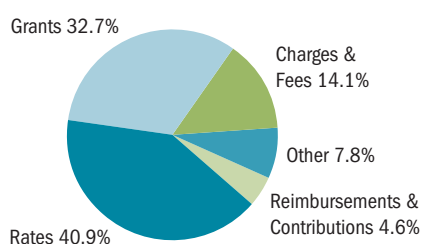
The Shire's financial performance for 2003/04 is summarised as follows:

Rate Determination Cash Surplus/(Deficit) (excluding the Port of Apollo Bay)	(\$1.2m)
Rate Determination Cash Surplus/(Deficit) (including the Port of Apollo Bay)	\$1.5m
Operating Surplus/(Deficit) (including the Port of Apollo Bay)	(\$1.5m)

The Shire continues to incur an Operating Deficit due to an infrastructure renewal gap (2003/04: Depreciation \$7.1m Renewal Expenditure \$3.1m). As part of Council's long term financial strategy, it is intended to narrow this gap over time.

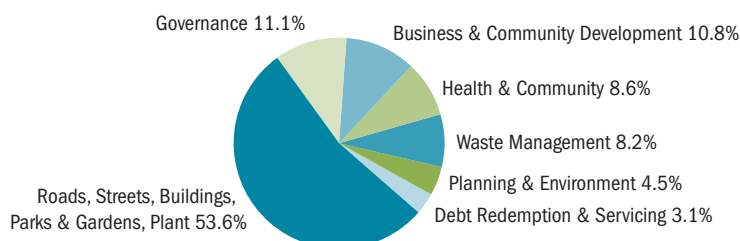
Revenue and Expenditure

Where does Councils revenue come from?



Source: Audited Financial Statements

Where does Councils spend its revenue?



Source: Audited Financial Statements

Council continues to be successful in the acquisition of external grants to assist in its works and service programs throughout the year. The past year has seen 33% of council's revenue being generated from external sources, which ranks Council at a high level compared to other Councils throughout the state. Council also achieved a 97% collection result for rates and charges, which again ranks as a high achievement level throughout the State.

Financial Performance

Total expenditure decreased from \$34.1m in 2002/03 to \$30.1m in 2003/04. The two major reasons for this result were a reduction in the written down value of assets sold (land and buildings) and depreciation (majority of unsealed roads have a zero written down value).

Total operating revenue increased from \$26.7m to \$28.5m mainly due to increased capital grants (the Port of Apollo Bay Breakwater Construction Grant) and donated assets (from new subdivision development).

Overall, the operating deficit decreased from \$7.4m to \$1.5m, a marked improvement on the 2002/03 operating result. However, in the short to medium term, the Shire will continue to report operating deficits due to the 'non-cash' depreciation expenses applied to its large infrastructure base.

Summary of Financial Performance

Financial Position

Total assets remained relatively the same from the previous financial year at \$184.2m compared to \$184.3m. Current assets increased from \$6.4m to \$8.1m (cash at bank) but non current assets decreased from \$177.9m to \$176.2m (infrastructure renewal gap).

Total liabilities decreased from \$9.8m to \$9.3m (reduced loan liability). Overall, net assets also remained stable at \$174.9m however; it is forecast to remain at a substantial level albeit marginally declining in future years.

Cash Flow

Council net cash income from operating activities was \$5.6m due mainly to increases in rates and charges income, and net cash outflow was \$4.1m. Net cash outflow from investing activities was \$0.6m, and overall Council improved its cash position from \$3.5m to \$4.5m.

Impact of Depreciation

Council's depreciation charge is significant compared with other similar sized Victorian Councils.

The primary reasons for this are outlined in relation to Council's:

- Relatively larger infrastructure asset base compared to other rural Councils of similar size
- Reduced capacity to raise revenue for infrastructure renewal due to a relatively low population/rate base, eg. high forestation
- Conservatively higher replacement unit costs, supported by current cost data
- Comparatively shorter asset lives, reflecting factors such as high rainfall, heavy traffic and a high proportion of maintenance required for unsealed roads.

Expenditure emphasis on replacement and upgrade rather than maintaining existing infrastructure assets will have a direct positive bearing on decreasing the depreciation charge, improving the operating result and improving the longer-term financial viability of Council.

Loan Liability

As part of Council's debt management strategy, \$0.6m was redeemed on Council's loan liability during the 2003/04 financial year.

Over the past 4 years, Council's loan liability has decreased overall from \$6.1m to \$4.9m. Loan ability for 2003/04 increased by \$0.3m over the previous year, due to borrowings of \$0.9m incurred in the 2003/04 financial year in order to repay the Council's share of the Defined Benefits Superannuation Scheme shortfall.

Even with additional borrowing, Council remains well within the limits of all 3 Prudential Ratios as set by the State Government's Local Government Division.



Source: Audited Financial Statements

Working Capital

Council's working capital ratio, which assesses ability to meet current obligations, has improved from 1.55:1 to 2.01:1 over the past year. Council aims to achieve a target of 1.5:1, as set out in Council's Strategic Resource Management Plan.



Our Performance – Community Outcomes

Community Leadership and Consultation

Objective

Colac Otway will provide strategic direction through local representation, advocacy and effective decision making to ensure sustainable development and a quality lifestyle.

Highlights 2003/2004

- Council formally conducted Ward Forums in each of the 4 Ward to receive specific comments from the community in planning Council's Works Program for 2004/05.
- Best Value Service Review consultations were conducted for three service areas with community representatives, providing important feedback for better service outcomes.
- Extensive community consultation has been involved in major projects including, Television Blackspot Program, Sustainable Sports Ground Development, Small Towns Wastewater Treatment, Economic Development Strategy, Regional Tennis Court Audit and Waste Management.
- Council maintains a network of affiliations with industry peak bodies including the Australian Local Government Association, Municipal Association of Victoria and the South West Municipalities Group of Councils.

Disappointments 2003/2004

- Ward forums were not well attended despite considerable advertising.

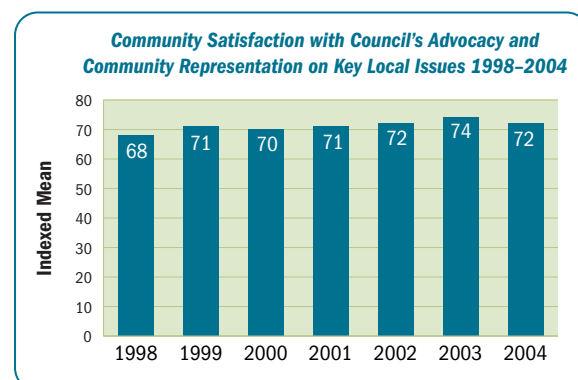
Challenges and Priorities 2004/2005

The following challenges and priorities have been identified:

- To increase Constituent Satisfaction Index levels for advocacy and community representation on key issues.
- Preparations for November 2004 Election of Councillors for a four year term, and to Continue commitment to the community consultation policy.



Source: Annual Constituent Satisfaction Survey



Source: Annual Constituent Satisfaction Survey

Our Performance – Community Outcomes

Infrastructure

Objective

Colac Otway will plan, develop and maintain a network of sustainable infrastructure.

Infrastructure and Services

- Continue increased funding of Infrastructure asset renewal, particularly on rural road resheeting, drainage timber bridges and footpaths
- Continue the development and implementation of an Asset Maintenance and Management System that includes pro-active inspection of assets
- Implement the landfill rehabilitation program (10 year program)
- Implement Apollo bay Strategic Footpath Plan
- Acquire land for Apollo Bay Transfer Station
- Advocate for improved infrastructure services – Princes Hwy and Great Ocean Road upgrades, the Colac by pass study and other north south connector main roads

Asset Management

The staff in the Asset Management area are responsible for the:

- Asset Register maintenance and Asset Audit Reporting (AAS27)
- Strategic Asset Management Plan
- Inventory and asset condition data collection
- Revaluation of assets meeting AAS27 requirements
- Generation of Capital Works proposals
- Generation of Annual Maintenance Programs
- Building maintenance
- Shared party fencing
- Maintenance of Lease Agreement Register



Source: Annual Constituent Satisfaction Survey

Capital Works

The staff in the Capital Works area is responsible for the:

- Investigation and evaluation of proposals
- Formulation of annual Capital Works Program and 3 Year Capital Investment Plan
- Director role on all capital works projects
- Road Safety, Traffic Counts, Transport and Signage investigations
- Infrastructure comment/conditions to planning application referrals
- Engineering survey and design
- Infrastructure customer service (not on asset maintenance)



Our Performance – Community Outcomes

Contract Administration

The staff in the Contracts Administration area is responsible for the:

- Provide a contract administration process that ensures quality, time and cost parameters as specified are met
- Manage the Colac Otway Shire tendering process
- Prepare tender and contract documentation that unambiguously and clearly outlines desired outcomes

Waste Management

The staff in the Waste Management area is responsible for the:

- Contract management and report on the provision of municipal waste management service in the areas of; Kerbside waste collection
- Street litter bin collection
- Transfer station, and inert landfill operations and associated bulk haulage movements
- Manage and report on volumes of recyclable material being deposited through the regional waste recycling contract
- Manage and report on the composting operations



Source: Annual Constituent Satisfaction Survey

Apollo Bay Harbour

The staff at the Apollo Bay Harbour are responsible for the:

- Provide berthing and mooring advice
- Facilitate commercial development in Apollo Bay Harbour
- Provide slipway facilities
- Ensure safe access to the harbour
- Provide a facility for recreational boating

Colac Livestock Selling Centre

The staff at the Colac Livestock Selling Centre are responsible for the:

- Provides quality assured facilities for weekly sales of cattle, sheep and other livestock
- Provides holding yards for buyer and vendor cattle and holding paddocks for long term agistment for agents, buyers and producers if livestock is unable to be transported.

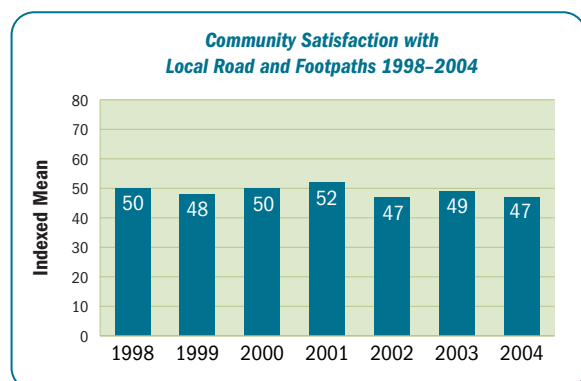
Road Construction and Maintenance

The staff in Road Construction and Maintenance is responsible for the:

- Maintain the local sealed and unsealed road network including carparks, walking/bicycle paths and fire access roads
- Undertake vegetation control through a road side slashing and weed spraying programs for maintenance and fire prevention
- Provision of street sweeping of local road pavements adjacent to kerb and channel
- Maintain Colac Otway Shire's statutory, regulatory warning, tourism signage and road linemarkings

Our Performance – Community Outcomes

- Maintain the open and underground drainage network systems
- Maintain all footpath and kerb and channel to a safe standard within the shire including programmed inspections and repairs to minimise risk to the public



Source: Annual Constituent Satisfaction Survey

Bridge Maintenance

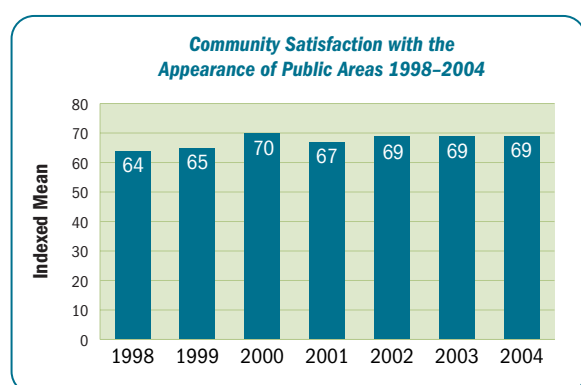
The staff in Bridge Maintenance are responsible for the:

- Undertake maintenance on streetscape treatments including roundabouts, carpark planting's and street planter boxes
- Provide cyclic maintenance for all municipal bridges and major culverts, and undertake major repairs identified through annual inspections

Parks and Gardens

The staff in Parks and Gardens are responsible for the:

- Provision of cyclic maintenance to sports fields including mowing fertilising and weed control, and maintenance of irrigation and drainage systems
- Maintain the Colac Botanic gardens including shrubs, garden beds, trees, paths and roadways
- Undertake powerline tree clearance activities in Colac
- Provision of horticultural maintenance at local cemeteries
- Undertake maintenance on streetscape treatments including roundabouts, carpark planting's and street planter boxes

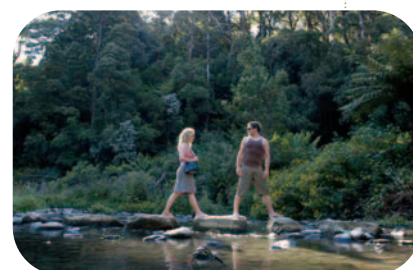


Source: Annual Constituent Satisfaction Survey

Highlights 2003/2004

The highlights for the Infrastructure areas are listed below:

- Council adoption of an Asset Management Policy giving consideration of whole of life cycle for assets;
- Timely completion of the Road Management Plan to meet requirements of the new Road Management Act 2004 and address public liability and risk management issues on the local road network



Our Performance – Community Outcomes

- Completion of 80% of Capital Works projects which were within Council's control and commencement of most other projects identified in the program
- Completion of Bruce Street Landfill project adjacent to Lake Colac Otway Shire as the first project from Councils 10 Year Landfill Rehabilitation program
- Increased funding for local road gravel road reconstructions up from \$715,000 in 2003/04 to \$1,000,000 in 2004/05, a new allocation of \$200,000 for local road rehabilitation works, an allocation of \$20,000 for road signage improvements for local roads
- Successful Better Roads grant Applications enabling works to be undertaken on State Impacted Timber Roads, and Black Spot intersection.
- Implementation of a number of Roads to Recovery Projects including Hordernvale Access Road (\$250,000), Conns Lane Bridge \$250,000), Sand Road Hordernvale (\$60,000), and local streets within the Apollo Bay township (\$120,000) and securing of contracts facilitating completion of the Road to Recovery Program through to the end of 2004/05.
- Council adoption for a framework and subsequent development of specifications and securing of contracts for Waste Management Services for the coming 5 years.
- Completion of the Best Value review for Apollo Bay Harbour
- Continuation of Apollo Bay Harbour Management Agreement, including major capital works in the harbour area involving the Breakwater rehabilitation (\$1,100,000) and boat ramp (\$255,000).

Disappointments 2003/2004

The disappointments for the Infrastructure areas are listed below:

- Construction of a new Apollo Bay Transfer Station has not commenced, and further delays are predicted on rezoning of land suitable for a transfer station site;
- Time taken to develop framework for Waste Management Service and subsequent need to extend the existing Contract for an additional 4 months.
- Following successful trial of new material on unsealed local roads; deficiencies were found with the material following extended wet weather periods through winter.
- Uncertainty of future of Colac Livestock Selling Centre in a regional context and the need for future upgrades to remain competitive as a Selling Centre
- A number of projects not being completed within the Capital Works Program that were considered achievable at the commencement of the 2003/04 year

Challenges and Priorities 2004/2005

The challenges and priorities for the Infrastructure areas are listed below:

- To develop sound procedures around the Road Management Plan as a defence to litigation associated with the Local Road Network.
- Successful implementation of the new Waste Management Service Contract with multiple contractors for different service components
- Completion of rezoning for land in the Apollo Bay area enabling development of a new transfer station in the area
- To achieve a high performing cost effective material suitable for the unsealed local road network that will stand up to all round climatic conditions.
- Improve reporting of activities and achievements of the Cosworks unit to the Community and Council
- To improve the community satisfaction levels for local roads and footpaths and waste management
- To complete implementation of a lease register and reporting database into the Asset Management system for improved monitoring of leases that Council is involved.

Our Performance – Community Outcomes

Environment and Planning

Objective

Colac Otway will facilitate sustainable development while protecting and enhancing our natural environment.

Highlights 2003/2004

The highlights in the Environment and Planning areas were the:

- Preparation and exhibition of a Planning Scheme amendment to facilitate inclusion of the Apollo Bay Neighbourhood Character Study outcomes into the Planning Scheme.
- Completion of the draft Heritage Study.
- Commencement of the 'Coastal Towns' (Skenes Creek, Kennett River, Wye River and Separation Creek) Neighbourhood Character study.
- Receipt of State Government funding as an outcome of the Great Ocean Road Region strategy, to assist in the preparation of a comprehensive strategic structure plan for Apollo Bay.
- Successful grant application for development of a Salinity Management Overlay for inclusion in the Council-planning scheme.
- Successful implementation of key actions of the Stormwater Management Plan including:
 - Industry audits and management recommendations
 - Community Education and litter programs
 - Bird Sanctuary revegetation and corporate planting day
 - Stormwater wetland feasibility study and recommendations
 - Sediment control equipment on sites at Apollo Bay
 - Launch of the Environmental Mascot, 'Wally the Waterskink', named after a rare species from the local area to assist in promotion and education.
- Receipt of a Victorian Coastal Award High Commendation for the Kennett River Stormwater Wetland
- Achieved Milestones 1 and 2 of the Cities for Climate Protection Program
- Implementation of a priority action from the Coastal Community Revitalisation Project (Drainage Study)
- Environmental Training of Cosworks teams in weed identification, vegetation management and erosion control
- Received an award for Erosion Management on roads in water catchments from Department of Sustainability and Environment and Corangamite Catchment Management Authority; and to
- Achieved Waste Wise Accreditation

Disappointments 2003/2004

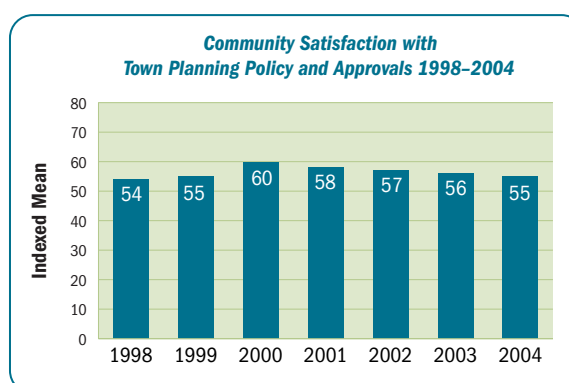
The disappointments for the Environment and Planning areas were the:

- The Independent Panel Report in respect to Planning Scheme Amendment C20 – Municipal Strategic Statement Review.
- Unsuitability of planning scheme amendment C8 as exhibited – Erosion Management Overlay.

Challenges and Priorities 2004/2005

The challenges and priorities for the Environment and Planning areas are:

- To continue the implementation of strategic planning objectives within the current financial constraints, with very limited funding availability for budgetary allocation to projects from recommended priority actions from strategies such as:
 - Lake Colac Management Plan
 - Stormwater Management Plan
 - Coastal Community Revitalisation Project
 - Preparation of Cities for Climate Protection Milestone 3; and the
- continued tightening of access to grant funds from external sources for local projects.



Source: Annual Constituent Satisfaction Survey

Our Performance – Community Outcomes

Business and Community Development

Objective

Colac Otway will facilitate industry and local community initiatives to promote sustainable employment, maintain accessible recreation facilities and promote social and economic opportunities for its residents and visitors.

Highlights 2003/2004

The highlights for the Business and Community Development area were:

- Completion of Economic Development and Tourism Strategy
- Continue implementation of Small Town Improvement Program in partnership with local community groups
- Continued low unemployment rates
- Completion of Tertiary Options Paper Stage 2

Disappointments 2003/2004

The disappointments for the Business and Community Development area were:

- Apollo Bay Harbour Expression of Interest was not called due to need for archaeological research
- Lack of housing and labour force within the municipality.

Challenges and Priorities 2004/2005

The challenges and priorities for the Business and Community Development area are:

- Develop and implement Business Events and Programs
- Continue implementation of Small Town Improvement Program in partnership with community groups
- Implementation the Tertiary Options Paper 2
- Implementation of Economic Development and Tourism Strategy
- Facilitate the marketing and promotion of the competitive strengths of the shire and region

Tourism

Highlights 2003/2004

The highlights for the Tourism area are:

- Completion of Economic Development and Tourism Strategy
- Retained Level 2 “Better Business” Accreditation at Great Ocean Road and Colac Visitor Information Centres. Increase in visitation numbers in the hinterland.
- Development of a Food and Wine trail which is featured in the ‘Surf Coast and Otway’s Visitor Guide’
- Produced Media Kits, which include a CD of local Tourism attractions and properties. As a result articles are regularly appearing in media.
- Production and launch of Colac Otway Shire Promotional DVD to assist in promoting our shire.
- Completed upgrade of Red Rock.

Disappointments 2003/2004

The disappointment for the Tourism area were:

- The upgrade of Otway’s website was not completed.
- Nature Based Tourism Strategy actions unable to be implemented due formation of Angahook – Otways National Park

Challenges 2003/2004

The challenges and priorities for the Tourism area are:

- Develop a strategy to assist in implementation of the Otway Tourism Business Plan
- To complete the upgrade of Colac and Great Ocean Road
- Improve signage within the shire to assist tourism operators and visitors.

