

# Colac Otway Shire Council

## Annual Report 2020-21



Colac Otway  
SHIRE



## Acknowledgement of Traditional Custodians

The Colac Otway Shire Council respectfully acknowledges the Gulidjan and Gadubanud peoples of the Marr Nation as the traditional owners of the Colac Otway region, the land upon which the activities of the Colac Otway Shire Council is conducted on.

We pay our respects to their ancestors and elders, past, present and emerging. We recognise and respect their unique cultural heritage, beliefs and uphold their continuing relationship to this land.





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# Mayor's Message

## **ON BEHALF OF MY FELLOW COUNCILLORS, I AM PLEASED TO PRESENT THE COLAC OTWAY SHIRE COUNCIL ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2021, THE FIRST FOR THIS COUNCIL.**

The year started with the services and operations of Council significantly impacted by the COVID-19 pandemic; 12 months later we continue to navigate through the challenges and complexities associated with living with the coronavirus on a local, state, national and global level.

Through this unprecedented time, I'm pleased to report the organisation worked for our community to deliver the support needed while continuing to provide high quality service in day to day operations along with key projects that were the focus of Council.

Projects completed included the Central Reserve Netball Courts and Lighting upgrade, Forest Street Bridge replacement and widening in Colac, the shared path upgrade in Forrest and delivery of federally funded Local Roads and Community Infrastructure (LRCI) Projects.

The LRCI funding enabled Council to deliver a variety of works including improving the quality, accessibility and safety of footpaths within the shire. Footpaths constructed under the LRCI program included Tulloh Street, Colac; Corangamite Lake Road, Cororooke; College Drive, Lavers Hill; Thompson Street, Apollo Bay; and Main Street, Gellibrand.

After several years of Council planning and advocacy, work commenced on the Forrest Mountain Bike Trail Revitalisation project. The revitalised trails will bring mountain bikers and visitors to Forrest and the wider Colac Otway region, adding to the local nature-based attractions and supporting our tourism and hospitality industry. The project is a significant investment toward the future of Colac Otway and will enhance Forrest's reputation as one of Australia's premier mountain-biking destinations.

A collaborative effort between Council, the Colac Aero Club and volunteers resulted in successfully advocating for Federal Government funding for important safety upgrades to the Colac Municipal Aerodrome. Works will greatly improve the aerodrome's operational capability and will provide a significant boost to the aerodrome's effectiveness to support agencies to respond to emergencies.

This was a great result for this important asset for our local community and industries which has flow-on benefits for the whole region.

A Key and Essential Worker Housing crisis was declared by this Council at the June 2021 meeting. It remains a clear priority for Council to draw attention to this issue and the shortage of affordable worker housing in Colac and Apollo Bay. Council are working on actions we can take to address the housing shortage at a local level, while noting that this is a bigger issue which we need to continue to address by working with regional advocacy bodies and at a State and Federal level.

Council adopted a new Community Engagement Policy in February 2021 which provides a framework for how we work with the community and involve our community in Council decisions including the development of strategic plans. A significant piece of engagement through 2021 was the development of the Council Plan and Community Vision – we thank all the community members who participated by providing their thoughts, ideas and feedback toward these important strategic documents which will set Council's direction into the future.

In March Peter Brown advised Councillors he would resign as Chief Executive of Colac Otway Shire Council. I thank Peter for the experience and knowledge he brought to Colac Otway Shire and for the stable, considered leadership he provided to the organisation, this was particularly valuable over the last 12 months.

In August 2021, we welcomed Anne Howard as CEO. We congratulate Anne on her appointment and look forward to working together into the future.

Thank you to all sections of our community, our Councillors and Colac Otway Shire Council staff for all you contribute to make Colac Otway a wonderful place to live, work and visit. Colac Otway is a resilient and strong community that I am immensely proud to be a part of.

**Cr Kate Hanson**  
**Mayor Colac Otway Shire**



# Chief Executive Report

## **I AM PLEASED TO INTRODUCE THE COLAC OTWAY SHIRE COUNCIL'S ANNUAL REPORT 2020-21 AND TO PRESENT THE ACHIEVEMENTS OF COUNCIL OVER THE LAST FINANCIAL YEAR.**

I acknowledge that these achievements, of which there are many, were delivered under the leadership of Peter Brown who in July 2021 retired, after three years in the role of Chief Executive Officer. I congratulate Peter for having delivered so much for the Councillors, the organisation and community.