Our Performance – Community Outcomes

Recreation

Highlights 2003/2004

The highlights for the Recreation area were:

- Sustainable Recreation Reserve Policy and Practices
- Development and implementation.
- Implementation and review of the Bluewater Fitness Centre Business Plan to encourage greater diversity of use.
- Development of a Colac Otway Shire Recreation Strategy 2004–2010.
- Development of an Indigenous Protocol
- Development of the Beechy Line Rail Trail between Colac and Beech Forest
- Development and implementation of the Colac Otway Festival and Events Policy
- Complete the Public Arts Policy
- Development of the Arts and Culture Strategy 2004–2010

Disappointments 2003/2004

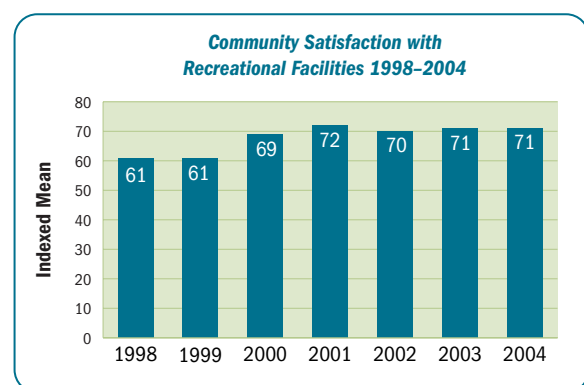
The disappointments for the Recreation area were:

- Delay of the Central Reserve Court Development and the Botanic Gardens Accessible Playground projects.
- Community understanding of the Sustainable Recreation Reserve Planning Study draft report.
- Recreation Needs Strategy not completed.

Challenges and Priorities 2003/2004

The challenges for the Recreation area are:

- Completion of outstanding projects specifically Central Reserve Courts and Botanic Gardens Accessible Playground.
- Sustainable Recreation reserves Planning Study.
- Tennis Facilities Audit final report.
- Recreation Needs Strategy.
- Improved operations and access to the Bluewater Fitness Centre.



Source: Annual Constituent Satisfaction Survey

Arts, Culture and Events

Highlights 2003/2004

The highlights for the Arts, Culture and Events area were:

- Continuing implementation of Beechy Line Rail trail
- Continued operation of the highly successful FREEZA Program
- Allocation of community grants under the Community Minor projects Fund
- Continued financial support of key Shire Festivals
- Successful implementation of the COPAC theatre movie sessions



Our Performance – Community Outcomes

Disappointments 2003/2004

The disappointment for the Arts, Culture and Events area were:

- The “Indigenous Protocol” was not developed

Challenges 2003/2004

The challenges for the Arts, Culture and Events areas are:

- The “Indigenous Protocol” was not developed
- The completion of the Beechy Line Rail trail
- Implementation of the recommendations of the Arts, Culture Strategy
- The development of a festivals and events strategy
- Undertake a Koori heritage study

Our Performance – Community Outcomes

Health and Community Services

Objective

Colac Otway will provide support, assistance and advice in the provision of health and community services to youth, aged, families and those with disabilities in partnership with the community and government agencies.

Aged and Disability Services

During the past 12 months this service achieved:

- A Home and Community Care, National Standard Accreditation of 17.8 ("High" Standard Accreditation) which is an excellent outcome for services provided.
- Increased access to rural services by 400% in the past 3 years.
- An increased of over 300% in the delivery of centre based meals from 2003/04. There is an established fortnightly service in Birregurra and at Kanyana in Colac.
- The "Age to Be" annual seniors' festival attracted and entertained some 650 people at COPACC. 1100 seniors participated over seniors week activities
- Twenty-two, Community Care Workers successfully gained Cert 1V in Community Care and Disabilities thereby enhancing their skills to work with clients.

Service Delivery Statistics for the Home and Community Care Program for 2002 to June 2004

Year	2000-2001	2001-2002	2002-2003	2003-2004
Home care	11031	15344	16038	16761
Personal care	4338	5384	8030	8989
Respite care	969	960	2203	1573
MOW delivered	23694	19594	19997	22981
MOW Centre Based	260	317	617	2148
Property Maintenance	1351	2273	1341	1582

Environmental Health

During the past 12 months this service achieved:

- Ongoing discussions with Barwon Water and the township community on the sewerage of Birregurra.
- Monitoring program developed for the 53 spas and 13 pools in the Shire.
- All food premises have at least one person trained in food handling and safety.
- Inspections of 1151 food premises were conducted.
- Ten food premises have undergone.
- Eleven major events and many other community functions providing food were assessed and received a high level of compliance.
- Council vaccinated 3510 students in the Meningococcal C vaccination program.

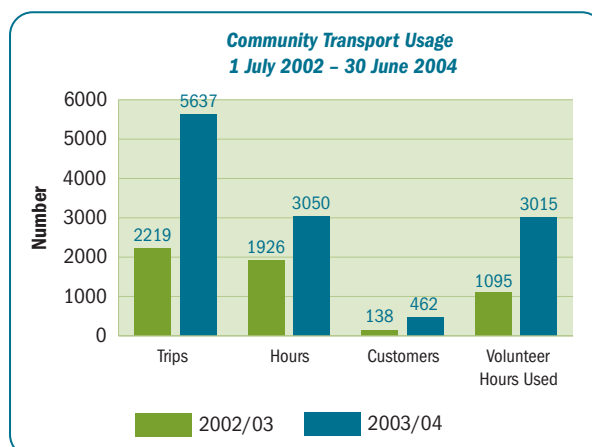
Community Transport

During the past 12 months this service achieved:

- The establishment of a new services which includes a 'Dial a Ride' between Colac and Apollo Bay, and Colac and Geelong, the Community Assisted Transport Service, Intercity Transport, and Brokered transports.
- Usage rates are 470 transports each month through the community transport scheme, which is a 300% increase on 2002/03.
- The introduction of a 'Walking School Bus' within Colac.
- The development of 'TravelSmart' within in the Shire.



Our Performance – Community Outcomes



Source: Annual Constituent Satisfaction Survey

Rural Access Program

During the past 12 months this service achieved:

- The DARE (Disability Access Radio Express) Project to provide weekly radio for people with disabilities has commenced with 15 participants having completed modules from the accredited Community Radio course.
- The Meeting Place (at Blue Water Fitness Centre) operates as a “drop in” activity model for people with a disability. 15–20 participants attend two nights per week.
- An introduction of the Companion Card to the Colac Otway community.
- The Community Access and Inclusion Plan 2004/07 is nearing completion after extensive community consultation; and a
- A regional tourism accessibility plan is being developed.

Family and Children Services

During the past 12 months this service achieved the:

- Successful completion of the national Family Day Care accreditation program.
- Completion of the Queen Street Maternal and Child Health redevelopment.
- Commencement of the Early Years Plan.
- Continuation of the Country Kids Oral Health Project with the Royal Children's Hospital.
- Commencement of evening fathers group in Maternal and Child Health.

General Community Services

During the past 12 months this service achieved the:

- Council has been actively involved with other agencies in the Be Active Eat Well Project, a Youth Strategy, a Drug and Alcohol Program, a Multiculturalism forum, the Neighbourhood Renewal program, Primary Care Partnerships, G21 Health and Wellbeing Pillar, Regional Health Planning, and an Employment and Learning Project.
- Council has been the instigator of the Municipal Health Planning Project, the Health, Wellbeing and Social Capital Indicators Project, the Good Practice Project and Wastewater Management.
- Investigation of the future needs of Colanda residents.

Our Performance – Community Outcomes



Source: Annual Constituent Satisfaction Survey

Disappointments

The disappointment for the Health and Community Services area were:

- The Municipal Public Health Plan and the Health, Wellbeing and Social Capital Indicators Project will continue into 2004/05 due to the changing regional and state requirements.
- Funding from Department of Human Services for the “Dirty Derek” program to continue was unsuccessful.
- Inability to yet secure funding for the sewerage of Birregurra.
- Wastewater Issues Papers for the next round of townships was deferred until the state government made announcements on the future funding for unsewered townships.
- Failure to have walking school buses in the majority of primary schools in Colac.
- Lack of CACP packages for the increased high needs complex client.

Challenges and Priorities 2004/2005

The challenges and Priorities for the Health and Community Service area are the:

- Preparation of the Municipal Public Health Plan and Wellbeing Indicators in partnership with a number of local and regional agencies.
- Develop an Early Years Action Plan.
- Develop a sustainability model for the local Primary Care Alliance and the regional Primary Care Partnership.
- Completion the Wastewater Issues Papers for Beeac, Forrest Gellibrand and Cressy.
- Work with the Birregurra community to finalise a sewerage option.
- Work with the coastal township and hinterland communities to identify the most appropriate option for wastewater disposal.
- Continue the Sustainability Action Plan for Council.
- Continuing involvement in the projects listed in the General Community Services section above.
- Finalise the Community Access and Inclusion Plan 2004/07.
- Work in partnership with DHS to improve access to the Blue Water Fitness Centre for people of all abilities and conduct a feasibility study on the need for hydrotherapy pool.
- Continue investigation into the future of Colanda.
- Attract sustainable recurrent funding for the Community Transport Service.
- Further support community transport options in the G21 region.
- The DARE radio shows will go live in November.
- Finalisation of the Regional Tourism Accessibility Plan.
- Maintaining and recruiting volunteers.
- Developing the Weight Resistance Program for elderly people in the rural sector.



Our Performance – Service Planning

Service Planning

Objective

Colac Otway Shire will provide responsive, quality services in accordance with Best Value principles ensuring community expectations are met.

Highlights 2003/2004

The following highlights were achieved within the Service Planning area:

- Council has completed the scheduled Best Value reviews for 10 service areas as detailed in the Best Value timetable. Completed reviews include:
 - Family Day Care Service
 - Maternal and Child Health Services
 - Aged and Disability Services
 - Environmental Health Services
 - Economic Development Management
 - Arts and Culture Services
 - Colac Otway Performing Arts and Cultural Centre Management
 - Recreation Management
 - Events Management
 - Apollo Bay Harbour Management
- Council has incorporated the Best Value program into the Business Planning Process. This ensures all services are reviewed every three years rather than the 5-year time frame prescribed in the Best Value legislation.
- Outcomes from Best Value reviews and the Customer Satisfaction Survey are included in departmental continuous improvement plans.

Disappointments 2003/2004

The following disappointment occurred within the Service Planning area:

- The Customer Satisfaction Survey resulted in a 3.1% decrease over previous year.

Challenges and Priorities 2004/2005

The challenges and priorities for the Service Planning area are:

- Continued achievement of our Best Value Program timetable and the implementation of associated continuous improvement plans for the services of Strategic and Statutory Planning, Environmental Management, Fire Prevention, Building Control, Governance and Executive Services, Organisation Development, Human Resources, Risk Management and Financial Services.

Best Value Review – June 2001 to 30 June 2004

	Number of Reviews Scheduled	Number of Reviews Completed
2001/02	5	5
2002/03	13	13
2003/04	10	10
2004/05	9	In progress
Total	37	28

Source: Council Records

Our Performance – Organisation Development

Organisation Development

Objective

Colac Otway Shire will develop an organisation learning culture that values the contribution of its employees and will continuously improve all aspects of organisation performance.

Highlights 2003/2004

- Annual Organisational Planning and Compliance Calendar developed and audited twice yearly.
- Business Measurement System developed to monitor progress on Council's strategic objectives.
- Bronze Award Winner for Colac Otway Shire's 2002/03 Annual Report in the 2004 Australasian Reporting Awards for satisfactory disclosure of key aspects of our business and outstanding disclosure in the area of Communications.
- "Super 11" Benchmarking project for Environmental Management commenced with project plan developed to undertaken process mapping of Planning Permit Referral process, Council Policy for Environmental Sustainability and customer surveys.
- Greater understanding by our Senior Management Team of the Business Excellence philosophy and framework incorporated into our Business Planning process.
- Employee Opinion Survey undertaken in December 2003 with 83% response rate. Action Plans developed and progress on improvements is being monitored.
- Colac Otway has developed a holistic approach to its continuous improvement program by establishing a framework to ensure input from a number of sources – Business Excellence, Best Value, Annual Surveys and Benchmarking.
- A centralised Operational Policy Register has been developed to ensure accessibility by all staff and a program for review.
- The Customer Service Performance Standards have been reviewed and aligned to the Shire's Performance Management system to ensure all staff are committed to quality, efficient and responsive customer service.

Disappointments 2004/2005

- All scheduled actions were complete

Challenges and Priorities 2004/2005

- Upgrade of the PULSE Business performance measurement system
- Support the review of organisational development
- Support the induction of new councillors
- Participate in the upgrade of the intranet



Our Performance – Financial

Financial

Objective

Colac Otway Shire will be guided by a strategic financial framework that will ensure long term viability to optimise the use of available funds to meet the service expectations of its residents and customers.

Highlights 2003/04

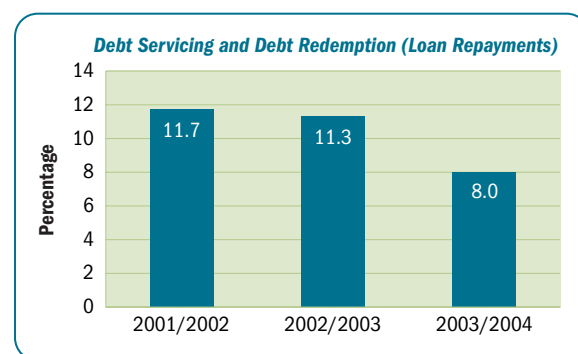
- Reduction in operating deficit from \$7.4m to \$1.5m
- Reduction in total loan liability from \$5.5m to \$4.9m
- Improvement in working capital position from 1.55:1 to 2.01:1
- Adoption of Council Budget, Council Plan and Annual Report by Council by statutory deadlines
- Achievement of 97% collection of rates and charges
- Conduct of 4 internal audits (COPACC, Bluewater Fitness Centre, Asset Management and Contract Management)
- Approximately \$150,000 earned in interest on investments
- Review of 2004/05 to 2007/08 Strategic Resource Plan

Dissappointments 2004/05

- All scheduled actions were complete

Challenges and Priorities 2004/05

- Conduct further internal audits
- Continue to narrow infrastructure renewal gap
- Update Strategic Resource Allocation Plan
- Continued operation of Audit Committee
- Implementation of International Accounting Standards
- Further development of Council's Risk Management activities
- Conduct revaluation of roads, streets and bridges



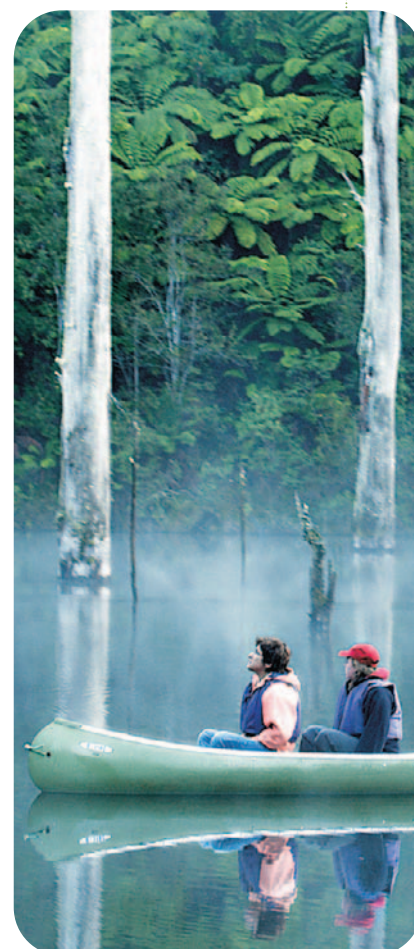
Source: Audited Financial Statements

Colac Otway Shire adopted its Best Value Business Statement and five-year program of service reviews in June 2001. Council has incorporated the legislated Best Value philosophy and principles into our Council and Business Planning process. 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. We will benchmark our services against our competitors and high performing organisations. Our program will be regularly reviewed to ensure that we continue to deliver services that are needed, accessible, and responsive and cost effective to our community.

Status Report on the Best Value Policy and Program

Service reviews that have been undertaken or are proposed to be undertaken by Council are listed below:

Service	Review Program	Status
Customer Services	July 2001 – June 2002	Completed
BlueWater Fitness Centre	July 2001 – June 2002	Completed
Tourism & Visitor Information Centres	July 2001 – June 2002	Completed
Local Laws	July 2001 – June 2002	Completed
Property & Rating	July 2001 – June 2002	Completed
Information Services	July 2002 – June 2003	Completed
– Information Technology		
– Document Management Services		
– Community Information		
Infrastructure	July 2002 – June 2003	Completed
– Asset Management		
– Contract Management		
– Waste Management		
Cosworks Business Unit	July 2002 – June 2003	Completed
– Road Construction		
– Road Maintenance		
– Plant & Equipment Maintenance		
– Bridge Maintenance		
– Parks & Gardens Maintenance		
Colac Livestock Selling Centre	July 2002 – June 2003	Completed
Business & Community Development	July 2003 – June 2004	Completed
– Economic Development		
– Arts & Culture		
– COPACC		
– Events		
– Recreation		
Health & Community Services	July 2003 – June 2004	Completed
– Family Day Care		
– Maternal & Child Health Services		
– Aged & Disability Services		
– Environmental Health		
Apollo Bay Harbour Management	July 2003 – June 2004	Completed
Planning & Environment	July 2004 – June 2005	To be undertaken 2004/05
– Environmental Services		
– Fire Prevention		
– Strategic & Statutory Planning		
– Building Control		
Corporate Services	July 2004 – June 2005	To be undertaken 2004/05
– Executive Services		
– Corporate Services		
– Organisation Development		
– Human Resources		
– Financial Services		
– Risk Management		



Features of the Best Value Program

Colac Otway Shire has adopted a progressive and balanced approach to Best Value incorporating the key principles of both the Business Planning Process and Best Value. The Shires complete approach ensures that all of the following areas are addressed and contained in the final report:

- Executive Summary
- Vision and Mission Statements
- Service Profile
- Consultation – Best Value Principle 208B(e)
- Benchmarking
- Accessibility – Best Value 208B(c)
- Responsiveness – Best Value 208B(b)
- S.W.O.T. Analysis
- Competitive Neutrality
- Quality and Cost Standards – Best Value Principle 208B(a)
- Continuous Improvement – Best Value Principle 208B(d)
- 3 year Continuous Improvement Action Plan
- Resource Plan
- Reporting – Best Value Principle 208B(f)
- Financial Strategy

Actions and key performance indicators for each service are monitored through Council's "Pulse" Business Measurement System.

Resources and Time Involved

The combining of our Business Planning and Best Value programs together strengthened both processes. It has ensured that the need for additional resources has been reduced however there is an increased time demand involved with benchmarking and community consultation depending on the type of consultation suited to individual services and relevant user groups. The following details Colac Otway Shires approach to these two areas:

Community Consultation

Colac Otway Shire recognises the importance of good community consultation not only as a principle associated with Best Value but also as a valuable source of information. The Shire has developed a program of community consultation including focus groups, community forums, annual government and specific surveys, and informal feedback through our Colac Otway Request System.

The focus groups and forums have taken place at various locations throughout the municipality with the involvement of Council officers, community representatives, service providers, industry experts and Councillors. The forums have proved a valuable source of information in continually improving quality service and value for money.

Benchmarking

Colac Otway Shire continues to support the "Super 11" Benchmarking Group. This consists of 15 rural councils and works together to provide valuable comparison information between the councils involved. Benchmarking can at times be difficult as a result of not being able to compare like services. The "Super 11" group tries to bridge this gap.

Benefits

By applying the previously mentioned approach, the Shire is able to align strategy closer to the community requirements. The process also provides a detailed three-year continuous improvement plan that can be tracked, measured and reported on with relative ease. Also, the alignment of our Business Planning and Best Value programs provides the ability for the Shire to implement a fully integrated budgeting approach.

There are both visible and hidden costs associated with this process and the Shire will always, where possible, identify these costs and budget accordingly.

Further Information

Further information about Best Value at Colac Otway Shire can be obtained by contacting the Organisation Support Coordinator on 5232 9400.

Service	Report Details			
Aged & Disability Services	Aged & Disability Services provides: <ul style="list-style-type: none"> • support and services for the aged, disabled and their carers; • transport for Home and Community Care clients; • advocacy for disabled through Rural Access programs; • access for isolated rural service users to Home and Community Care services. 			
Outcomes of the Service Review principles	Standard & performance indicators	Targets	Actual Performance & Trends	Comment
(a) Quality and Cost Standards 208B(a)	Quality Standards			
	Home Care			
	DHS	9,187		
	Colac Otway Shire	4,313		
	Total	(13,500)	-1,275	Monthly graph indicates a slight reduction in predicted demand for home care services
	Personal Care			
	DHS	4,146		
	Colac Otway Shire	1,350	-296	Monthly graph indicates a continual demand for personal care services
	Total	(5,496)		
	Respite Care			
	DHS	455		
	Colac Otway Shire	541	-156	Monthly graph indicates a continual demand for personal care services
	Total	(996)		
	Meals On Wheels delivered (including Centre based meals)	26,007 (26,007)	0	Increased demand in both delivered and centre based meals
	Property Maintenance			
	DHS	780		
	Colac Otway Shire	720	-50	Peaks through summer and autumn months, decrease over winter period
	Total	(1,500)		
	Standard & performance indicators	2002/2003 Cost/hour to provide	2003/2004 Cost/hour to provide	Comment
	Cost Standards			
	Home Care	\$31.60	\$29.17	Decrease due to economies of scale
	Personal Care	\$23.85	\$20.65	Decrease due to economies of scale
	Respite Care	\$40.02	\$38.67	Decrease due to economies of scale
	Meals On Wheels delivered (including Centre based meals)	\$7.54*	\$8.38*	Increase of cost to purchase meals
	* Cost per Meal			
	Property Maintenance	\$50.34	\$75.10	Increase due to more complex services.
Factors:				
Best on offer 208C(a)	Council's Aged & Disability Services Unit provide operational services for 10 independent agencies as well as Home & Community Care (HACC) Services. Service pricing and appropriate levels of staffing ensure that a professional and constant service is provided, without a waiting list. The score achieved by this Service in the 2003/04 HACC National Standards assessment indicated a very high level of achievement.			
Value for money 208C(b)	The economy of scale achieved by this Unit's diversity and level of service provision has seen a reduction in the Net Cost as a Percentage of Gross Expenditure to Council in 2003/04 of 15% down to 10%.			
Community expectations and values 208C(c)	The Local Government Community Satisfaction Survey for 2003/04 saw a stable 75% satisfaction rate for this service. This verifies the high level of achievement attained in the HACC National Standards Assessment.			
Affordability and accessibility 208C(d)	Services are provided to clients at a fee rate, which balances out comparatively to those prescribed in the HACC Fee policy guidelines. The most used service, Meals on Wheels, is provided at a fee below the Guideline level. Those clients that are unable to pay for a service due to short-term financial difficulties will continue to receive the service on a negotiated rate. There is currently no waiting list for HACC services due to the level of trained staff and the economies of scale derived from extensive service provision.			
Local employment 208C(e)	All staff employed in the service reside within the shire. This benefits the placement of Community Carers with clients living in their own district or township.			

continues

Best Value Report

Aged & Disability Services (Cont.)

(b) Responsive to Community Needs 208B(b)	<p>The Aged & Disability Services Unit responds to all general enquires or complaints within a 24- hour time frame though most are dealt with immediately. Debtor investigation response is also within a 24- hour time frame. Assessments for services are as follows:</p> <p>General Care: 48 hours response time Personal Care 24 hours response time Respite Care 24 hours response time Meals on Wheels 48 hours response time Property Maintenance 48 hour's response time.</p> <p>Any Urgent requirements for services are responded to within a working day.</p> <p>Service commencement may vary as both the A&DS unit and the Service User need to be in agreement for times, duration of service and days required. General Care, Meals on Wheels and Property Maintenance generally commence 48 hours after an assessment. Personal Care and Respite Care would commence within a 24-hour time frame. All pager queries are responded to within 1 hour if a reply is required.</p> <p>Monitoring of complaints and compliments are via feedback sheets from Community Care Workers, Volunteers, Case Managers, Colac Area health (two-way communication including catering), correspondence from customers and other significant persons. CORS, e-mails, Senior Management Team and internal reviews are also a monitoring tool.</p>
(c) Accessible 208B(c)	<p>The management and administration for all Home & Community Care Services (HACC) is conducted from 6 Murray Street with a customer service focus. Customers and service users have access to information of their rights, advocacy, request for services, privacy information transfer, complaints, assessment and reassessment of services, case and care planning, appeals and other general advice.</p> <p>All customers who are aged, have a disability, special needs group or have short/ long term medical needs will be assessed in their homes and will need to be eligible under HACC National Principles for Assessment Practice. If a customer is eligible, services that may be assessed for support are:</p> <ul style="list-style-type: none"> • General home Care • Personal Care • Respite Care • Respite overnight • Meals on Wheels • Centre Based Meals • Property Maintenance • Community Transport <p>Community Transport is available for eligible clients through a number of different schemes. These schemes require 3 working days notice to arrange for transport.</p> <p>The "Meeting Place" operates on Wednesdays and Thursdays and caters for up to 40 people each week.</p>
(d) Continuous Improvement 208B(d)	<p>Issues that need to be followed up include:</p> <ul style="list-style-type: none"> • Re-orientation of disability support through further funding to cater for the growth in service users, skills development, resources, community links and partnerships and increased participation of Colanda residents. • Development of stronger foundations for disability support by increasing volunteer base. • Promote and protect people rights. • Strengthen local community access and inclusion.
(e) Consultation 208B(e)	<p>As a result of consultation with our customers and stakeholders, the following initiatives have been incorporated into the 3-year continuous Improvement Action Plan:</p> <ul style="list-style-type: none"> • Maintain and improve the 24 hours "on-call" service for clients • Continue with upgraded enhancements systems of the Xpedite program • Maintain a commitment to Barwon Primary Care Partnership Project • Continue the commitment to the Service Coordination committee • Update annually the Cultural Planning Tool • Survey clients with the HACC National Standards Instrument annually • Planning and review of Aged & Disability Services and programs six monthly • Continue to involve customers in the A&DS newsletter and Senior's festival week
(f) Reporting 208B(f)	<p>Outcomes of key actions will be reported to the organisation, community and stakeholders as follows:</p> <ul style="list-style-type: none"> • Community & Stakeholders – Annual Report, Newsletters, Website. • Organisation – Quarterly Business Measurement reports, Intranet. • Council – Summary report of service reviews (OD Co-Ordinator)

Service	Report Details			
Apollo Bay Harbour Management	Management of the Apollo Bay Harbour includes: <ul style="list-style-type: none"> Maintenance and minor upgrades to provide a safe facility Investigating and implementing long term development and improvement opportunities 			
Outcomes of the Service Review principles	Standard & performance indicators	Targets	Actual Performance & Trends	Comment
(a) Quality and Cost Standards 208B(a)	Provision of navigational lights	98% performance	100% performance	Set by Marine Safety Victoria
	Compliance with Port of Apollo Bay Management Agreement.	Incident, half-yearly and annual reports submitted on time.	100%	
	Full cost recovery for management of facility.	2002/03 Net - \$44,000	2003/04 Net - \$44,000	Expenditure for management of harbour is contained within budget allocated by DSE.
Factors:				
Best on offer 208C(a)	Performance is defined in a management agreement with DSE. Authority is delegated under the Marine Act and management requirements are outlined in the Port Services Act. Council is pro active with safety and useability requirements and undertakes regular assessments on the structural condition of the harbour infrastructure. Over the previous few year approximately \$4,000,000 funding has been received through Council's investigations and subsequent funding applications. This initiative has been commended by DSE.			
Value for money 208C(b)	All costs for the management of the harbour are funded by DSE.			
Community expectations and values 208C(c)	User group meetings are conducted on a quarterly basis with all major users invited to attend.			
Affordability and accessibility 208C(d)	Fees to berth at the Apollo Bay harbour are generally lower than the industry standard. Benchmarking is being conducted to prior to a review of the fees in October 2004.			
Local employment 208C(e)	All 4 employees at the harbour are local to the district.			
Partnership 208C(f)	Council works in partnership with DSE and the local user group.			
Environmental Impact 208C(g)	An Apollo Bay Harbour Safety and Environment Plan is to be prepared in 2004/05.			
(b) Responsive to Community Needs 208B(b)	<ul style="list-style-type: none"> Current and future service needs of users are identified through quarterly consultation with the Consultative Group. Current user needs are considered adequate within the resources available. The Port provides a 7 days a week, 24 hours a day contact through both a Port Officer and the Cosworks Duty Officer to respond to Port requirements and after hour's emergencies via a paging system. All services delivered by the Port are subject to the normal response times with the Colac Otway Request System (CORS). Monitoring of the service is undertaken through the SafetyMAP process, daily inspections of lit navigational aids, daily dredging of the access channel to ensure it is kept navigable. Reports are submitted to Dept. Sustainability & Environment on a monthly basis and include any reportable incidents. Half-yearly reports on the performance of navigational aids and an Annual Report on depth of channel are submitted to Marine Safety Victoria. Annual Report is submitted to Dept. Sustainability & Environment and is due on 15 August each year however this will change when we sign a new management agreement next year. 			
(c) Accessible 208B(c)	<ul style="list-style-type: none"> Apollo Bay Harbour is located at the southern end of the township and is open 24 hours per day. The Team Leader is available for contact 24 hours a day by mobile phone. Information boards are located at the port area to ensure all users have easy access to information and advice. Information about the facility for commercial vessels is contained in the "Sailing Directions" publication, which all commercial users carry. Colac Otway Shire also provides a brochure to advise all users of the facility of the services available, navigational aids and contacts numbers for advice and information. 			
(d) Continuous Improvement 208B(d)	<p>Review of the fees and charges for berths/moorings and other associated activities will ensure charges provide a more equitable return to the Port operations. This review will also provide the opportunity for benchmarking fees across all of the 13 Associated Local Ports and at the same time provide the opportunity to explore any new fee classification.</p> <p>The implementation of the Port Safety and Environment Plan will provide Council with the guidelines to ensure for better management of the Port.</p> <p>Review of the Risk Management, as an ongoing task will provide for the continuous improvement and identification of the risks and consequences in all areas of management of the Port.</p>			

continues

Best Value Report

Apollo Bay Harbour Management (Cont.)

(e) Consultation 208B(e)	<p>Users of the Apollo Bay Harbour were invited to participate in a consultation forum in May 2004. The forum included representatives from Apollo Bay Sailing Club, Apollo Bay Fisherman's Co-Operative, and Apollo Bay Ocean Rescue. Feedback on accessibility, responsiveness and cost and quality were considered and included in the development of this Business Plan.</p> <p>A Port of Apollo Bay Consultation Group has been formed with the users of the harbour and Colac Otway Shire officers. The group will meet four times per year and feedback will be considered as part of Council's annual planning process.</p>
(f) Reporting 208B(f)	<p>Outcomes of key actions listed in this document will be reported to the organisation, community and stakeholders as follows:</p> <ul style="list-style-type: none">• Community & Stakeholders – Annual Report, Media, Website.• Organisation – Quarterly Business Measurement reports, Intranet.• Council – Summary report of service reviews (Organisation Development Co-Ordinator)

Service	Report Details			
Arts & Culture Services	Arts & Culture Services includes: <ul style="list-style-type: none"> • Development and implementation of an Arts and Cultural Strategy • Facilitation and development of arts and cultural projects, activities and events • Development of an Indigenous Cultural Protocol • Continue development of the Old Beechy Line Rail Trail in accordance with the Concept Plan 			
Outcomes of the Service Review principles	Standard & performance indicators	Targets	Actual Performance & Trends	Comment
(a) Quality and Cost Standards 208B(a)	The percentage of Business Plan objectives completed.	100%	90%	10% incomplete due to the inclusion of a number of additional activities.
	Net cost of Arts & Culture per Shire population 2003/04	\$7.03	\$6.33	A decrease on estimated budget.
Factors:				
Best on offer 208C(a)	Arts and Culture Services align closely with COPACC, Events and Recreation Services. This allows for a holistic approach to introducing and developing Arts and Culture through a variety of means. Art and cultural initiatives are developed in consultation with the community, especially interest groups and other community service providers.			
Value for money 208C(b)	Throughout arts and culture initiatives there are many free events and opportunities. Prices for COPACC performances have been pegged to 2002/03 rates.			
Community expectations and values 208C(c)	Art and culture groups within the Shire expect an ongoing collaboration and partnership in the provision of this service. There is always a challenge to introduce these services to members of the community who may not have viewed or been involved with them in the past. It is expected that quality shows, performances and exhibitions are held on a regular basis at a reasonable price for the whole community.			
Affordability and accessibility 208C(d)	Prices have been pegged to 2002/03 costs. Many of the events within Colac are free and there have been a number of projects that provide an ongoing legacy for the arts and culture (sculptures, Beechy Line Trail, Koori strategy)			
Local employment 208C(e)	Arts and culture supports local groups and uses local themes and products when available.			
Partnership 208C(f)	Partnerships have been created with community groups, other agencies, youth networks, Koori representatives and State Government departments.			
(b) Responsive to Community Needs 208B(b)	The Arts and Culture unit adheres to the customer service standards, which have been set for the organisation i.e. Telephone answered within three rings, messages, and requests for advice is responded to as promptly and efficiently as possible. Concerns and complaints are also dealt with as quickly as possible and methods reviewed if improvement is required. Flexibility in providing after hour's contact is critical.			
(c) Accessible 208B(c)	Accessibility and inclusion underpin the philosophy of the Arts and Culture Unit. Arts and cultural activities, which take place in Colac Otway, are generally made available to as many members of the community as possible. When planning projects or programs consideration is given to the following areas in ensuring accessibility: <ul style="list-style-type: none"> • physical access: takes into account different disabilities and barriers that could be experienced • transport • affordability • geographic: access for residents from across the shire • support: how to encourage those of different abilities to access new or challenging experiences and methods to overcome potential barriers The Arts and Culture unit leases with Customer Service located in the Rae Street Colac and Nelson St Apollo Bay centres to ensure that information is available to the public at all times. A higher level of information dissemination was one issue raised as part of the SWOT analysis and has been responded to in the Business plan.			
(d) Continuous Improvement 208B(d)	As a result of the process of consultation undertaken as part of Best Value, an annual review of the yet to be developed Arts and Culture Strategy will take place in workshop forums with local community representatives. This will also provide a mechanism to ensure continuous improvement is practised as it will provide a forum for review and discussion of service levels and issues. An annual SWAT analysis may occur as part of this process. The Business Plan has been developed utilising feedback and comments from the Best Value process.			

continues

Best Value Report

Arts & Culture Services (Cont.)

(e) Consultation 208B(e)	<p>As part of the Best Value consultation process a series of four workshops were held in Colac and Apollo Bay. The SWOT analysis and Service Profiles were developed and thoroughly reviewed as part of this process. A range of possible structures and processes were also presented for the development of the Arts and Culture Strategy as part of the workshops.</p> <p>A series of telephone surveys were conducted with members of the community who did not take part in the forums. Information, suggestions and comments from both processes have contributed to the development of the Business Plan and will further assist in the development of the Arts and Culture Strategy.</p> <p>It was also presented and agreed that the participants in the forums would undertake to review the Arts and Culture Strategy on an annual basis.</p> <p>The current Vision and Mission statements will be reviewed as part of the development of the Arts and Culture Unit.</p>
(f) Reporting 208B(f)	<p>Outcomes of key actions listed in this Plan will be reported to the organisation, community and stakeholders as follows:</p> <ul style="list-style-type: none"> • Community & Stakeholders – Annual Report, Media, Website. • Organisation – Quarterly Business Measurement reports, Intranet. • Council – Annual summary report of Best Value service reviews.

Service	Report Details			
Colac Otway Performing Arts & Cultural Centre Management (COPACC)	Management of the COPACC includes: <ul style="list-style-type: none"> • Development and implementation of the COPACC Business Plan • Development and review of the Fundraising/Sponsorship strategy to support the COPACC Trust • Facilitation and development of funding applications for COPACC programs and events • Development of a culturally diverse live theatre program and exhibition program • Development of an equipment, capital works and maintenance program • Completion of the COPACC upgrade as funded by the State Government 			
Outcomes of the Service Review principles	Standard & performance indicators	Targets	Actual Performance & Trends	Comment
(a) Quality and Cost Standards 208B(a)	The percentage of Business Plan objectives completed.	100%	90%	10% incomplete due to the lack of staff for 6 months.
	Net cost of COPACC per Shire population 2003/04	\$6.24	\$5.65	
Factors:				
Best on offer 208C(a)	COPACC, in comparison to other similar size centres, has an extremely high level of support and commendation from performers, guests and visitors. The vision to have a cinema and performing arts centre under the same roof has allowed non-theatre goers the opportunity to see a theatre whilst attending the cinema. Thereby, breaking down some initial barriers that may exist.			
Value for money 208C(b)	Ticket prices for 2002/03 have remained unchanged whilst the net cost to Council has reduced due to the increase in attendances.			
Community expectations and values 208C(c)	Season tickets have nearly double due to the quality-handpicked arts that perform at the Centre. The community support to sponsor COPACC and its performances together with the glowing media coverage demonstrates that community expectations are being met.			
Affordability and accessibility 208C(d)	Ticket prices for 2002/03 have remained unchanged. COPACC is patronised by many people from the region, not just Colac who are prepared to travel for quality performances. The Companion Card and an annex designated for people of all abilities demonstrate a commitment to access and inclusion for all people.			
Local employment 208C(e)	All staff employed in the Centre is from the region. Local trades and supplies are used when appropriate.			
Partnership 208C(f)	Reading Cinemas, local businesses, and the media work with Council in ensuring the ongoing success of COPACC.			
(b) Responsive to Community Needs 208B(b)	COPACC adheres to the customer service standards that have been set for the organisation i.e. Telephone answered within three rings, messages and requests for advice are responded to as promptly and efficiently as possible. Concerns and complaints are also dealt with as quickly as possible and methods reviewed if improvement is required. Flexibility in providing after hour's contact is critical.			
(c) Accessible 208B(c)	Excellent accessibility at COPACC is regarded as a pivotal aspect to the successful and fair operation of the centre. The three major factors that compliment accessibility at COPACC are: <ul style="list-style-type: none"> • The physical amenities and fixtures of the building designed to make it accessible to all members of the community. These features include an audio loop, wheelchair access and the continued improvement and installation of handrails. • Promotion and acceptance of the Victorian Companion Card initiative, a scheme that enables the Companion or Carer of a disabled person to accompany that person to an event free of charge. • The Colac Otway Community Transport Service. This service will provide free transport to people who are frail aged, people with a disability and carers, living in the Colac Otway Shire. 			
(d) Continuous Improvement 208B(d)	As a result of the process of consultation undertaken as part of Best Value, a COPACC service improvement workshop will take place through the consultation with in-house departments, stakeholders and individuals or organisations that have relationships or partnerships with COPACC. This will also provide a mechanism to ensure continuous improvement is practised as it will provide the basis for review and discussion of service levels and issues. An annual SWOT analysis may occur as part of this process. The Business Plan has been developed utilising feedback and comments from the Best Value process.			
(e) Consultation 208B(e)	As part of the Best Value consultation process a SWOT analysis workshop was held. Key shire departments were represented at this workshop including Tourism, Events, Recreation, Community Development and Arts and Culture. There were also two representatives of COPACC clients involved in the workshop. You can find the outcomes of the SWOT analysis in section 10 of this document. A telephone survey was conducted with a cross section of the general community including COAPCC clients and patrons. The survey concentrated on levels of customer satisfaction and the results will be used to improve the over all service provided at COPACC. Information, suggestions and comments from both processes have contributed to the development of the Business Plan.			
(f) Reporting 208B(f)	Outcomes of key actions listed in this Plan will be reported to the organisation, community and stakeholders as follows: <ul style="list-style-type: none"> • Community & Stakeholders – Annual Report, Media, Website. • Organisation – Quarterly Business Measurement reports, Intranet. • Council – Annual summary report of Best Value service reviews. 			

Best Value Report

Service	Report Details			
Economic Development Management	Economic Development management includes: <ul style="list-style-type: none"> Facilitate, participate in and implement Business Studies and Strategic Plans Develop and implement business events and programs Continue implementation of Small Town Improvement Program Support growing businesses, new businesses and business associations/groups 			
Outcomes of the Service Review principles	Standard & performance indicators	Targets	Actual Performance & Trends	Comment
(a) Quality and Cost Standards 208B(a)	Survey of 22 business on quality of services.	90% good or better rating	94%	
	Annual CSS Index	1998 = 47%; 2002 = 66% 1999 = 51%; 2003 = 64% 2000 = 59%; 2004 = 64% 2001 = 59%	2005 = 66% (council plan target)	Measured by Annual Customer Satisfaction Survey
	% of annual BP objectives completed	2003 = NA	2004 = 100%	Measured by Pulse System
	Cost of administration of Economic Development per Shire population (net cost by pop)	2002/2003 = \$13.20 (based on pop of 21,204) 2003/2004 = \$12.38 (based on pop of 21,284)	2004/2005 = \$13.18 (based on pop of 21,362 & budget of \$281,525)	Information provided in Budget
Factors:				
Best on offer 208C(a)	Ongoing development of strategies, studies, independent external consultation, community engagement, business support and local training demonstrate Council's high level of economic advancements within the Shire.			
Value for money 208C(b)	There is no direct service cost to the community as it is solely derived from revenue. The benefits of potential creation of business opportunities and local employment over a strategic forecasted planning period of up to 5 years provides for continuing economic development within the Shire.			
Community expectations and values 208C(c)	The Business Sector expectation is that Council understands the opportunities and the impediments to economic development. There is an expectation that Council should: <ul style="list-style-type: none"> advocate for better infrastructure to attract new businesses; and market the competitive advantages of the Shire to attract new businesses. 			
Affordability and accessibility 208C(d)	Over 94% of surveyed businesses indicated that Council's Economic Development Unit good or better in their service provision.			
Local employment 208C(e)	Local employment opportunities are enhanced by this Unit: <ul style="list-style-type: none"> assisting with new business development; obtaining grants for specific sector, local existing businesses; participating in training and skills development programs (LLEN) developing a Skilled Migrant Strategy 			
Partnership 208C(f)	Partnerships have been development with State and federal Government, regional Local Governments, Chambers of Commerce, G21, LLEN and other programs.			
Environmental Impact 208C(g)	Encouragement of economic growth in an environmentally sustainable manner for business sectors already recognised within the region.			
(b) Responsive to Community Needs 208B(b)	Survey results indicate a high level of satisfaction with the accessibility of the economic development unit staff with 21 of the 22 respondents indicating a satisfaction level of good, very good or excellent. One respondent was not able to make a comment. This represents an excellent level of responsiveness of the unit to inquiries made by business operators within the Shire.			
(c) Accessible 208B(c)	Survey results indicate a high level of satisfaction with the accessibility of the economic development unit staff with 21 of the 22 respondents indicating a satisfaction level of good, very good or excellent			
(d) Continuous Improvement 208B(d)	Survey respondents identified the following continuous improvement activities. <ul style="list-style-type: none"> Further focus on stakeholders engagement and productive links with other Council Business Units Continue to improve links and contact with existing businesses and understand their specific issues/areas where they require assistance. Increase publicity of the services offered. A number of small and emerging businesses appear unaware of the services offered by Council. Council to ensure appropriate budget for economic development activities. Improved publishing of outcomes and results and provision of feedback to the business community. 			

continues

Economic Development Management (Cont.)