I am proud to have been appointed to the role of Chief Executive Officer and commenced in the role in August, I look forward to continuing to work with Councillors, staff and our community to help shape and strengthen the region. We have many opportunities to ensure the shire grows as a great place to live, where people can have full and successful lives.

The 2020-21 year was dominated by the Colac Otway Shire Council's management of COVID-19, the impact on community and services and operations of the organisation. The first outbreak of COVID-19 in the shire occurred in mid-July forcing the closure of major employer Australian Lamb Company and prompting the State Government establishment of an Incident Control Centre in COPACC to lead a localised pandemic management plan with the support of Council, agencies and the Australian Defence Force.

As one of the first regional municipalities to have positive COVID-19 cases within the local community, Colac Otway's COVID-19 relief program included on-the-ground community support and increased communications after it was identified that Council needed to lead and initiate relief at a local level.

Colac Otway responded by providing relief services such as distribution of food and emergency supplies to people isolating or quarantining and a dedicated COVID-19 support hotline staffed seven days a week. Council also applied a no-interest period on unpaid rates to support ratepayers whose income had been impacted by the COVID-19 situation.

Council worked in partnership with local business and support organisations to deliver clear COVID-19 messaging in various languages and supported Colac Area Health with the promotion and establishment of a drive-through COVID-19 testing site at Colac's Central Reserve.

State-wide COVID-19 lockdown restrictions forced

closure of Council's Customer Service Centres, Visitor Information Centres, Bluewater Leisure Centre, COPACC and school crossing services.

During lockdown closures, impacted staff were offered leave options or redeployment, with the State Government's Working for Victoria program enabling the extended redeployment of staff into cleaning, and service and operations roles which delivered key maintenance across the shire, with a focus on small town improvement.

The Working for Victoria program also enabled Council to employ local people from outside the organisation into diverse roles including the roll-out of Council's Business and Community Support Package and other initiatives to support our community adapt to life with COVID-19.

Building on strong relationships with our local businesses and business networks has been vital through the pandemic, with business leaders playing a key role in a community-led COVID campaign and prevention approach.

Community partnership continues to be a focus in developing projects and initiatives to support the community to implement COVID-19 safe measures.

Council continues to navigate the global uncertainty of the COVID-19 situation and the financial challenges associated, while recognising the balance needed to respond to immediate issues and plan for Colac Otway's future.

Local Government Victoria elections took place toward the end of 2020; fourteen candidates, including four Councillors seeking re-election, nominated for October election and conducted non-contact campaigns during challenging times.

Colac Otway Shire welcomed a new Council, with Councillors Kate Hanson, Stephen Hart, Chris Potter and Joe McCracken re-elected, along with new Councillors Jamie Bell, Graham Costin and Marg White.

The new Council elected Cr Hanson as Mayor and Cr Costin as Deputy Mayor, with Councillors attending a comprehensive induction program familiarising themselves with the new Local Government Act and Council operations.

Development of the 2021-22 Budget; advocacy to address housing shortages, particularly key worker and affordable housing;

implementation of the newly adopted Waste Management Strategy and the development of a Community Vision and four year Council Plan have been among the priorities addressed by the new Council.

The 2021-22 Budget was adopted in June and aims to provide a strong, strategic base for growth and pandemic recovery in Colac Otway with a focus on delivery of services, meeting community expectations and focussing on sustainability and infrastructure.

The Council Plan 2021-2025 provides strategic direction and priorities for Council and sits alongside the new 2050 Community Vision, which sets out aspirations for the shire for the next 30 years. This Council Plan will incorporate the Municipal Health and Wellbeing Plan.

A comprehensive engagement process to assist the development of the Council Plan commenced in early 2021 with the community participating in drop-in sessions at 12 locations across the Shire, an online survey, stakeholder interviews with community business and agency partners and youth summit of 49 students.

A randomly selected panel of 24 community members came together over three days to refine the information Council had gathered through the community engagement process and presented their findings to Council.