(e) Consultation 208B(e)	<p><i>Economic Development and Tourism Strategy Consultation</i></p> <p>Consultation underpins successful service delivery in the Economic Development and Tourism areas. This will be achieved through formal and informal arrangements. Economic development structures are being reviewed, which will underpin formal consultation and engagement. During the plan period the consultation program will need to be flexible to take account of projects and initiatives that are being pursued. In broad terms consultation will involve:</p> <p><i>Community</i></p> <ul style="list-style-type: none"> • Regular meetings with Economic Development Advisory Committee (or such other groups as may be put in place through the review of economic development structures) and Otway Tourism Inc. • Community forums and workshops on specific economic development tourism issues • Individual meetings with people approaching the Unit in relation to the functional areas of activity of the Unit <p><i>Government</i></p> <ul style="list-style-type: none"> • Regular meetings with the Geelong Regional Office of the Department of Industry Innovation and Regional Development • Contact on an as needs basis with other Government Departments and groups (Federal and State) <p><i>Regional</i></p> <ul style="list-style-type: none"> • Meetings with the South West Economic Development Practitioners, G21 Geelong Region Alliance, the Greater Green Triangle ACC and Geelong ACC and South West Local Learning and Employment Network
(f) Reporting 208B(f)	<p>Outcomes of key actions listed in this Plan will be reported to the organisation, community and stakeholders as follows:</p> <ul style="list-style-type: none"> • Community & Stakeholders – Annual Report, Media, Website. • Organisation – Quarterly Business Measurement reports, Intranet. • Council – Annual summary report of Best Value service reviews.

Best Value Report

Service	Report Details			
Environmental Health Services	Environmental Health Services includes: <ul style="list-style-type: none"> • Public Health inspection, auditing, complaints, investigation, administration • Provision of safe food practice programs • Immunisation programs and communicable disease control • Ensure waste water management systems are installed and properly maintained • Public Health education/promotion • Tobacco Act inspection/administration • Recovery and emergency response • Strategic planning in health & community services 			
Outcomes of the Service Review principles	Standard & performance indicators	Targets	Actual Performance & Trends	Comment
(a) Quality and Cost Standards 208B(a)	Provide 28 immunisation sessions	28	28	Nil
	Inspect food premises twice per year	964	1151	Exceeded
	Inspect all new septic systems 3 times	294	307	Exceeded
	Comply with Tobacco Act inspections.	72	103	Exceeded
	Cost of each immunisation session	\$1747	\$1747	Nil
	Costs for each food premises inspection	\$65	\$54	Decrease due to extra inspections
	General administration & enforcement costs	\$47,540	\$44,040	Saving due to non-recurrent funding for Tobacco Act work.
Factors:				
Best on offer 208C(a)	This Service continues to exceed the recognised level of standards provided by local government. There is a goal to constantly improve the quality of life, environment and health through a number of strategies and programs that have been introduced as trials in Colac Otway.			
Value for money 208C(b)	Services provided by this unit are considered at an industry average. This includes fees and charges. Many of the strategic and planning tasks are subsidised by external funding.			
Community expectations and values 208C(c)	Food safety, immunisation, safe wastewater disposal and planning for the future health needs are all rated as a high need by the community. Where these issues are seen to be threatened there is immediate response in the local media.			
Affordability and accessibility 208C(d)	Free Immunisation Services are provided at centres where the community can easily access and in comfort at regular intervals. Officers provide on-site inspections for registered premises and wastewater systems. Community consultation is provided where the target audience is located. This involves meetings in Melbourne where absentee property owners can discuss issues pertinent their properties in Colac Otway Shire.			
Local employment 208C(e)	Accredited staff employed in this service is employed from throughout western Victoria due to the lack of qualified people within the Shire.			
Partnership 208C(f)	Partnerships have been developed with other agencies including Colac Area Health, Neighbourhood Renewal, Otway Health & Community Services, Primary Care Partnerships and various networks.			
Environmental Impact 208C(g)	Much of the statutory work undertaken by this unit is to protect and maintain the natural and built environment. Issues such as noise, water, land; air and odour pollutants are investigated and resolved.			
(b) Responsive to Community Needs 208B(b)	All enquires received after hours are forwarded to the customer services pager and actioned on the next working day unless they are of an emergency type nature wherein the public health emergency plan can be activated if deemed necessary.			
(c) Accessible 208B(c)	The health office is usually manned by the Environmental Health Co-ordinator and supporting executive officer 5 days per week. The infant immunisation service is conducted twice per month with a morning and afternoon session to provide maximum exposure to parents and guardians. School aged children are vaccinated at the schools by a mobile immunisation team and missed children can attend the infant sessions if necessary.			
(d) Continuous Improvement 208B(d)	The continuous improvement program will include the following actions. <ul style="list-style-type: none"> • A detailed list of council immunisation services to be included in the information provided to new parents at the first visit by the maternal and child health nurse. • Electronic projection of immunisation information onto a screen that will allow the easy reading of information material at immunisation sessions and provide some entertainment for small children. • An educational program for proprietors of fetes and market like events that will allow them to take responsibility for the safe food planning of the event. This should free up manpower resources and reduce the amount of food safety work conducted outside of work hours. • Greater use of digital photography to register location, installation and design of septic tanks. 			

continues

Environmental Health Services (Cont.)

(e) Consultation 208B(e)	<p>Strategic planning in the environmental health unit covers a number of health and community services, which are documented in the Council Plan 2004 – 2008. All of these issues require substantial community consultation. A brief outline of the consultation is provided below.</p> <p><i>Wastewater Management in unsewered areas within the Shire</i></p> <ul style="list-style-type: none"> Issue Papers have been developed on a township by township basis. Each property owner has had the opportunity to hear presentations of the issues and have input into the decision making before any recommendations are made. Following consultation a survey is taken of all the property owners to determine their preference and support of the proposed wastewater concept. This process will continue for other townships over the next 3 years. <p><i>Development of an Access and Inclusion Plan</i></p> <ul style="list-style-type: none"> A number of working group meetings has been held to identify the issues of access and inclusion. There have also been individual consultations with identified community members who have a special interest in these issues. Following the development of a draft Plan further group meetings will be held. Once agreement has been reached the Plan will be presented to Council for public exhibition. This will take place over a 6-week period. The Plan will be submitted including adopted changes, to Council for endorsement following the exhibition period. <p><i>Working with other agencies on social issues such as employment and learning, childhood obesity, youth health, multiculturalism, and alcohol and drugs</i></p> <ul style="list-style-type: none"> These strategies have input from numerous agencies, community groups and community members throughout the planning and development process. Networking and partnerships are seen as vital to achieve positive outcomes in smaller communities. <p><i>Social Health and Wellbeing Indicators and Public Health Planning</i></p> <ul style="list-style-type: none"> These are being developed in consultation with other agencies and Deakin University. A survey of over 3,000 people will take place to verify the indicators. <p><i>Disability services</i></p> <ul style="list-style-type: none"> Concerns have been raised regarding the future of a local disability institution. Surveys have been conducted of parents and family members of residents in this institution to understand their issues. These will be used to assist with future planning and lobbying conducted by Council. <p><i>Immunisation Survey</i></p> <ul style="list-style-type: none"> A recognised high priority function is the delivery of an efficient and accessible immunisation service to infants. Prior to the infant immunisation service being relocated to the COPACC centre a survey was conducted during December 2000 amongst parents and guardians using the service. This survey was repeated between January 2004 and March 2004 and the results were compared to assess user opinion.
(f) Reporting 208B(f)	<p>Reporting of best value outcomes will be via</p> <ul style="list-style-type: none"> Council's Annual Report and service reports to the Senior Management Team. The public will be informed via the media where appropriate.

Best Value Report

Service	Report Details			
Events Management	Events Management includes: <ul style="list-style-type: none">• Development and implementation of a Festival and Events Strategy• Provision of strategic support to key community festivals and events• Co-ordination of special events and programs for Council including the FReeZa Program and Australia Day• Co-ordination of the Business Awards and related activities• Development and maintenance of the Colac Otway Shire's Calendar of Events			
Outcomes of the Service Review principles	Standard & performance indicators	Targets	Actual Performance & Trends	Comment
(a) Quality and Cost Standards 208B(a)	The percentage of Business Plan objectives completed	100%	70%	30% incomplete due to the lack of personnel for 5 months
	Net cost of events per Shire population.	\$4.46	\$4.23	
Factors:				
Best on offer 208C(a)	An extremely high standard of events was produced in 2003/04. Australia Day attracted a crowd of 9,000 people (for a town of 11,000 this is quite remarkable). COPACC, FReeZa concerts and the Seniors Week festival are other highlights for the year.			
Value for money 208C(b)	Most of the larger events are free. The net cost to Council for Australia Day was just over \$4,000. Specific events are run with support from government funding and audience contribution.			
Community expectations and values 208C(c)	There is a growing expectation to maximise community participation, provide quality events on an annual basis and attract target audiences where necessary.			
Affordability and accessibility 208C(d)	Concerts for the youth are priced at a third of similar events in Melbourne. As mentioned a number of events are free to the community. Discount cards are accepted and distributed to the community. The Companion Card is recognised for events.			
Local employment 208C(e)	Events and festivals are held in and supported by local communities. Local service clubs assist with catering wherever possible.			
Partnership 208C(f)	The Police, SWARH, media and community groups and individuals all contribute to the success of events and festivals.			
Environmental Impact 208C(g)	Outside venues are returned to their natural state after an event. Each event will be Waste Wise accredited. Concerts cease at 11:30 p.m. to reduce noise impacts ion the local community.			
(b) Responsive to Community Needs 208B(b)	<ul style="list-style-type: none">• Customer service standards – telephone answered within three rings, messages, requests for advice passed on as quickly as possible• Adherence to the guidelines of CORS, thereby ensuring that all customer requests are dealt with promptly and efficiently			
(c) Accessible 208B(c)	<ul style="list-style-type: none">• All events which take place in the Shire must be available to as many members of the community as possible – this is achieved by encompassing the following:-• Disability access – planning to include access for disabled members of the community – parking, seating, physical access, appropriate health measures in place, encouragement of use of the Companion Card wherever applicable• Access for elderly citizens – similar to above, with specific attention being paid to the needs of the elderly• Affordability – events across the Shire are planned to ensure that no-one is excluded from participation on the basis of financial hardship; therefore even events which incur a charge are always to include an element, and/or activities which can be enjoyed for free. This principle also encompasses events for young people planned and executed under the FReeZa banner.• The Events unit works with Customer Service in the Rae Street building to ensure that information is available to the public at all times.• Continue to support the Waste Wise principal at all Council events (wherever possible) and therefore be seen to be good “corporate” citizens			
(d) Continuous Improvement 208B(d)	<p>As a result of the process of consultation undertaken as part of Best Value, an annual review of the yet to be developed Arts and Culture Strategy will take place in workshop forums with local community representatives. This will also provide a mechanism to ensure continuous improvement is practised as it will provide a forum for review and discussion of service levels and issues. An annual SWAT analysis may occur as part of this process.</p> <p>The Business Plan has been developed utilising feedback and comments from the Best Value process.</p> <p>Preliminary work has begun on the development of an Events Strategy for the Shire – this will address the issues and requirements for Events across several Business Units – Arts and Culture, Tourism, Business and Community Development and Sport and Recreation. It is expected that this strategy will be completed by end 2004.</p>			

continues

Events Management (Cont.)

(e) Consultation 208B(e)	<ul style="list-style-type: none"> • Forums held with members of Committees from across the Shire who utilise the services of the Events Unit – SWOT analysis carried out and documented in the appropriate area of this document. • Telephone survey conducted with different members of the community from the ones who took part in the above forum – results appear elsewhere in this document • Annual conference/training to be conducted with members of Festival Committees across the Shire to ensure issues are addressed in a timely manner and that any outstanding training needs are identified. • Events Officer to participate in regional forums involving peers from other Shires in order to remain relevant, and to provide the opportunity for sharing of ideas and resources
(f) Reporting 208B(f)	<p>Outcomes of key actions listed in this Plan will be reported to the organisation, community and stakeholders as follows:</p> <ul style="list-style-type: none"> • Community & Stakeholders – Annual Report, Media, Website. • Organisation – Quarterly Business Measurement reports, Intranet. • Council – Annual summary report of Best Value service reviews.

Best Value Report

Service	Report Details			
Family Day Care Service	The Family Day Care Unit coordinates quality care for children from birth to 12 years in the homes of Carers who contract their services to Council.			
Outcomes of the Service Review principles	Standard & performance indicators	Targets	Actual Performance & Trends	Comment
(a) Quality and Cost Standards 208B(a)	Placement of children in the stated timeframe.	100%	90%	Waiting list has grown due to an increase in the service demand. This is due to the changes to Childcare Benefits in June 2003.
	Self Improvement Plan approved with NCAC upon re-registration each 12 months.	100%	100%	
	Cost of service is equitable with other similar providers.	100%	100%	
Factors:				
Best on offer 208C(a)	Family Day Care provides a responsive 24 hours and day 7 days a week service. The ratio of pre-school children to carers is no greater than 4:1 (Childcare centres operate at 15:1). In home care provides a family environment which is conducive to the child's wellbeing and development.			
Value for money 208C(b)	Council is seen as a value for money service when compared with other Family Day Care services within the Western Rural Region. Services are provided as a fee for hours of service, unlike childcare centres that provide blocks of session time whether fully required or not.			
Community expectations and values 208C(c)	A well managed and coordinated family home environment is seen as a realistic alternative for childcare and is well patronised by the community.			
Affordability and accessibility 208C(d)	Family Childcare Benefits are income based. Crisis car can be provided at \$0 for up to 13 weeks. There are family day care providers located throughout the Shire thereby reducing travel time and the distance of separation.			
Local employment 208C(e)	All carers are located within the Shire at their place of residence.			
Partnership 208C(f)	Networking and partnerships are conducted with neighbouring councils, Colac Area Health, Glastonbury and maternal & child health services.			
(b) Responsive to Community Needs 208B(b)	<p>The Family Day Care Services Unit responds to all general enquires or complaints within a 24- hour time frame though most are dealt with immediately. Payment investigation response is also within a 24- hour time frame.</p> <p>Payroll and timesheets prepared on fortnightly basis to ensure timely childcare benefit payments are provided to the carers.</p> <p>Assessment and placement can be conducted within a 24 hours. Care can commence at a time agreed to by the Carer and the family.</p>			
(c) Accessible 208B(c)	<p>The management and administration for all Family Day Care Services is conducted from 2-6 Rae Street, Colac. General enquiries can be made between 8:30am and 5:00pm Monday to Friday. Service hours are 24 hours (including overnight care). Out of hours "on-call" is provided 24 hours by 7 days for current service users and other agencies.</p>			
(d) Continuous Improvement 208B(d)	<p>The Family Day Care Service must seek re-accreditation in 2006. There is a need to formally satisfy the National Childcare Accreditation Council through a validation process prior to this time.</p> <p>A Self Improvement Plan must be lodged with the National Childcare Accreditation Council upon re-registration each year.</p>			
(e) Consultation 208B(e)	<p>Consultation was conducted with the staff, Care Providers and Families under the National Childcare Accreditation Council – Family Day Care Quality Assurance program in 2003/2004. The results showed that this service was regarded highly and received its Accreditation until 2006.</p> <p>There were 6 Quality Elements and 32 Principles that were surveyed within this consultation/validation process.</p>			
(f) Reporting 208B(f)	<p>Reports are provided to the following agencies on a regular basis.</p> <ul style="list-style-type: none"> Assess reports from Centrelink – 2 weeks Reports to Centrelink – Quarterly Timesheets for carers – 2 weeks Western Rural Region FDC statistics – 8 weeks Family Assistance Office – Monthly National Family Day Care Council – Monthly Council – as required Other agencies – on demand 			

Service	Report Details			
Maternal & Child Health Services	Maternal & Child Health Services include: <ul style="list-style-type: none"> • Conduct routine developmental assessments/health screenings on children at the appropriate key ages between 0–6 years • Conduct consultations with families to promote and monitor health, growth, physical, emotional and intellectual development of pre school children • Identify concerns related to maternal or paternal well being and make referral to other agencies as appropriate • Liaise with other Medical and Allied Health professionals in the care of families 			
Outcomes of the Service Review principles	Standard & performance indicators	Targets	Actual Performance & Trends	Comment
(a) Quality and Cost Standards 208B(a)	Number of Enhanced Maternal & Child Health visits comply with DHS	54 visits	60 visits	6
	Improved breastfeeding rates at 3 months	50%	51.23%	1.23%
	Maintain all visits in first year of life	100%	100%	
	Community Satisfaction Index	75	75	
	Net cost of Maternal & Child Health per head of Shire population	\$6.23	\$6.37	\$0.15
Factors:				
Best on offer 208C(a)	The Maternal & Child Health Unit provides a responsive and flexible service to all of the new families within Colac Otway Shire. Benchmarking of this service in Victoria shows that Council provides an acceptable level of service for key development stages. It is the additional consultations and ongoing initiatives for special needs that this service provides that sets it apart from the others.			
Value for money 208C(b)	This service is free to families. The funding arrangement with the Department of Human Services is 1:1. This has been achieved in 2004/2005.			
Community expectations and values 208C(c)	The community expectation is that this service continues to be provided in the 12 community of interest within the Shire. There are increasing opportunities to join in partnerships with other agencies to make service provision for special needs families more accessible and user friendly.			
Affordability and accessibility 208C(d)	A blend of 12 multipurpose and purpose built centres throughout the Shire ensures accessibility and retains a local identity. Consultations are pre-booked and ensure that quality time is spent with each family. Contact through mobile phones or message bank ensures prompt response.			
Local employment 208C(e)	All nurses employed within the service are residents within this Shire. This is partly due to the support and training provided to maternal & child health nurses working both for council and other agencies within the Shire. Succession planning like this has stood Colac Otway Shire in good stead for developing quality and knowledgeable future staff. This is especially pleasing considering the current lack of maternal & child health nurses within the State.			
Partnership 208C(f)	Partnerships with Colac Area Health, Hesse Rural Health, Otway Health & Community Services, child protection agencies and specialists has both promoted this service and developed key programs for improving the support and wellbeing of families.			
(b) Responsive to Community Needs 208B(b)	Calls made to the nurses mobile or office telephones are answered immediately or transferred to a message bank with all calls responded to within 24 hours. Emergency calls are responded to as soon as possible. The experience of nurses within the services ensure an understanding of local specific pressures including isolation, financial difficulties, teenage parents, family violence and substance abuse.			
(c) Accessible 208B(c)	Colac Otway Shire offers the Maternal & Child Health Service from 12 centres strategically placed within the Shire. This ensures that a service is provided in each community. Approximately half of these centres are in multipurpose facilities, which offers a one-stop shop for medical, childcare and other primary care services. Each centre is open according to user rates and birth numbers. These range from every day each week to once a fortnight. The nurses are available for telephone consultations on an as needs basis.			

continues

Best Value Report

Maternal & Child Health Services (Cont.)

(d) Continuous Improvement 208B(d)	<p>After hours consultations are referred to the state wide Maternal & Child Health Services.</p> <p>(d) Continuous Improvement 208B (d)</p> <p>Enhancements to the service in 2003/04 include:</p> <ul style="list-style-type: none"> • Complete renovation of Queen Street Maternal & Child Health Centre • Participate in relevant research which may involve the community – e.g. Country Kids Dental Health Project, Best Start, Family Support Innovations Program, and Maternity Services Enhancement Strategy. • Quality Improvement Projects – Development of Paracetamol information improvement project • Development of Home Visiting Protocol • Evaluate and Update Post Natal Support Group • Reminder letters for immunisation and key developmental assessments • Retention of lactation consultant nurses • Evening fathers group sessions. <p>The Early Years Plan is seen as a further quality improvement program to ensure partnerships within and external to Council are identified and developed. This plan will see continual consultation with the community and other agencies.</p>
(e) Consultation 208B(e)	<p>Maternal & Child health Services provide a direct one-on-one consultation process with families throughout the Shire. There are specific times and core visits allocated to each family to discuss with the nurse any concerns, development processes and other needs that they may have.</p> <p>There have been individual consultations on quality issues including the renovations of Queen Street M&CH Centre, Open Sessions and Appointment Consultations. Outcomes indicated that the current service provisions are satisfactory.</p> <p>Council is currently developing an Early Years Plan, which is to be completed in December 2004. This plan is critical in the continuation of community consultation and will set a program for the next 3 years.</p>
(f) Reporting 208B(f)	<ul style="list-style-type: none"> • To Department of Human Services – Enhanced Maternal & Child Health Service – Quarterly, Interim Annual Report – May, Annual Report – July, Funding Agreement – annual sign off • To Council – Council's Annual Report, Annual Business Plan, Early Years Plan requirements, Birth rates and consultation figures – monthly

Service	Report Details			
Recreation Management	Recreation Management includes:			

continues

Recreation Management (Cont.)

(e) Consultation 208B(e)	<p><i>Recreation Needs Strategic Plan</i></p> <p>As a part of the development of the Recreation Needs Strategic Plan external providers and partners were invited to participate in a workshop to analyse the Recreation Unit. Organisations and providers that participated in this workshop included:</p> <ul style="list-style-type: none"> • Apollo Bay/Kennett River Public Reserves Committee of Management • Sport and Recreation Victoria • Leisure Networks • Bluewater Fitness Centre Management • Colac Area Health • Department of Education • Department of Sustainability and Environment <p>Sport and recreation community clubs and organisations were invited to complete a Recreation Unit Service Delivery Survey. This survey was forwarded to all sporting and recreation clubs and organisations registered with the Recreation Unit's database. Findings from this survey have been detailed in this report.</p>								
(f) Reporting 208B(f)	<p>The Recreation Unit uses the following means for reporting their services:</p> <table> <thead> <tr> <th data-bbox="483 645 874 674"><i>Stakeholder</i></th><th data-bbox="874 645 1415 674"><i>Actions</i></th></tr> </thead> <tbody> <tr> <td data-bbox="483 674 874 831">Colac Otway Shire</td><td data-bbox="874 674 1415 831"> <ul style="list-style-type: none"> • Communication with Council officers • Monthly CEO Updates • Fortnightly Councillor Updates • Quarterly Business Plan updates and review • Council Reports (as required) • Media and web page updates </td></tr> <tr> <td data-bbox="483 831 874 920">Recreation Regional Network (Regional Local Governments, Sport and Recreation Victoria, Leisure Networks)</td><td data-bbox="874 831 1415 920"> <ul style="list-style-type: none"> • Network meetings (each 6 weeks) • Regional annual conference • Special workshops/forums (topic specific) </td></tr> <tr> <td data-bbox="483 920 874 1055">Local and Regional Sporting and Recreation Clubs/Associations</td><td data-bbox="874 920 1415 1055"> <ul style="list-style-type: none"> • Club Network (meetings each 8 weeks) • Letter correspondence with specific funding or program information • E-news (network web newsletter) • Committee based meetings/forum </td></tr> </tbody> </table>	<i>Stakeholder</i>	<i>Actions</i>	Colac Otway Shire	<ul style="list-style-type: none"> • Communication with Council officers • Monthly CEO Updates • Fortnightly Councillor Updates • Quarterly Business Plan updates and review • Council Reports (as required) • Media and web page updates 	Recreation Regional Network (Regional Local Governments, Sport and Recreation Victoria, Leisure Networks)	<ul style="list-style-type: none"> • Network meetings (each 6 weeks) • Regional annual conference • Special workshops/forums (topic specific) 	Local and Regional Sporting and Recreation Clubs/Associations	<ul style="list-style-type: none"> • Club Network (meetings each 8 weeks) • Letter correspondence with specific funding or program information • E-news (network web newsletter) • Committee based meetings/forum
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Human Resource Management

Council recognises that its success is dependent upon the skill, ability and commitment of its employees.

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
- Motivation to achieve higher levels of efficiency and effectiveness
- Identification of training and development needs of employees
- Set personal and developmental goals
- Recognise and reward achievements

Personal key performance indicators are aligned with unit action plans; thus ensuring organisational indicators are achieved.

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.

Employee Satisfaction

The Employee Opinion Survey conducted in December 2003 by Rodski Behavioural Research Group and aligned to the Australian Business Excellence Framework. This allowed Council to have a more detailed analysis of the data to identify valuable improvement opportunities for the organisation. The result equates to a numeric figure of 668 out of a possible 1000 point. This result is 65 points short of an award level and puts the Shire in the top 10-15 councils in Australia. The alignment to the Business Excellence Framework also allows Council to be benchmarked against both private and other public sector high performing organisations.

Training and Development

Our major training initiatives are developed to achieve efficiencies in terms of creating value, developing and applying our technological expertise to improve service delivery and creating a safer working environment. An example of initiatives undertaken during the year include:

- Research and development of a training needs analysis to enable alignment of our training efforts to best achieve our corporate strategies for 2003/04.
- Accredited safety training for staff to provide a safe workplace environment that result in reduction of our insurance claims.
- Defensive Driver Training for all staff having a work requirement to drive Council vehicles. This initiative also increases the safety of our workplace and results in a reduction of our insurance claims.
- Conflict Resolution Training for staff exposed to difficult situations.
- Occupational Health and Safety Officer Training
- Ergonomics training
- Equal Opportunity Officer Training conducted by Equal Opportunity Commission Victoria
- A number of individual general training needs were met to assist Council officers in the performance of their role.

Council acknowledges our staff's high quality of skills and knowledge, at the same time recognising continual development, particularly in the area of Information Technology, Management and Negotiation Skills.



Human Resource Management

Equal Opportunity

Colac Otway Shire actively supports the practice of Equal 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 Opportunity Committee, meet regularly to develop and implement policies and procedures associated with EO. Members are Merv Hair General Manager Corporate Services, Terry Maisey Co-Ordinator Aged and Disability Services, Kerrie Addison Organisation Development Co-Ordinator, Helen Evans Planning Officer, Lorraine Ladhams Risk Management Co-Ordinator, Barb Gower Maternity Nurse, Louise Parker Executive Assistant Cosworks, Vanessa Schernickau Human Resources Co-Ordinator. No claims have been lodged with the committee over the past year.

Industrial and Employee Relations

A new Enterprise Agreement was certified in February 2004. The Staff Consultative Committee with representatives from Unions and Management continues to meet regularly to ensure the obligations and agreements of staff and council are initiated and maintained. One of the main obligations agreed to under the Enterprise Agreement is the review of all Position Descriptions to ensure all positions sit within the correct remuneration band.

Employment

Employees by Employee Type and Gender as at 30 June 2004			
	Male	Female	Total
Permanent Full Time	92	35	127
Permanent Part Time	11	80	91
Temporary Full Time	1	0	1
Temporary Part Time	1	5	6
Casual	28	33	61
Totals	133	153	286

* Permanent staff totals 44% of Council's workforce. Temporary and Casual staff includes short-term work when permanent staff are on leave, etc.

Colac Otway Shire Employment Turnover

The following statistics indicate the level of employee turnover for the past two financial years.

	2002/03	2003/04
Full Time Effective (EFT)	174.97	186.86
Positions Vacant (EFT)	Not available	6.01
Turnover (EFT)	19.35	18.62
Turnover %	11.06%	10.00%

Human Resource Policy & Systems Development

The review and revision of policies relating to Human Resources is ongoing. The Enterprise Agreement identifies the importance of this and a new policy enabling staff the opportunity to donate sick leave to fellow workers suffering a catastrophic illness or injury has been drafted.

Human Resource Management

Staff Health and Wellbeing Program

Organisations that have health and fitness initiatives consistently report less absenteeism and greater productivity. Recognising the importance of the health and wellbeing of all employees a new committee has been established: Kerrie Addison Organisational Development Co-Ordinator, Cressi Golding Business and Community Development Officer, Marg Scanlon Recreation Co-Ordinator and Vanessa Schernickau Human Resources Co-Ordinator. A staff survey has been conducted from which the program will be developed.

Staff Reward and Recognition

Council has an ongoing Reward and Recognition Program. This year special mentions were made for long service to Helen Evans Planning Officer, for 20 years service and Russell Day Grader Driver, for 35 years service.

An Australasian Reporting Award (ARA) was awarded to Council for distinguished achievement in reporting for the 2002/03 Annual Report.



General Information

Policy Development & Strategies

The following policies and strategies were reviewed/adopted by Council during 2003/2004:

- Economic Development Strategy
- Street Tree Management Policy

Local Laws

Council has a number of Local Laws in place:

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 – Amends Local Law 1 & 3
13. Amendment Local Law – Amends Local Law 4



Source: Annual Constituent Satisfaction Survey

Freedom of Information Act 1992

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 18 requests during the year for information under the provisions of this Act.

Disclosure of Information

In response to requirements of the Local Government Regulations Part 8 Section 21(r), Council has not entered into any contracts, which exceed \$100,000 without first, conducting a competitive process.

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 overseas or interstate travel undertaken during the last twelve months.

- 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.
- Special committees established by Council which were abolished or ceased to function during the financial year.
- Minutes of meetings of special committees established under Section 86 of the Act except where such minutes related to parts of meetings that have been closed to members of the public under Section 89 of the Act.
- List of contracts valued at \$100,000 or more where Council entered into during the financial year without first going to tender.
- 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, 88, and 89 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.
- Register of leases entered into by Council.
- Register of authorised officers appointed under Section 224 of the Act, and

Whistleblowers Protection Act 2000

The Whistleblowers Protection Act 2001 was implemented on the 1 January 2002. Colac Otway Shire, in November 2001, adopted a policy of support for the contents of the Act and agreed to the nomination of a co-ordinator to receive disclosures. No disclosures have been received for the year ending 30 June 2004.

Sale of Land

Council has disposed of the following properties:

2002/03:

- Dorans Road Quarry, Coragulac
- Mercy Aged Care, 83 Queen Street, Colac
- 120A Wilson Street, Colac
- Part of 14 Pascoe Street, Apollo Bay

2003/04:

- City Bowls Club, Gravesend Street, Colac (Land only)
- Maternal & Child Health Centre, 6 Station Street, Forrest
- 48 Irrewillipe Road, Elliminyt

Major Creditor Payments

Council has incurred the following major creditor payments in the past financial year:

Transwest Environmental Services	Waste Services	\$1.95m
Australian Taxation Office	Employee Tax	\$1.85m
Vision Super	Superannuation Contributions	\$1.87m
Australian Project Solutions Pty Ltd	Apollo Bay Breakwater Reconstruct/Boat Ramp	\$1.02m
Readymix Holdings Pty Ltd	Roadworks	\$0.82m
CSR Emoleum Road Services	Supplies – gravel, rock, etc	\$0.53m



General Information

Victorian Local Government Indicators

The Minister for Local Government requires the following state wide indicators.

	2001/02	2002/03	2003/04
Affordability			
Average rates and charges per assessment	\$773	\$811	\$869
Average rates and charges per Residential assessment	\$665	\$688	\$764
Sustainability			
Average liabilities per assessment	\$684	(\$752)	\$698
Operating result per assessment	(\$348)	(\$564)	(\$115)
Services			
Average operating expenditure per assessment	\$2,353	\$2,603	\$2,261
Community Satisfaction Rating for Overall Performance generally of the Council	63	64	62
Infrastructure			
Average capital expenditure per assessment	\$449	\$396	\$388
<i>Renewal Gap</i>			
Current spending on renewal to Asset base consumed during the year	0.31:1	0.29:1	0.38:1
<i>Renewal & Maintenance Gap</i>			
Current spending on renewal + maintenance to Asset base consumed during the year plus maintenance	0.47:1	0.45:1	0.51:1
Governance	<i>Means Index</i>	<i>Means Index</i>	<i>Means Index</i>
Community Satisfaction Rating for Council's Advocacy and Community Representation on key local issues	63	60	62
Community Satisfaction Rating for Council's Engagement in Decision Making on key local issues	58	58	56

External Funding, Grants, Donations, Memberships and Subscriptions

External Funding

Council has been successful in obtaining external funding from a number of major funding sources during 2003/2004.

Projects that have been funded have provided a significant infrastructure boost to the Shire. The following projects have been made possible by Federal and State Government:

Funding Source	Purpose	Grant	Total Cost
Australian Greenhouse Office	Wellbeing Grant	\$22,000.00	\$44,000.00
Barwon Region Waste Management Group	Landfill Closure EcoRecycle Grant	\$29,900.00	\$29,900.00
Barwon Region Waste Management Group	Leading on Litter	\$5,700.00	\$6,500.00
Barwon Water	Lake Colac – Pathway	\$52,800.00	\$52,800.00
Corangamite Catchment Management Authority	Biodiversity Scheme	\$46,300.00	\$46,300.00
Corangamite Catchment Management Authority	Salinity Overlay	\$20,000.00	\$20,000.00
Corangamite Catchment Management Authority	Stormwater Management Plan	\$16,400.00	\$16,400.00
Corangamite Catchment Management Authority	Roadside Vegetation Mapping	\$30,000.00	\$30,000.00
Country Fire Authority	Fire Access Track	\$25,300.00	\$33,800.00
Dept. Communications, Information Technology and Arts	Television Blackspot Program	\$93,100.00	\$129,500.00
Dept. Human Services	Disability Access Radio	\$10,500.00	\$14,000.00
Dept. of Infrastructure	Bus Stop Improvements	\$15,700.00	\$15,700.00
Dept. of Innovation, Industry & Regional Development	Business Innovation Workshops	\$3,000.00	\$3,400.00
Dept. of Innovation, Industry & Regional Development	Promotion & Marketing Strategy	\$6,300.00	\$15,200.00
Dept. of Innovation, Industry & Regional Development	Lake Colac Bird Sanctuary	\$7,000.00	\$14,000.00
Dept. of Innovation, Industry & Regional Development	Beeac Lighting	\$50,000.00	\$50,000.00
Dept. of Innovation, Industry & Regional Development	Harrington Reserve	\$14,000.00	\$19,200.00
Dept. of Innovation, Industry & Regional Development	Larper Hall Upgrade	\$10,000.00	\$13,000.00
Dept. of Innovation, Industry & Regional Development	Eco Develop – Strategy	\$15,000.00	\$25,700.00
Dept. of Natural Resources	Apollo Bay Breakwater Reconstruction	\$1,306,000.00	\$1,306,000.00
Dept. of Treasury & Finance	Sudanese Life Skills	\$10,000.00	\$10,000.00
Dept. Primary Industries	Best Farm Management	\$5,600.00	\$5,600.00
Dept. Sustainability and Environment	Apollo Bay Jetty Reconstruction	\$28,290.00	\$28,290.00
Dept. Sustainability and Environment	Apollo Bay Structure Plan	\$60,000.00	\$90,000.00
Dept. Sustainability and Environment	New Future for Otways Program	\$65,000.00	\$65,000.00
Dept. Victorian Communities	Refurbish Colac Lawn Tennis Courts	\$49,340.00	\$79,700.00
Dept. Transport	Roads to Recovery	\$744,600.00	\$744,600.00
Marine Safety Victoria	Apollo Bay Boat Ramp	\$120,000.00	\$262,400.00
NLIS Infrastructure Project Committee	Colac Livestock Selling Centre	\$17,500.00	\$47,500.00
South West Local Learning & Employment Network	Tertiary Study	\$12,800.00	\$17,900.00
Vicroads	Better Roads	\$348,000.00	\$413,400.00
Vicroads	Armstrong St/Pound Rd Splitter Island	\$71,100.00	\$71,000.00
Vicroads	Speed Countermeasure Program	\$5,000.00	\$5,000.00
Victorian Health Promotion Foundation	Walking School Bus Grant	\$25,000.00	\$25,000.00
Victorian Health Promotion Foundation	Social & Human Wealth	\$3,000.00	\$3,000.00
Your Employment Solutions	Work for the Dole	\$5,300.00	\$5,300.00
		\$3,349,530.00	\$3,759,090.00

Grants and Donations

The Local Government Regulations 2004 requires that Donations, Grants, Memberships and Subscriptions made to external bodies are listed in the Annual Report. The following list is provided:

Barwon Adolescent Taskforce	\$800.00
Colac Do Care Inc	\$200.00
Colac RSL	\$200.00
Corangamite Catchment Rural Counselling Service	\$2,700.00
Municipal Engineering Foundation Victoria	\$1,000.00
Otway Health & Community Services	\$10,300.00
Portsea Children's Holiday Program	\$1,000.00
	\$16,200.00

Council Memberships/Subscriptions

Alliance of Councils for Rail Freight	\$500.00
Geelong Otway Tourism	\$43,600.00
Livestock Saleyards Association of Victoria	\$1,580.00
Local Government Managers Australia	\$1,500.00
Municipal Association of Victoria	\$18,400.00
Timber Towns Victoria	\$2,000.00
VECCI	\$3,100.00
Victorian Association of Performing Arts Centres	\$500.00
	\$71,180.00

Community Grants

Community Minor Projects Fund

Council provided grants totalling approximately \$25,000 for community projects across the Shire. This year 27 projects were funded under this program. Projects funded were:

Name of Organisation	Purpose	Amount
Apollo Bay Arts Inc	Warm Winter Words' literature event	\$1,200.00
Apollo Bay Pony Club	Upgrade equipment	\$500.00
Apollo Bay Sailing Club	Participation of junior members at Sydney event	\$1,000.00
Birregurra District Historical Centre Inc	District history publication	\$3,340.00
Birregurra Tennis Club	Hire of equipment	\$180.00
Colac & District Cricket Association Junior Management	VCA level 1 accredited coaching course	\$550.00
Colac & District Family History Group Inc	Upgrade research equipment	\$750.00
Colac & District Historical society	Upgrade research equipment	\$1,260.00
Colac & District Pastoral & Agricultural Society	Upgrade power supply	\$1,000.00
Colac Anglers Club	Upgrade equipment	\$375.00
Colac Arts Start	Visual and performing arts expo	\$1,500.00
Colac Carers Activities	Christmas function	\$675.00
Colac Do Care Inc	Christmas function	\$800.00
Colac Foster Care Parent Support Group	Attendance at musical theatre production	\$265.00
Colac Policy Community Consultative Community	Local Youth at Risk program	\$1,300.00
Colac Secondary Schools Chaplaincy Committee	Battle of the Bands' event	\$750.00
Colac Writers Guild	Upgrade access to materials	\$200.00
Cressy & District History Group	Establish historical collection	\$2,879.00
Cressy Bowling Club Inc	Cleaning and catering equipment	\$400.00
Cressy Communities Activities Group	Community newsletter	\$548.00
Harrington Memorial Park COM	Summer events productions	\$1,500.00
Lavers Hill College 50th Anniversary Committee	Event production	\$500.00
Lavers Hill Public Hall	Upgrade equipment	\$434.00
Otway FM	Upgrade equipment	\$300.00
Otway Plains District Scouts 1st Colac	World Environment Day project	\$750.00
St Laurence Community Services	Community arts initiative	\$1,000.00
Yeodene Hall & Rec Reserve	Farmers market	\$700.00
		\$24,656.00
Colac Foster Care		\$193.00
Elliminyt School		\$700.00
Forrest Primary School		\$650.00
Trinity College		\$2,050.00
		\$3,593.00

Recreation Facilities Assistance Fund

Recreation facilities throughout the Shire have been upgraded through the allocation of funding under this program. This year 20 projects have been assisted with the allocation of funds as follows:

Name of Organisation	Purpose	Amount
Apollo Bay Pony Club	Upgrade facilities	\$2,000.00
Apollo Bay Surf Life	Upgrade clubrooms	\$5,000.00
Apollo Bay Youth Club	Maintenance youth club hall	\$1,330.00
Beeac Community Centre Inc	Upgrade electrical systems	\$2,600.00
Beeac Progress Association Inc	Supply & install playground equipment	\$1,850.00
Birregurra Bowling Club	Erect fence to enclose the Carapook	\$392.00
Birregurra Hall Committee of Management	Upgrade kitchen at hall	\$2,315.00
Birregurra Recreation Reserve	Upgrade facilities to safety standards	\$4,737.00
Colac Central Reserve	Replace goal posts	\$2,695.82
Colac Football Netball Club Inc	Disabled access upgrade	\$5,000.00
Colac Imperial Football Netball Club Inc	Upgrade netball court	\$2,000.00
Colac Little Athletics Centre	Upgrade Facilities	\$1,649.00
Colac Pony Club Inc	Upgrade Facilities	\$5,000.00
Colac Youth Club	Paint clubrooms	\$750.00
Forrest & District Community Group	Provide skate park elements	\$290.00
Lavers Hill Indoor Pool Committee of Management	Replace gas fired boiler	\$636.36
Otway Districts Football Netball Club	Upgrade netball court	\$5,000.00
Otway Plains District Scouts 1st Colac Scout Group	Maintenance to clubrooms	\$641.00
Stoneyford Cricket Club Inc	Refurbish clubrooms / replace water supply	\$2,500.00
Tennis Victoria	Tennis Court Audit	\$6,925.00
Warrior Recreation Reserve	Pavilion Maintenance	\$270.00
		\$53,581.18

Best Value	Striving to provide enhanced services that meet the needs of the community
CD	Computer Disk
CFA	Country Fire Authority
CLSC	Colac Livestock Selling Centre
CMP	Civic Mutual Plus
COPACC	Colac Otway Performing Arts & Cultural Centre
CORS	Colac Otway Request System
Cosworks	Colac Otway Shire's Works & Services Unit
CSS	Community Satisfaction Survey
DNRE	Department of Natural Resources & Energy
EEO	Equal Employment Opportunity
EFT	Equivalent Full Time
EMS	Environmental Management Systems
EPA	Environment Protection Authority
EU	European Accreditation
FreeZa	Music and cultural events for young people funded by State Government
Frontline Management	Australian Institute of Management Training & Development Program
GIS	Geographic Information System
IT	Information Technology
LGPro	Local Government Professionals Inc.
MAV	Municipal Association of Victoria
Milestones 1 & 2	Cities for Climate Protection Program stages of achieving environmental sustainability
NLIS	National Livestock Identification Scheme
OH & S	Occupational Health & Safety
PayGlobal	Human Resources Information System
PC	Personal Computer
QA	Quality Accreditation
Roads to Recovery Program	Federal Government Funding Program
SafetyMAP	Safety Management Achievement Program
SAMPlan	Strategic Asset Management Plan
Super 11 Benchmarking Group	Benchmarking group comprising 11 Rural Shire Council's of similar size
TTY	Tele Typewriter – Communication tool for hearing impaired
VAPAC	Victorian Association of Performing Arts Centres
VECCI	Victorian Employers Chamber of Commerce and Industry
VFF	Victorian Farmers Federation



Understanding the Financial Statements

Introduction

The Financial Report is a key report by the local government of Colac Otway. It shows how Council performed financially during the 2003/2004 financial year and the overall position at the end of the financial year (30 June 2004).

Council presents its financial report in accordance with the Australian Accounting Standards. Particular terms required by the Standards may not be familiar to some readers. Colac Otway Shire Council is committed to accountability. It is in this context that the following explanations have been developed to assist readers understand and analyse the financial report.

What is contained in the Annual Financial Report?

Council's financial report has two main sections, namely the Report and the Notes. There are four Statements and 33 Notes. These are prepared by Council's staff, examined by the Council Audit Committee and Council, and then are audited by the Victorian Auditor-General.

The four Statements included in the first few pages of the report are the Statement of Financial Performance, a Statement of Financial Position, a Statement of Changes in Equity and a Statement of Cash Flows.

The Notes detail Council's accounting policies and the make up of values contained in the Statements.

1. Statement of Financial Performance

The Statement of Financial Performance measures Council's performance over the year and shows if a profit or a loss has been made in delivering services.

The Statement includes all sources of income, less all operating expenses incurred in delivering Council services. This includes depreciation or the writing down, of the value of buildings, roads, footpaths, drains and all other infrastructure assets, which are used to deliver Council services. These assets are depreciated over the life of the asset as they are consumed. Capital costs or new assets purchased or created during the year are excluded from the Statement but, as indicated above, are depreciated as they are used.

The Statement is prepared on an 'accrual' basis. This means that all income and costs for the year are recognised even though the income may not yet be received (such as interest on investments) or expenses not yet paid (invoices not yet received for goods and services already used).

If the Statement is in a loss situation, this means that Council is not creating sufficient surplus to replace infrastructure assets at the time when they need to be replaced. Continual losses may indicate concern about Council's ability to be financially viable in the longer term.

The key figure to look at is **(Deficit) for year** which is the equivalent to the profit or (loss) of Council for the year. A deficit means that the expenses were greater than revenue.

2. Statement of Financial Position

This Statement is the most important financial statement and more commonly known as the Balance Sheet. This one page summary is a snap shot of the financial situation as at 30 June. It shows what the Council owns as **Assets** and what it owes as **Liabilities**. The bottom line of this Statement is Net Assets. This is the net worth of Council, which has been built up over many years.

The assets and liabilities are separated into Current and Non-Current. Current means those assets or liabilities, which will fall due in the next 12 months.

The components of the Statement of Financial Position are described here.

- **Current and Non-Current Assets**
 - **Cash** includes cash and investments, i.e. cash held in the bank and in petty cash and the market value of Council's investments.
 - **Receivables** are monies owed to Council by Ratepayers and others.

Understanding the Financial Statements

- **Other Financial Assets** include Long Service Leave Reserves, investments in Corangamite Regional Library Corporation.
- **Other** is inventory and accounts, which have been prepaid.
- **Fixed Property, Plant and Equipment** is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years.
- **Current and Non-Current Liabilities**
 - **Payables** are those to whom Council owes money as at 30 June 2004.
 - **Employee Benefits**, is the accounting term for accrued Long Service and Annual Leave and staff retirement gratuities.
 - **Interest Bearing Liabilities** include loans, which are repaid over a set period of time.
 - **Lease Liabilities** are leases of assets where ownership of the asset is transferred to the Council.
- **Net Assets**

This term is used to describe the difference between the value of **Total Assets** and the value of **Total Liabilities**. It represents the net worth of Council as at 30 June. The net value of the Council is also synonymous with Total Equity.
- **Total Equity**
 - **Asset Revaluation Reserve** is the difference between the previously recorded value of assets and their current valuations.
 - **Other Reserves** are allocations of the Accumulated Surplus to specific projects.
 - **Accumulated Surplus** is the value of all net assets accumulated over time.

3. Statement of Changes in Equity

During the course of the year, the value of Total Ratepayers Equity as set out in the Statement of Financial Position changes. This Statement shows the values of such changes and how these changes arose.

The main reason for a change in equity stem from:

- The 'profit and loss' from operations, described in the **Statement as Operating (Deficit) for the year**.
- The use of monies from Council's reserves.
- Revaluation of the assets; this takes place every three years as a matter of course.

It also occurs when existing assets are taken up in the books for the first time.

4. Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. This Statement is presented according to a very specific Accounting Standard and needs some care in analysis. The values may differ from those shown in the Statement of Financial Performance because the Statement of Financial Performance is prepared on an accrual accounting basis.

Cash in the Statement refers to Bank Deposits and other forms of highly liquid investments that can readily be converted to cash, such as cash invested with Funds Managers.

Council's cash arises from, and is used in, three main areas:

- **Cash Flows from Operating Activities:**
 - **Receipts** – All cash received into Council's bank account from Ratepayers and others that owed money to Council. Receipts also include the interest earnings from Council's cash investments. It does not include the costs associated with the sale of assets.
 - **Payments** – All cash paid by Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets.



Understanding the Financial Statements

- **Cash Flows from Investing Activities**

The accounting term Investing Activities relates to only assets such as new capital plant and other long-term revenue producing assets.

- **Cash Flows from Financing Activities**

This is where the receipt and repayment of borrowed funds are recorded.

The bottom line of the Statement of Cash Flows is the **Cash at End of Financial Year**. This shows the capacity of Council to meet its debts and other liabilities.

Notes to the Accounts

The Notes are a very important and informative section of the report. The Australian Accounting Standards are not prescriptive in a lot of issues. Therefore, to enable the reader to understand the basis on which the values shown in the Statements are established it is necessary to provide details of Council's accounting policies. These are described in Note 1.

Apart from the accounting policies, the Notes also give details behind many of the summary figures contained in the Statements. The Note numbers are shown beside the relevant items in the Statement of Financial Performance, Statement of Financial Position and the Statement of Cash Flows.

Where Council wishes to disclose other information, which cannot be incorporated into the Statements, then this is shown in the Notes. Other Notes include:

- The cost of the various functions of Council;
- The breakdown of expenses, revenues, reserves and other assets;
- Contingent liabilities;
- Transactions with persons related to Council;
- Comparisons of Budget to Actual results;
- And financial performance indicators.

The Notes should be read at the same time as, and together with, the other parts of the Financial Statements to get a clear picture of the accounts.

Statements by Principal Accounting Officer and Councillors

The Certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council that, in her/his opinion, the Financial Statements have met all the statutory and professional reporting requirements.

The Certification of Councillors is made by two Councillors on behalf of Council that, in their opinion, the Financial Statements are fair and not misleading.

Auditor General's Report

The Independent Audit Report is the external and independent opinion on the Financial Statements. It provides the reader with a totally independent opinion on the Financial Statements. The opinion covers both the Statutory and professional requirements and also the fairness aspects of the Financial Statements.



Colac Otway Shire

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2004

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Statement of Financial Performance for the Year Ended 30 June 2004

	Note	2004 \$'000	2003 \$'000
REVENUE FROM ORDINARY ACTIVITIES			
Rates and Charges	2	11,660	10,891
Grants Commission		4,046	3,840
Recurrent Grants & Subsidies	3	2,226	2,208
Non-Recurrent Grants & Subsidies	3	3,071	2,203
Charges, Fees & Fines	4	4,027	4,878
Reimbursements & Contributions	5	1,306	1,091
Proceeds on Sale of Assets	6	1,071	1,239
Donated Property, Plant and Equipment		743	87
Interest		234	187
Property, Plant and Equipment not previously recognised	1(c)	155	73
TOTAL REVENUE FROM ORDINARY ACTIVITIES		28,539	26,697
EXPENSES FROM ORDINARY ACTIVITIES			
Employee Expenses	7	8,223	8,942
Depreciation and Amortisation	8	7,114	8,093
Borrowing Costs	19	372	336
Materials & Services	9	10,126	10,424
Grants and Donations		130	88
Plant Costs		712	992
Written Down Value of Assets Sold	6	992	3,041
Property, Plant and Equipment written off	1(c)	1,612	1,232
Loss on Investment in Associates	12	53	262
Other		736	672
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		30,070	34,082
NET SURPLUS/(DEFICIT) FOR THE REPORTING PERIOD		(1,531)	(7,385)
MOVEMENTS IN EQUITY			
Net increase in Asset Revaluation Reserve	19	2,025	9
Net increase CRLC Asset Replacement Reserve	20(b)	3	0
TOTAL MOVEMENTS DIRECTLY RECOGNISED AS EQUITY		2,028	9
TOTAL CHANGES IN EQUITY		497	(7,376)

The accompanying notes form part of this Financial Report.

Statement of Financial Position as at 30 June 2004

	Note	2004 \$'000	2003 \$'000
ASSETS			
CURRENT ASSETS			
Cash	10	5,562	4,547
Receivables	11	2,012	1,755
Inventories	13	78	74
Prepayments	14	419	61
TOTAL CURRENT ASSETS		8,071	6,437
NON-CURRENT ASSETS			
Property, Infrastructure, Plant & Equipment	15	175,535	177,162
Receivables	11	89	108
Investment in Associates	12	523	583
TOTAL NON-CURRENT ASSETS		176,147	177,853
TOTAL ASSETS		184,218	184,290
LIABILITIES			
CURRENT LIABILITIES			
Payables	16	2,716	2,757
Employee Benefits	17	763	731
Interest Bearing Liabilities	18	532	660
TOTAL CURRENT LIABILITIES		4,011	4,148
NON-CURRENT LIABILITIES			
Employee Benefits	17	932	902
Interest Bearing Liabilities	18	4,333	4,795
TOTAL NON-CURRENT LIABILITIES		5,265	5,697
TOTAL LIABILITIES		9,276	9,845
NET ASSETS		174,942	174,445
EQUITY			
Accumulated Surplus		92,527	94,151
Asset Revaluation Reserves	19	82,314	80,289
Other Reserves	20(a)	101	5
TOTAL EQUITY		174,942	174,445

The accompanying notes form part of this Financial Report.

Statement of Changes in Equity for the Year Ended 30 June 2004

	Note		Asset Replacement Reserves	Asset Revaluation Reserve	2004 Total	2003
		Accumulated Surplus \$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of financial year		94,151	5	80,289	174,445	181,821
Net Surplus/(Deficit)		(1,531)			(1,531)	(7,385)
Revaluation of Property, Plant and Equipment	15			2,035	2,035	0
Increase/(Decrease) in Share of CRLC Asset Revaluation Reserve	12			(10)	(10)	9
Increase/(Decrease) in share of CRLC Asset Replacement Reserve			3		3	0
Transfers to Reserves	20(b)	(760)	760		0	0
Transfer from Reserves	20(b)	667	(667)		0	0
Balance at end of financial year		92,527	101	82,314	174,942	174,445

The accompanying notes form part of this Financial Report.

Statement of Cash Flows for the Year Ended 30 June 2004

	Note	2004 \$'000	2003 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates and Charges		11,393	10,833
Government Grants		9,855	9,199
Council User charges and reimbursements received		4,384	5,380
Contributions and donations received		1,306	1,091
Council payments to employees		(8,301)	(8,259)
Council payments to suppliers		(12,452)	(11,784)
Interest received		234	187
Interest paid		(379)	(342)
Council Grants and Donations paid		(130)	(88)
GST received/(paid)		504	359
Other payments		(809)	(810)
Net cash provided by operating activities	21	5,605	5,766
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for asset acquisition		(5,158)	(5,189)
Proceeds from disposal of assets		1,071	1,239
Net cash used in investing activities		(4,087)	(3,950)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,366)	(533)
Proceeds from borrowings		863	0
Lease Payments		0	(1)
Net cash used in financing activities		(503)	(534)
Net increase in cash held		1,015	1,282
Cash at the beginning of the financial year		4,547	3,265
CASH AT THE END OF THE FINANCIAL YEAR	22	5,562	4,547

The accompanying notes form part of this Financial Report.

Notes to the Financial Statements for the Year Ended 30 June 2004

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 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.

(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 (Finance and Reporting) Regulations 2004. 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.

Asset which are no longer under the control of Council or which have been replaced are written off.

(d) Depreciation of non-current assets

Non-current assets having limited useful lives are systematically depreciated over their 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.

Depreciation is calculated for assets purchased during the financial year from their date of acquisition.

Previously new assets were depreciated for a full year. There is no depreciation charged for assets disposed of during the year.

Major depreciation classes are:	Capitalisation Threshold	Depreciation Method:	2004	2003
			Estimated Useful Life Years	Estimated Useful Life Years
Buildings	\$500	Straight Line	25	25
Furniture and Equipment	\$500	Straight Line	9-21	9-21
Drainage	\$5,000	Straight Line	80	80
Roads and Streets	\$5,000	Straight Line	10-55	10-55
Improvements to Parks & Gardens	\$500	Straight Line	10-100	10-100
Bridges	\$5,000	Straight Line	50-70	50-70
Footpaths	\$500	Straight Line	30-60	30-60
Kerb and Channelling	\$500	Straight Line	35-45	35-45
Plant and Machinery	\$500	Reducing Bal.	5-10	5-10
Equipment Under Lease	\$500	Straight Line	5-10	5-10

(e) Revaluation of Non-Current Assets

Subsequent to the initial recognition, all non-current assets, other than, plant and machinery, are measured at fair value being the amounts for which the assets could be exchanged between willing parties in an arms length transaction. Where a market value for a non-current asset does not exist, fair value is determined at written down current replacement cost.

Plant and machinery, are valued at cost or deemed cost. Deemed cost in relation to an asset, means the carrying amount of the asset as at 1 July 2001.

At balance date, the Council reviewed the carrying values of the individual classes of assets, measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

In addition, Council undertakes a formal revaluation of land, buildings and infrastructure assets on a regular basis every three years. The valuation is performed by experienced Council officers and independent experts. The last revaluation occurred on 30 June 2004 for the classes of assets Bridges, Footpaths, Kerbs and Channels.

Where assets are revalued, revaluation increments are credited to the Asset Revaluation Reserve, unless they reverse a previous decrement processed through the Statement of Financial Performance, and decrements are charged to the Statement of Financial Performance, unless they reverse a previous increment credit to the Asset Revaluation Reserve.

(f) Recoverable Amount of Non-Current 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 at least 31 December 2006 due to the present lack of a reliable valuation methodology. This is in accordance with AAS27 'Accounting for Local Governments'.

(h) Employee Benefits

(i) Long Service Leave

The provision for long service leave is determined in accordance with Accounting Standard AASB1028 'Employee Benefits'. Long service leave entitlements payable are assessed at each reporting date, having regard to expected 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.

(ii) Other Leave and Entitlements

Council employees accrue annual leave entitlements in accordance with Australian Accounting Standard AASB1028 'Employee Benefits'. 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 expected rates of pay and oncosts expected to be paid on settlement.

(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 25.

(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 Council contributes to the operating costs of the Library. 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.

(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

Notes to the Financial Statements for the Year Ended 30 June 2004

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 34, 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.

(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. The Statement of Cash Flows shows the GST on a gross basis.

(s) Transition to International Financial Reporting Standards (IFRS)

The transition to International Accounting Standards project is being overseen by the Audit Committee, with regular updates to be provided to Council.

The project has been broken into three distinct phases:

1. Impact Assessment
2. Implementation
3. Embedding and Review

The Impact Assessment Phase will be completed by November 2004, and incorporates a broad impact analysis which will address all aspects of the Council's business operations. The impact analysis will provide an outline of the key changes expected on adoption of IFRS and identified anticipated accounting policy and accounting system changes.

The Implementation Phase of the project, will commence by December 2004, and involves:

- Analysis of exemptions and options allowed under the IFRS
- Decisions on accounting policy changes
- Quantification of adjustments to retained earnings and preparation of an opening IFRS balance sheet
- Documentation of changes to internal procedures
- Specification of systems changes and management reports.

It is anticipated that this phase will be substantially complete by March 2005.

The Embedding and Review Phase will begin in early April 2005 and is scheduled to be completed by 30 June 2005. This phase will include testing of system changes and post implementation review of changes to internal policies and procedures.

The Council will be provided with periodic updates on the impact of the adoption of the Australian equivalents to the IFRS as the project progresses.

Based on our analysis of the requirements in the proposed standards relating specifically to not-for profit entities there is considered to be little potential for a material impact on the Council's financial position and future financial performance following adoption of the requirements of the Australian equivalent IFRS standards. However, the impacts of the proposed standards have yet to be fully analysed. In addition, certain decisions have yet to be made where choices of accounting policies are available.

Notes to the Financial Statements for the Year Ended 30 June 2004

(t) Comparative Figures

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

(u) Rounding

Unless otherwise stated, amounts in the Financial Report have been rounded to the nearest thousand dollars.

NOTE 2: RATES AND CHARGES

Council uses the Capital Improved Value as the basis of valuation of all properties within the municipality. The valuation base used to calculate general rates for 2003/2004 was \$2,239,114,000 (2002/2003 \$2,170,588,000).

	2004 \$'000	2003 \$'000
Residential	4,777	4,406
Farm	2,583	2,416
Garbage Charge	1,369	1,263
Municipal Charge	1,347	1,197
Commercial	1,278	1,127
Industrial	172	159
Supplementary	134	323
	11,660	10,891

NOTE 3: GOVERNMENT GRANTS

	2004		2003
	Recurrent \$'000	Non-Recurrent \$'000	\$'000
<i>Governance</i>			
- Aged & Home Care	606	14	520
- Family Day Care	332		381
- Maternal & Child Health	108		98
- Rural Access Project	90	15	92
- Community Transport	64	30	102
- School Crossings	35		35
- Delivered Meals	32		31
- Senior Citizens	19		17
- Immunisation	20		11
- Festivals Training			10
- Community Drop in Centre	38		10
- Health Plan		22	
- Tobacco Act Administration	3		8
- Partners at Work		2	18
- Debtor Payment Facility			3
- Food Safety			1
	1,347	83	1,337
<i>Infrastructure</i>			
- Port of Apollo Bay	513	1,334	613
- Federal - Roads to Recovery		744	552
- Vic Roads - Better Roads	348		396
- Apollo Bay Boat Ramp		120	
- Armstrong/Pound Rd Splitter Island		71	
- Landfill Closure		29	
- Bus Stop Improvements		15	32
- State Emergency Service	10		9
- Speed Counter Measure Program		5	
- Beach Cleaning	1		5
- Roundabouts			381
- Hart/Wilson Street Intersection			74
- Memorial Square Power Upgrade			50
- Bicycle Lanes			34
	872	2,318	2,146

continues

Notes to the Financial Statements for the Year Ended 30 June 2004

	2004		2003
	Recurrent	Non-Recurrent	
	\$'000	\$'000	\$'000
<i>Strategic Development</i>			
- Television Blackspot Program		93	
- Colac Lawn Tennis All Weather Courts		80	
- New Future for Otways		65	
- Apollo Bay Structure Plan		60	
- Lake Colac Pathway		52	
- Beeac Pride of Place		50	
- Biodiversity Scheme		49	
- Roadside Vegetation Mapping		30	
- Fire Prevention		25	13
- Lake Foreshore Master Plan		25	10
- Salinity Overlay Grant		20	
- Colac Livestock Selling Centre - Scanning Equipment		18	
- Stormwater Management Plan		16	8
- Harrington Park		14	2
- Tertiary Study		12	
- Sudanese Life Skills		10	
- Larpent Hall Upgrade		10	
- Lake Colac Bird Sanctuary		7	2
- Regional Playground		7	
- Bluewater Fitness Centre Child Care	7		
- Water Supply Extension		6	6
- Leading on Litter		6	
- Promotional & Marketing Strategy		6	
- Best Farm Management		5	
- Bluewater Fitness Centre - Social & Human Wealth		3	
- Heritage Study		1	
- Phillips Track Upgrade			270
- Old Beechy Line Rail Trail			225
- Apollo Bay Skateboard Facility			87
- Lake Colac Wetland Development			73
- Central Reserve Social Rooms			50
- Colac VIC Remedial Works			40
- Coastal Community Revitalisation			30
- Bluewater Fitness Centre - First Aid Rooms			27
- Birregurra Heritage Walk			20
- School Holiday Program			18
- Paradise Picnic Grounds			8
- Cressy Intersection Landscaping			8
- Cressy Youth Art Project			8
- Sustaining Sportsground			8
- Timber Icon Project			7
- StreetLIFE Program			3
- Heritage Study			3
- Beeac Footpath			2
	7	670	928
TOTAL	2,226	3,071	4,411

CONDITIONS ON GRANTS

Grants recognised as revenues during the reporting period which were obtained on the condition that they be expended in a specified manner that had not occurred as at the reporting date were:

Port of Apollo Bay	128	220	208
New Otways Future		65	
Apollo Bay Structure Plan		60	
Old Beechy Line Trial		49	200
Pride of Place		35	
Biodiversity Scheme		33	
Roadside Vegetation Mapping		22	

continues

Notes to the Financial Statements for the Year Ended 30 June 2004

	2004		2003
	Recurrent \$'000	Non-Recurrent \$'000	\$'000
CONDITIONS ON GRANTS (CONT.)			
Municipal Health Plan		22	
Salinity Overlay		20	
Weight Resistance Program		14	
Lake Colac Wetland Development		73	
Hart/Wilson Street Intersection		72	
Roads to Recovery		49	
Walking School Bus		30	
Bicycle Lanes		12	
Fire Access Tracks		12	
TOTAL	128	540	656
<i>Grants recognised as revenue in previous reporting periods and were expended during the current reporting period in the manner specified by the grantor were:</i>			
Port of Apollo Bay	128	80	128
Old Beechy Line Trail		151	26
Lake Colac Wetland Development		73	
Hart/Wilson Street Intersection		72	
Roads to Recovery		49	
Walking School Bus		30	
Bicycle Lanes		12	
Fire Access Tracks		12	
Small Town Development			248
Bicycle Pathways			55
Red Rock			50
Rural Access Program			21
Rural Transaction Centre Program			32
Community Transport			19
Community Drop in Centre			13
Biodiversity Scheme			11
Intranet Upgrade			18
COPACC Theatre Equipment			18
Direct Seeding			14
Bus Stop Improvements			8
Aged & Home Care			1
TOTAL	128	479	662

NOTE 4: CHARGES, FEES AND FINES

	2004 \$'000	2003 \$'000
Private Works	803	2,011
Bluewater Fitness Centre	633	550
Home Care and Delivered Meals	520	463
Town Planning and Building	410	259
Saleyards	336	285
Performing Arts Centre	305	288
Waste Disposal	240	265
Parking, Animal Control and Local Laws	129	108
Visitor Information Centres	166	156
Council Properties	116	125
Other	369	368
	4,027	4,878

Notes to the Financial Statements for the Year Ended 30 June 2004

NOTE 5: REIMBURSEMENTS AND CONTRIBUTIONS

	2004 \$'000	2003 \$'000
Vicroads Maintenance	758	664
Vicroads Agency Reimbursement	139	130
Road Construction Contributions	121	0
Legal Fees Reimbursement	56	29
Special Charge Schemes	46	0
Other	186	268
	1,306	1,091

NOTE 6: DISPOSAL OF ASSETS

	2004 \$'000	2003 \$'000
<i>Plant and Machinery</i>		
Proceeds From Sales	686	907
Less: Written Down Value of Assets Sold	708	900
Surplus/(Deficit) on Disposal	(22)	7
<i>Land and Buildings</i>		
Proceeds From Sales	385	330
Less: Written Down Value of Assets Sold	284	2,139
Surplus/(Deficit) on Disposal	101	(1,809)
<i>Furniture and Equipment</i>		
Proceeds From Sales	0	2
Less: Written Down Value of Assets Sold	0	2
Surplus/(Deficit) on Disposal	0	0
TOTAL SURPLUS/(DEFICIT) ON DISPOSAL	79	(1,802)
SUMMARY		
Proceeds From Sales	1,071	1,239
Less: Written Down Value of Assets Sold	992	3,041
Surplus/(Deficit) on Disposal	79	(1,802)

NOTE 7: EMPLOYEE EXPENSES

	2004 \$'000	2003 \$'000
Wages and Salaries	6,249	6,193
Superannuation	650	609
Annual Leave and Long Service Leave	350	366
Casual Staff	314	287
Work Cover Premium	194	159
Vehicle	176	178
Training	173	168
Fringe Benefits Tax	77	71
Other	40	48
Unfunded Superannuation Liability	0	863
	8,223	8,942

Notes to the Financial Statements for the Year Ended 30 June 2004

NOTE 8: DEPRECIATION AND AMORTISATION

	2004 \$'000	2003 \$'000
Roads and Streets	4,469	5,494
Buildings	952	919
Plant and Machinery	652	662
Kerb and Channel	312	310
Bridges	200	200
Drains	189	188
Parks and Gardens	173	161
Footpaths	111	108
Furniture and Equipment	49	43
Leased Assets	7	8
TOTAL	7,114	8,093

NOTE 9: MATERIALS AND SERVICES

	2004 \$'000	2003 \$'000
Waste Management	2,487	2,170
Roads, Parks and Gardens Materials	1,615	1,925
Governance	1,345	1,321
Reconstruction of Breakwater	1,094	0
Arts, Culture and Recreation	364	426
Economic Development	357	195
Insurance Premiums	328	262
Family Day Care	286	296
Bluewater Fitness Centre	276	292
Colac Otway Performing Arts and Culture Centre	267	299
Tourism	220	351
Town Planning	202	332
Port of Apollo Bay	183	172
Delivered Meals	174	161
Environment and Fire Prevention	169	192
Aged and Disability	165	143
Street Lighting	145	145
Council Properties	137	162
Local Laws	73	67
Colac Landfill Reinstatement	33	1,148
Other	206	365
TOTAL	10,126	10,424

Notes to the Financial Statements for the Year Ended 30 June 2004

NOTE 10: CASH

	2004 \$'000	2003 \$'000
Cash on hand	6	6
Cash at bank	4,501	3,536
Cash – on call*	1,055	1,005
	5,562	4,547

Cash is on hand or available on demand.

Non-interest bearing	4	4
Interest bearing at average rate of 4.50% (2002/2003 – 4.25%).	4,503	3,538
Interest bearing at average rate of 5.50% (2002/2003 – 4.75%).	1,055	1,005
	5,562	4,547

Interest rates are variable and reflect current market values.

* Restricted Assets

Long Service Leave investment	1,053	1,003
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Cash is held to specifically meet Council's long service leave liability as required by statute.

Cash included above held in trust:

Recreational Lands Reserve	20	5
Car Parking Developers Reserve	9	9
Trust Deposits	275	211
	304	225

The Recreational Lands and the Car Parking Developers Reserves are required to be spent on future developments for recreation and car parking. Trust Deposits are refundable deposits held as guarantees for compliance with Council regulations. It includes deposits paid for building and planning permits.

NOTE 11: RECEIVABLES

	2004 \$'000	2003 \$'000
CURRENT		
Rates & Charges	347	304
Government Grants	56	161
User Charges	808	529
Private Works	353	505
Reimbursement Unfunded Superannuation Loan – CRLC	19	18
GST Receivable	120	150
Other	309	88
	2,012	1,755
NON-CURRENT		
Reimbursement Unfunded Superannuation Loan – CRLC	89	108
TOTAL	89	108

Rates are secured by a charge over each ratepayer's property. Interest is charged on overdue rates at 12.00% (2002/03 11.25%). 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 \$347,420, before any provision for doubtful debts.

Notes to the Financial Statements for the Year Ended 30 June 2004

NOTE 12: INVESTMENT IN ASSOCIATES

Name of Associate: Corangamite Regional Library Corporation

Principal Activity: Library

	2004		2003	
	\$'000	%	\$'000	%
Ownership Interest		25.14		24.99
Carrying Amount	523		583	
Equity-Accounted Amount	523		583	

The above investment comprises an interest in the unaudited equity of the associate. The balance date of the investment is 30 June.

	2004 \$'000 Equity- Accounted Amount	2003 \$'000 Equity- Accounted Amount
Accumulated Surplus Attributable to Associates		
Share of Profit/(Loss)	(53)	(262)
Accumulated Surplus attributable to Associates at beginning of the financial year	41	303
Accumulated Surplus attributable to Associates at the end of the financial year	(12)	41
Reserves Attributable to Associates		
<i>Asset Replacement Reserve</i>		
Balance at beginning of the financial year	5	5
Share of Increase/(Decrease) in Asset Replacement Reserve	3	0
Balance at the end of the financial year	8	5
<i>Asset Revaluation Reserve</i>		
Balance at beginning of the financial year	537	528
Share of Increase/(Decrease) in Asset Revaluation Reserve	(10)	9
Balance at the end of the financial year	527	537
Reserves attributable to Associates at end of the financial year	535	542
Interest in Associates	523	583

NOTE 13: INVENTORIES

	2004 \$'000	2003 \$'000
Raw Materials and Stores	40	47
Indoor Aquatic Centre	14	14
Colac Visitor Information Centre	14	0
Great Ocean Road Visitor Information Centre	10	13
	78	74

NOTE 14: PREPAYMENTS

	2004 \$'000	2003 \$'000
Insurance	349	0
Vehicle Registrations	28	25
Councillor Allowances	27	27
Other	15	9
	419	61

Notes to the Financial Statements for the Year Ended 30 June 2004

NOTE 15: PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

	2004 \$'000	2003 \$'000
NON-CURRENT		
<i>Land</i>		
- at Cost	350	0
- at Independent Valuation 30/6/2002	18,665	18,844
	19,015	18,844
<i>Buildings</i>		
- at Cost	697	231
- at Independent Valuation 30/6/2002	29,511	29,770
Less: Accumulated Depreciation	(7,293)	(6,351)
	22,915	23,650
<i>Plant and Machinery</i>		
- at Cost	2,830	1,610
- at Deemed Cost 1/7/2001	4,860	5,947
Less: Accumulated Depreciation	(3,614)	(3,474)
	4,076	4,083
<i>Roads and Streets</i>		
- at Cost	5,111	2,731
- at Independent Valuation 30/6/2002	179,895	183,166
Less: Accumulated Depreciation	(87,799)	(85,584)
	97,207	100,313
<i>Bridges</i>		
- at Cost	0	72
- at Independent Valuation 30/6/2004	13,368	0
- at Independent Valuation 30/6/2002	0	12,537
Less: Accumulated Depreciation	(8,972)	(9,105)
	4,396	3,504
<i>Footpaths</i>		
- at Cost	0	94
- at Independent Valuation 30/6/2004	5,836	0
- at Independent Valuation 30/6/2002	0	5,335
Less: Accumulated Depreciation	(2,068)	(2,265)
	3,768	3,164
<i>Kerb and Channelling</i>		
- at Cost	0	24
- at Independent Valuation 30/6/2004	14,830	0
- at Independent Valuation 30/6/2002	0	13,618
Less: Accumulated Depreciation	(2,756)	(1,994)
	12,074	11,648
<i>Furniture and Equipment</i>		
- at Cost	523	257
- at Deemed Cost 1/7/2001	197	202
Less: Accumulated Depreciation	(101)	(52)
	619	407
<i>Parks and Gardens</i>		
- at Cost	472	306
- at Independent Valuation 30/6/2002	2,363	2,382
Less: Accumulated Depreciation	(1,512)	(1,352)
	1,323	1,336
<i>Drainage</i>		
- at Cost	145	20
- at Independent Valuation 30/6/2002	15,048	15,048
Less: Accumulated Depreciation	(5,080)	(4,891)
	10,113	10,177
Equipment under Lease	87	87
Less: Accumulated Amortisation	(58)	(51)
	29	36
Total Written Down Value of Non-Current Assets	175,535	177,162

Notes to the Financial Statements for the Year Ended 30 June 2004

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

	2004											
	Land	Buildings	Plant and Machinery	Roads and Streets	Bridges	Foot-paths	Kerb and Channel	Furniture and Equipment	Parks and Gardens	Drainage	Equipment under Lease	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of financial year	18,844	23,650	4,083	100,313	3,504	3,164	11,648	407	1,336	10,177	36	177,162
Additions	350	466	1,353	2,580	251	205	134	271	166	125	0	5,901
Disposals	(207)	(77)	(708)	0	0	0	0	0	0	0	0	(992)
Revaluation increments/ (decrements)	0	0	0	0	912	519	604	0	0	0	0	2,035
Asset Write off	(127)	(172)	0	(1,217)	(71)	(9)	0	(10)	(6)	0	0	(1,612)
Recognition of Assets not previously recognised	155	0	0	0	0	0	0	0	0	0	0	155
Depreciation expense	0	(952)	(652)	(4,469)	(200)	(111)	(312)	(49)	(173)	(189)	(7)	(7,114)
Balance at end of financial year	19,015	22,915	4,076	97,207	4,396	3,768	12,074	619	1,323	10,113	29	175,535

NOTE 16: PAYABLES

	2004	2003
	\$'000	\$'000
CURRENT		
Trade Creditors	1,759	2,026
Port of Apollo Bay Creditors	484	19
Trust Deposits	275	211
Accrued Expenses	198	495
Superannuation	0	6
	2,716	2,757

NOTE 17: EMPLOYEE BENEFITS

	2004	2003
	\$'000	\$'000
CURRENT		
Annual Leave	626	612
Long Service Leave	121	101
Other	16	18
	763	731
NON-CURRENT		
Long Service Leave	932	902
	No.	No.
Number of employees at year end	286	295
	(181 EFT)	(175 EFT)

Notes to the Financial Statements for the Year Ended 30 June 2004

NOTE 18: INTEREST BEARING LIABILITIES

(a) Loans

	2004 \$'000	2003 \$'000
CURRENT		
Unfunded Superannuation	0	86
Borrowings – Secured	532	574
532	660	
NON-CURRENT		
Unfunded Superannuation	0	777
Borrowings – Secured	4,333	4,018
4,333	4,795	
The bank overdraft facility (Note 24) and loans are secured over the general rates of the Council.		
Loans are expected to be settled as follows:		
Within 12 months	532	660
12 months or more	4,333	4,795
	4,865	5,455

(b) Debt Servicing and Redemption for the Year

	2004 \$'000	2003 \$'000
Operating Interest Repayments on Loans	307	336
Unfunded Superannuation Liability Interest	65	0
Debt Redemption (Principal)	1,453	533
Proceeds from Loans	(863)	0
Total	962	869
The following average interest rates are applicable to:		
Bank Overdraft	8.95%	8.45%
Bank Loans	7.15%	7.33%

Interest rates on bank loans are fixed. The interest rate on the bank overdraft is variable and reflects current market values.

NOTE 19: ASSET REVALUATION RESERVE

The Asset Revaluation Reserve records revaluations of non-current assets.

	2004 \$'000	2003 \$'000
Balance at beginning of financial year	80,289	80,280
Increase/(Decrease) in Share of CRLC Asset Revaluation Reserve	(10)	9
Revaluation of Property, Plant and Equipment	2,035	0
Balance at end of financial year	82,314	80,289

	Balance at beginning of financial year \$	Increment/ (Decrement) \$	Balance at end of financial year \$
Land	13,485		13,485
Buildings	6,615		6,615
Roads and Streets	52,609		52,609
Bridges	0	912	912
Footpaths	10	519	529
Kerb and Channel	4,520	604	5,124
Furniture and Equipment	293		293
Parks and Gardens	552		552
Drainage	1,668		1,668
Share of CRLC Asset Revaluation Reserve	537	(10)	527
	80,289	2,025	82,314

Notes to the Financial Statements for the Year Ended 30 June 2004

NOTE 20(a): OTHER RESERVES

Asset Replacement Reserves

The Asset Replacement Reserves record funds allocated for the future replacement of non-current assets.

	2004 \$'000	2003 \$'000
Landfill Rehabilitation	60	0
Plant Replacement	41	5
	101	5

NOTE 20(b): MOVEMENT IN OTHER RESERVES

	2004 \$'000	2003 \$'000
Landfill Rehabilitation		
Balance at beginning of financial year	0	0
Transfer to Accumulated Surplus	0	0
Transfer from Accumulated Surplus	60	0
Balance at end of financial year	60	0
Plant Replacement		
Balance at beginning of financial year	5	12
Increase/(Decrease) in Share of CRLC Asset Replacement Reserve	3	0
Transfer to Accumulated Surplus	(667)	(698)
Transfer from Accumulated Surplus	700	691
Balance at end of financial year	41	5

NOTE 21: RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO NET PROFIT/(LOSS)

	2004 \$'000	2003 \$'000
Net Surplus/(Deficit)	(1,531)	(7,385)
Depreciation	7,114	8,093
(Increase)/decrease in Receivables	(306)	485
(Increase)/decrease in GST Asset	67	(102)
Increase/(decrease) in Creditors	(127)	578
Increase in Interest Bearing Liabilities	0	863
Increase in Employee Entitlements	62	108
(Increase)/decrease in Prepayments	(357)	2
Increase in Inventories	(5)	(12)
(Profit)/Loss on Sale of Assets	(79)	1,802
	4,838	4,432
Other reconciling items:		
Change in Accumulated Losses - Regional Entities	53	262
Property, Plant and Equipment not previously recognised	(155)	(73)
Property, Plant and Equipment written off	1,612	1,232
Donated Property, Plant and Equipment	(743)	(87)
Net cash provided by operating activities	5,605	5,766

NOTE 22: 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:

	2004 \$'000	2003 \$'000
Cash	5,562	4,547
Bank Overdraft	0	0
	5,562	4,547

Notes to the Financial Statements for the Year Ended 30 June 2004

NOTE 23: FINANCING FACILITIES

	2004 \$'000	2003 \$'000
<i>Bank overdraft facilities</i>		
Used Facilities	0	0
Unused Facilities	1,000	1,000
	1,000	1,000

NOTE 24: SUPERANNUATION

The council makes employer superannuation contributions in respect of its employees to the Vision Superannuation Fund.

The Vision 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. The rate is currently 9% of superannuation salary (9% in 2002/2003). 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.

Defined Benefits Members

The Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Fund's Trustee on the advice of the actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 31 December 2002, the Trustee has determined that the Council should make the following contributions:

- 9.25% of members (same as previous year);
- the difference between resignation and retrenchment benefits paid to its retrenched employees (same as previous year)
- Council's share of the funding shortfall in the Local Authorities Superannuation Fund Defined Benefit Plan of \$127m at 31 December 2002 (Council's share \$863,000 including \$129,468 contributions tax). The funding or "actuarial" shortfall is the amount by which the the current value of assets plus expected future contributions is less than the value of the expected future benefits and expenses. The Vision Fund Defined Benefit Plan is operated as a mutual plan.

Council funded the repayment of the shortfall with a loan.

The Fund's liability for accrued benefits was determined in the 31 December 2002 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS25 as follows:

	31-Dec-02 \$'000
Net Market Value of Assets	2,013,748
Accrued Benefits (per accounting standards)	2,085,204
Difference between Assets and Accrued Benefits	(71,456)
Vested Benefits	2,013,156

Details of contributions to superannuation funds during the year are as follows:

	2004 \$	2003 \$
LASPLAN	422,709	360,312
Defined Benefits	227,224	249,047
	649,933	609,359

Notes to the Financial Statements for the Year Ended 30 June 2004

NOTE 25: COMMITMENTS FOR CAPITAL AND OTHER EXPENDITURE

At the reporting date, the municipality had entered into contracts for the following capital and other expenditures:

	2004 \$'000	2003 \$'000
Waste Management	7,290	1,800
Apollo Bay Harbour Breakwater	185	
Cleaning	180	175
Colac Netball Court Construction	150	
Old Beechy Line Trail	84	
Apollo Bay Harbour Navigation Aids	24	
Conns Lane Bridge		250
Apollo Bay Harbour Boat Ramp		200
Birregurra Footpath		133
	7,913	2,558

These expenditures are due for payment:

Not later than one year	2,003	2,558
Later than one year and not later than five years	5,910	0
	7,913	2,558

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.

NOTE 26: OPERATING LEASE COMMITMENTS

At the reporting date, Council had the following obligations under non-cancellable operating leases for computer equipment and photocopiers (these obligations are not recognised as liabilities):

	2004 \$'000	2003 \$'000
Not later than one year	166	159
Later than one year and not later than five years	417	66
	583	225

NOTE 27: CONTINGENT ASSETS

Details and estimates of maximum amounts of contingent assets, classified in accordance with the party whom the asset could arise, are as follows:

	2004 \$'000	2003 \$'000
A W Nicholson Pty Ltd	0	108

Colac Otway Shire held a bank guarantee for the defects liability period following construction of the Colac Otway Performing Arts and Culture Centre. The bank guarantee was released following rectification and completion of works contracted to AW Nicholson Pty Ltd.

Notes to the Financial Statements for the Year Ended 30 June 2004

NOTE 28: CONTINGENT LIABILITIES

Details and estimates of maximum amounts of contingent liabilities, classified in accordance with the party whom the liability could arise, are as follows:

Council has provided contract performance guarantees. The details and extent of Council's exposure at the reporting date are as follows:

	2004 \$'000	2003 \$'000
Contract performance – Roads Corporation	79	79
– Barwon Water	0	30
No material losses are anticipated in respect of any of the above contingent liabilities.		
Landfill Assurance – Alvie Landfill, obligations under S.194(2A) and 21 of Environment Protection Act effective 1 July 2002	1,234	1,310
Providing financial assurance for any remedial action, rehabilitation and site aftercare costs. The maximum costs have been estimated over the useful life of the Alvie Landfill.		
Development Agreement	35	35
Providing three Residential allotments of Lakeside Estate for meeting employment targets in 2003/2004. In 2003/2004 Council received notification from CRF Pty Ltd that under the agreement the conditions have been satisfied. The residential blocks are yet to be identified.		

NOTE 29: NET FAIR VALUES

The net fair values of financial assets and financial liabilities at the reporting date are as follows:

On Statement of Financial Position	2004		2003	
	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
FINANCIAL ASSETS				
Cash	4,507	4,507	3,542	3,542
Receivables	2,101	2,101	1,863	1,863
Other Financial Assets	1,578	1,578	1,588	1,588
TOTAL	8,186	8,186	6,993	6,993
FINANCIAL LIABILITIES				
Payables	2,716	2,716	2,757	2,757
Interest Bearing Liabilities	4,865	3,410	5,455	3,724
TOTAL	7,581	6,126	8,212	6,481

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 interest bearing liabilities has been measured by discounting contracted future cash flows by prevailing market interest rates.

NOTE 30: AUDITORS' REMUNERATION

Remuneration of the auditor of the reporting entity for auditing or reviewing the financial report for the period was \$23,200 (2002/2003 \$21,800).

NOTE 31: 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 Stephen Hart Brian Crook Stuart Hart
Chief Executive Officer	Rob Small

- (ii) Remuneration of Responsible Persons

	2004	2003
<i>Income Range:</i>	<i>No.</i>	<i>No.</i>
\$10,000 – \$19,999	6	6
\$30,000 – \$39,999	1	2
\$40,000 – \$49,999	0	1
\$80,000 – \$89,999	0	1
\$150,000 – \$159,999	1	0
TOTAL	8	10

	\$'000	\$'000
Total Remuneration for the reporting period for Responsible Persons included above, amounted to	259	264

- (iii) Senior Officers Remuneration

The number of senior officers, other than the Chief Executive Officer, whose total remuneration exceeded \$100,000 and all officers who reported directly to the Chief Executive Officer in a management capacity, even if they receive less than \$100,000 per annum during the reporting period, are shown below in their relevant income bands:

	2004	2003
<i>Income Range:</i>	<i>No.</i>	<i>No.</i>
\$40,000 – \$49,999	0	2
\$60,000 – \$69,999	1	0
\$70,000 – \$79,999	0	1
\$80,000 – \$89,999	1	0
\$110,000 – \$119,999	1	0
TOTAL	3	3

	\$'000	\$'000
Total Remuneration for the reporting period for Senior Officers included above, amounted to	261	165

- (iv) No retirement benefits have been paid by the Council to a Responsible Person.
- (v) No loans have been made, guaranteed or secured by the Council to a Responsible Person 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 2004

NOTE 32: REVENUE AND EXPENSES BY FUNCTION

	2004 \$'000	2003 \$'000
REVENUE FROM ORDINARY ACTIVITIES		
Rates	10,356	10,966
Grants Commission	2,385	2,315
Governance	2,673	2,498
Infrastructure	10,604	8,601
Strategic Development	2,521	2,317
TOTAL REVENUE FROM ORDINARY ACTIVITIES	28,539	26,697
EXPENSES FROM ORDINARY ACTIVITIES		
Governance	6,201	6,934
Infrastructure	19,060	21,292
Strategic Development	4,809	5,856
TOTAL EXPENSES FROM ORDINARY ACTIVITIES	30,070	34,082
NET SURPLUS/(DEFICIT) FOR THE REPORTING PERIOD	(1,531)	(7,385)

NOTE 33: ASSETS BY FUNCTION

Council assets are applied to its functions as follows:

	2004 \$'000	2003 \$'000
Governance	8,618	7,888
Infrastructure	169,438	170,082
Strategic Development	6,162	6,320
TOTAL	184,218	184,290

NOTE 34: FINANCIAL RATIOS

	2004	2003
(i) Debt servicing ratio (%) (to identify the capacity of Council to service its outstanding debt);		
$\frac{\text{Debt servicing costs}}{\text{Total revenue}}$	$\frac{372}{28,539}$	1.3%
(ii) Debt commitment ratio (%) (to identify council's debt redemption strategy);		
$\frac{\text{Debt servicing \& redemption}}{\text{Rate and Charges revenue (12 months)}}$	$\frac{962}{11,660}$	8.3%
(iii) Revenue ratio (%) (to identify Council's dependence on non-rate income);		
$\frac{\text{Rate and Charges revenue (12 months)}}{\text{Total revenue}}$	$\frac{11,660}{28,539}$	40.9%
(iv) Debt exposure ratio (: 1) (to identify Council's exposure to debt);		
$\frac{\text{Total indebtedness}}{\text{Total realisable assets}}$	$\frac{9,276}{45,656}$	0.20:1
(v) Working capital ratio (: 1) (to assess Council's ability to meet current commitments).		
$\frac{\text{Current assets}}{\text{Current liabilities}}$	$\frac{8,071}{4,011}$	2.01:1

Notes to the Financial Statements for the Year Ended 30 June 2004

NOTE 35: 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:

	2004 \$'000	2003 \$'000
ASSETS		
Current Assets	1,212	537
TOTAL ASSETS	1,212	537
LIABILITIES		
Current Liabilities	502	58
Non Current Liabilities	5	4
TOTAL LIABILITIES	507	62
NET ASSETS	705	475
Accumulated Funds	705	475
EQUITY	705	475

NOTE 36: REPORTING ENTITY

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

COLAC OTWAY SHIRE

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 (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.

PRINCIPAL ACCOUNTING OFFICER

Date:

Janie McC
8th September 2004

In our opinion the accompanying financial statements present fairly the financial transactions of the Colac Otway Shire for the year ended 30 June 2004 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.

We have been authorised by the Council on 25 August 2004 to certify the financial statements in their final form.

COUNCILLOR

Date:

David S. Mercer
8th Sept 2004

COUNCILLOR

Date:

SLH
8th September 2004

ACTING CHIEF EXECUTIVE OFFICER

Date:

[Signature]
8th Sept. 2004

Standard Statement of Financial Performance for the Year Ended 30 June 2004

	Note	Actual \$'000	Budget \$'000	Variance \$'000	Variance %
REVENUE FROM ORDINARY ACTIVITIES					
Rates and Charges		11,660	11,666	(6)	(0.05%)
Grants Commission		4,046	4,069	(23)	(0.57%)
Recurrent Grants & Subsidies	2	2,226	1,762	464	26.33%
Non-Recurrent Grants & Subsidies	3	3,071	2,458	613	24.94%
Charges, Fees & Fines		4,027	4,229	(202)	(4.78%)
Reimbursements & Contributions	4	1,306	1,672	(366)	(21.89%)
Proceeds on Sale of Assets	5	1,071	900	171	19.00%
Donated Property, Plant and Equipment	6	743	400	343	85.75%
Interest	7	234	165	69	41.82%
Property, Plant and Equipment not previously recognised	8	155	0	155	0.00%
TOTAL REVENUE FROM ORDINARY ACTIVITIES		28,539	27,321	1,218	4.46%
EXPENSES FROM ORDINARY ACTIVITIES					
Employee Expenses		8,223	8,017	206	2.57%
Depreciation and Amortisation	9	7,114	8,300	(1,186)	(14.29%)
Borrowing Costs	10	372	334	38	11.38%
Materials & Services	11	10,126	11,956	(1,830)	(15.31%)
Grants and Donations	12	130	87	43	49.43%
Plant Costs	13	712	1,154	(442)	(38.30%)
Written Down Value of Assets Sold		992	995	(3)	(0.30%)
Property, Plant and Equipment written off	14	1,612	870	742	85.29%
Share of Loss of Associates accounted for by the equity method		53	50	3	6.00%
Other		736	831	(95)	(11.43%)
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		30,070	32,594	(2,524)	(7.74%)
NET SURPLUS/(DEFICIT) FOR THE REPORTING PERIOD		(1,531)	(5,273)	3,742	(70.97%)
MOVEMENTS IN EQUITY					
Net increase in Asset Revaluation Reserve	15	2,025	0	2,025	0.00%
Net increase CRLC Asset Replacement Reserve		3	0	3	0.00%
TOTAL MOVEMENTS DIRECTLY RECOGNISED AS EQUITY		2,028	0	2,028	0.00%
TOTAL CHANGES IN EQUITY		497	(5,273)	5,770	(109.43%)

Standard Statement of Cashflows for the Year Ended 30 June 2004

	Note	Actual \$'000	Budget \$'000	Variance \$'000	Variance %
CASH FLOWS FROM OPERATING ACTIVITIES					
Rates and Charges		11,393	11,568	(175)	(1.51%)
Government Grants	2 & 3	9,855	8,588	1,267	14.75%
Council User charges and reimbursements received		4,384	4,673	(289)	(6.18%)
Contributions and donations received	4	1,306	1,672	(366)	(21.89%)
Council payments to employees		(8,301)	(7,957)	(344)	4.32%
Council payments to suppliers	11	(12,452)	(14,421)	1,969	(13.65%)
Interest received	7	234	165	69	41.82%
Interest paid	10	(379)	(334)	(45)	13.47%
Council Grants and Donations paid	12	(130)	(87)	(43)	49.43%
GST paid	16	504	586	(82)	(13.99%)
Other payments		(809)	(731)	(78)	10.67%
Net cash provided by operating activities		5,605	3,722	1,883	50.60%
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for asset acquisition		(5,158)	(5,328)	170	(3.19%)
Proceeds from disposal of assets	5	1,071	900	171	19.00%
Net cash used in investing activities		(4,087)	(4,428)	341	(7.70%)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings	17	(1,366)	(1,497)	131	(8.75%)
Proceeds from borrowings	18	863	863	0	0.00%
Net cash used in financing activities		(503)	(634)	131	(20.66%)
Net increase/(decrease) in cash held		1,015	(1,377)	2,392	(173.71%)
Cash at the beginning of the year		4,547	4,547	0	0.00%
CASH AT THE END OF THE YEAR		5,562	3,170	2,392	75.46%

Note 1: Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements for the first time this financial year within its Annual Report. Two Statements are required this year – a Standard Statement of Financial Performance and a Standard Statement of Cash Flows, together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for the General Purpose Financial Statements and the Budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included on pages 69–72 of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 13 per cent. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Statements are those adopted by Council on 23 July 2003. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets for both short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements on pages 69–72. The detailed budget can be obtained by contacting Council. The Standard Statements must be read with reference to these documents.

Variance Explanation

Note	Item	Explanation
2	Recurrent Grants & Subsidies	Vicroads Better Roads funding of \$348,000 unbudgeted. Increased home care funding from budget of \$82,000.
3	Non-Recurrent Grants & Subsidies	Reconstruction of Port of Apollo Bay Breakwater Grant \$1,300,000 unbudgeted. Television Blackspot Program Grant \$832,000 budgeted for not received as project is yet to be completed.
4	Reimbursements & Contributions	Special charge scheme income of \$630,000 budgeted for not raised for Point Vista/Otway road construction.
5	Proceeds on Sale of Assets	\$385,000 for sales of City Bowls Club, 6 Station Street Forrest and Pound House unbudgeted.
6	Donated Property, Plant and Equipment	\$743,00 donated land, streets, drainage, footpaths, kerb and channels from subdivisions.
7	Interest	Increased interest income due to bank balance higher than expected and interest rates.
8	Property, Plant and Equipment not previously recognised	Recognition of land under control of Council \$155,000 unbudgeted.
9	Depreciation and Amortisation	Depreciation decrease due to majority of unsealed road network having a zero written down value.
10	Borrowing Costs	Increased borrowing costs from budget of \$45,000 due to interest paid for unfunded superannuation liability.
11	Materials & Services	Projects budgeted for such as the Television Blackspot \$791,000 and the Old Beechy Line Rail Trail \$500,000 yet to be completed.
12	Grants and Donations	Donation of sale proceeds from sale of 5 Station Street Forrest \$41,000 to the Forrest and District Community Group unbudgeted.
13	Plant Costs	Plant expenses less than budgeted due to lower private works.
14	Property, Plant and Equipment written off	Higher write off due to renewal of infrastructure assets (\$1,200,000) and write off of land and buildings (\$260,000) which Council no longer control.
15	Net increase in Asset Revaluation Reserve	New asset revaluation policy adopted. Bridges, Footpaths, Kerb and Channels revalued as at 30 June 2004.
16	GST paid	GST paid is dependant on GST status of receipts and expenditure.
17	Repayment of borrowings	Repayment of \$863,000 to Vision Super for Unfunded Superannuation Liability.
18	Proceeds from borrowings	New loan to fund repayment of Unfunded Superannuation Liability.

COLAC OTWAY SHIRE

CERTIFICATION OF STANDARD STATEMENTS

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989, and the Government (Finance and Reporting) Regulations 2004.

PRINCIPAL ACCOUNTING OFFICER

Date:

In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989, and the Government (Finance and Reporting) Regulations 2004.

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

We have been authorised by the Council on 25 August 2004 to certify the Financial Statements in their final form.

COUNCILLOR

Date:

COUNCILLOR

Date:

ACTING CHIEF EXECUTIVE OFFICER

Date:



AUDITOR GENERAL VICTORIA

AUDITOR-GENERAL'S REPORT

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

Audit Scope

The accompanying financial report and standard statements of Colac-Otway Shire Council for the financial year ended 30 June 2004 have been audited. The financial report comprises a statement of financial performance, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements. The standard statements comprise a standard statement of financial performance and standard statement of cash flows.

The Councillors are responsible for the preparation and presentation of the financial report and the standard statements and the information they contain. An independent audit of the financial report and standard statements has been carried out in order to express an opinion on them to the responsible Ministers and the Councillors as required by the *Audit Act* 1994.

Each audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report and standard statements are 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 standard statements, 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:

- (i) the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Local Government Act* 1989, so as to present a view which is consistent with my understanding of the Council's financial position, financial performance and its cash flows; and
- (ii) the standard statements are presented fairly, consistent with the basis of preparation described in note 1, comply with the requirements of the *Local Government Act* 1989 and the "actual" amounts are correctly extracted from the financial report. While the standard statements have to be prepared on a basis consistent with the financial report they are not required to meet all of the presentation requirements of Accounting Standards and other mandatory professional reporting requirements.

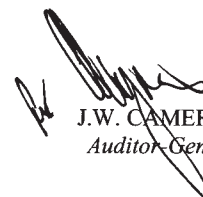
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinions

In my opinion:

- (i) the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Local Government Act* 1989, the financial position of Colac-Otway Shire Council as at 30 June 2004, its financial performance and cash flows for the year then ended; and
- (ii) the standard statements for the year ended 30 June 2004 are presented fairly in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act* 1989.

MELBOURNE
8 September 2004



J.W. CAMERON
Auditor-General

Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000
Telephone (03) 8601 7000 Facsimile (03) 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest

Performance Statement for the Year Ended 30 June 2004

Council Plan Indicators

Actual Result 2002/2003	Community Satisfaction		CSMP 2003/2004 Indexed mean	CP Target 2003/2004	Difference
64	CS.1	Community satisfaction rating for Overall Performance Generally of the Council	62	65	-3
49	CS.2.1	Community satisfaction rating for Local Roads and Footpaths	47	50	-3
75	CS.2.2	Community satisfaction rating for Health and Human Services	75	76	-1
71	CS.2.3	Community satisfaction rating for Recreational Facilities	71	72	-1
69	CS.2.4	Community satisfaction rating for Appearance of Public Areas	69	70	-1
59	CS.2.5	Community satisfaction rating for Traffic Management and Parking Facilities	59	60	-1
63	CS.2.6	Community satisfaction rating for Waste Management Services	57	65	-8
63	CS.2.7	Community satisfaction rating for Enforcement of Local Laws	65	*	
64	CS.2.8	Community satisfaction rating for Economic Development	64	66	-2
56	CS.2.9	Community satisfaction rating for Town Planning Policy and Approvals	55	57	-4
74	CS.3	Community satisfaction rating for Council's Interaction and Responsiveness in dealing with the public	72	75	-3
60	CS.4	Community satisfaction rating for Council's Advocacy and Community Representation on key local issues	62	63	-1
Actual Result 2002/2003	Financial Management		Actual Result 2003/2004	CP Target 2003/2004	Difference
8.0%	FP.5	Total Debt Servicing Costs as a % of rates and charges revenue	7.7%	8.1%	-0.4%
1.7:1	FP.4	Working Capital Ratio (Current Assets as a % of Current Liabilities)	2.01:1	2:1	+0.01

Other Council Plan Indicators

Actual Result 2002/2003	Governance		Actual Result 2003/2004	CP Target 2003/2004	Difference
689		Employee Opinion Survey Satisfaction Index	668	700	-32
10.2%		Staff Turnover Rate	10.0%	9.0%	+1%
76%		Civic Mutual Plus Liability Assessment	62%	80%	-18%
4		Number of Best Value Reviews completed	2	3	-1
1544		Number of Annual Community Transport Trips	5637	4200	+1437
Actual Result 2002/2003	Infrastructure		Actual Result 2003/2004	CP Target 2003/2004	Difference
76%		Asset Renewal Sustainability Index	88%	80%	+8%
85%		Percentage of Capital Works Projects Completed	82%	90%	-8%
Actual Result 2002/2003	Strategic Development		Actual Result 2003/2004	CP Target 2003/2004	Difference
		Average time to process a planning application	80 days	50 days	+30 days
4.5%		Unemployment rate for Colac Otway Shire	5%	4.5%	+0.5%

* No target included in Annual Business Plan.

Notes to and Forming Part of the Performance Statement for 2003/2004

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 variances between actual results for the year as compared to Council Plan targets are explained as follows:

- The Civic Mutual Plus Liability Assessment differed from target of 80% to actual of 62% due to a more rigorous assessment process. The State average in 2002/03 was 71.5% and it has decreased to 54% for 2003/04.

COLAC OTWAY SHIRE

CERTIFICATION OF PERFORMANCE STATEMENT

In my opinion, the accompanying performance statement of the Colac Otway Shire Council in respect of 2003/2004 financial year has been prepared in accordance with *the Local Government Act 1989*.

PRINCIPAL ACCOUNTING OFFICER

Date: 8th September 2004

In our opinion, the accompanying performance statement of the Colac Otway Shire Council in respect of 2003/2004 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

COUNCILLOR

Date: 8th Sept 2004

NAME

COUNCILLOR

Date: 8th September 2004

NAME

ACTING CHIEF EXECUTIVE OFFICER

Date: 8th Sept. 2004



AUDITOR GENERAL VICTORIA

AUDITOR-GENERAL'S REPORT

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

Audit Scope

The accompanying performance statement of Colac-Otway Shire Council in respect of the 30 June 2004 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 the statement 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.

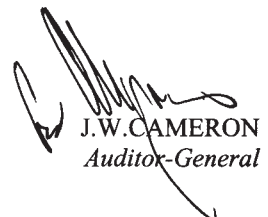
The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the performance statement is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the statement. These procedures, which did 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 Colac-Otway Shire Council in respect of the 30 June 2004 financial year is presented fairly in accordance with the *Local Government Act 1989*.

MELBOURNE
8 September 2004



J.W. CAMERON
Auditor-General

Local Government Improvement Incentive Program Statement – 2003/04

Colac Otway Shire Council

Certification by Chief Executive Officer

Colac Otway Shire Council has complied with the requirements of the Local Government Improvement Incentive Program in respect of:-

- National Competition Policy (in accordance with *National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002)*);
- Best Value (Ministerial Code of Reporting Best Value Principles) in accordance with the *Ministerial Code of Reporting Best Value Principles*; and
- Asset Management (Asset Management Reporting) in accordance with the Municipal Association of Victoria's (MAV) STEP program

for the financial year 2003/04 as set out below:

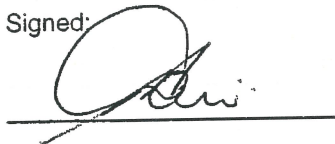
1.	<p>.....NATIONAL COMPETITION POLICY.....</p> <p>A. Trade Practices Compliance</p> <p><i>State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</i></p> <p>Compliant</p> <p>B. Local Laws Compliance</p> <p><i>State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</i></p> <p>Compliant</p> <p>C. Best Value Competitive Neutrality Compliance</p> <p><i>State whether the Council is compliant or non-compliant for all significant businesses. If non-compliant, justify or cite actions to redress. (If Council has scheduled, but not yet completed Best Value reviews for all of its significant businesses, this does not in itself constitute non-compliance).</i></p> <p>Compliant</p>
2.	<p>.....BEST VALUE.....</p> <p>Ministerial Code of Reporting Best Value Principles Compliance</p> <p><i>State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</i></p> <p>Compliant</p>
3.	<p>.....ASSET MANAGEMENT.....</p> <p>Asset Management Reporting Compliance</p> <p><i>State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</i></p> <p>Compliant</p>

National Competition Policy Statement

I certify that:

- a) this statement has been prepared in accordance with the 2003/04 Local Government Improvement Incentive guidelines issued by the Minister for Local Government (April 2003) for reporting on the following three criteria :- National Competition Policy in accordance with *National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002)*, Best Value (Best Value Principles Ministerial Code of Reporting) in accordance with the *Ministerial Code of Reporting Best Value Principles*, as published in the Victoria Government Gazette dated 30 November 2000; and Asset Management (Asset Management Reporting) in accordance with the MAV's STEP program; and
- b) this statement presents fairly the Council's implementation of the National Competition Policy, Best Value Principles and Asset Management Plans.

Signed:



(Acting Chief Executive Officer)

Date: 18/8/04.