The draft Council Plan and Community Vision will be open to the community for comment, before the final documents come before Council for adopting in October.

This Council declared a Key and Essential Housing Crisis at the June Council meeting to increase awareness of the affordable worker housing shortage in Colac and Apollo Bay and for Council to respond to an escalating level of community concern.

Progress has been made in addressing the shire's housing shortage and the closely linked worker shortage with Council agreeing to develop a preferred residential development model for Council owned land in Bruce Street, Colac so it can be sold with the intent to provide a number of blocks for key worker and social housing.

Council also has developed a Draft Social Housing Strategy and is working with other G21 councils to seek State funding from the Big Build campaign to be guided on advocating for investment in social housing.

A draft plan for Colac West Development to facilitate rezoning and release of further residential land in this growth area of the shire is also being developed by Council.

Council has also applied for funding through the

Federal Government's Building Better Regions Program to undertake stage one of the Elliminyt Wetlands Project, which would assist in the development of about 300 housing lots, improve stormwater quality and provide water for nearby sporting facilities.

Council was successful in attracting a total of \$3.4million across two rounds of Federal Government's Local Roads and Community Infrastructure Program, delivering a range of projects including new and upgraded footpaths shire wide and netball/tennis court resurfacing.

Despite challenges created by the pandemic, Council successfully delivered a number of key infrastructure projects across the Shire, including the Colac Velodrome upgrade, Central Reserve Netball Court redevelopment, Forest Street Bridge replacement and work commencing to expand the Forrest Mountain Bike Trails.

At the end of the final quarter, Council has about 60 infrastructure projects nearing completion or underway, including those funded by the Local Roads and Community Infrastructure Program.

## HIGHLIGHTS

- Securing of almost 4.5 hectares of the former Colac High School site land for community use.
- Work commenced on the Forrest Mountain Bike Trail Revitalisation Project, which was identified as a key tourism asset within the region.
- Completion of the Elliminyt Recreation Reserve Velodrome resurfacing and Central Reserve Oval Lighting and Netball Courts Redevelopment.
- Success in securing State and Federal Government regional funding. Council has received funding for: the Birregurra Recreation Reserve Lighting Upgrade, Lake Oval Colac Electronic Scoreboard, Digital Transformation Project, Colac Otway Sports Lighting Upgrades (across six sites in the shire), Community Vibrancy Event Fund, Transfer Station Upgrade and an upgrade to the Colac Municipal Aerodrome.
- Colac Otway Shire Council is set to become Victoria's first regional municipality to reach Carbon Neutral target.
- Transition from Corangamite Regional Library Corporation to Geelong Regional Library Corporation is complete with the community having access to the expanded range of library services.

## PROSPERITY

- Council released an economic stimulus package to help the Colac Otway community face challenges associated with COVID-19.

The Business and Community Support Fund of \$950,000 included a Business Diversification Grants program, Small Arts Projects Grants Program and implementation of a Buy Local campaign in January to support local business in adapting and recovering from impacts of the COVID-19 pandemic.

- Council worked with the Apollo Bay community to develop a 'parklets' initiative to respond to COVID-19 safe requirements and expand outdoor dining capacity in the town.
- Online auction initiative successfully trialled at the Colac Regional Saleyards.
- A diverse range of apprenticeships and traineeships across several Council departments from Economic Development to Services and Operations were filled, continuing Council's efforts to offer career opportunities for young people in the shire.
- Progression of work on the City Deal projects has continued through 2020-21.
- The State Government Planning Minister approved the Colac 2050 Growth Plan; the plan will open doors for strategic development to accommodate long-term projected population growth.

## PLACES

- Development of an advocacy plan to raise awareness of the impact of noxious weeds across the shire and raise these concerns with State Government.
- Installation of touchless taps at Colac's Memorial Square bathroom facilities to minimise contact with surfaces to improve community health and safety and reduce water waste. Touchless taps will be installed at other Council public bathroom facilities throughout the shire.
- BBQs removed from Colac's former Lions Park during the Barongarook Creek upgrade and indigenous revegetation project and relocated to a new picnic area further up the creek.
- Completion of solar street lighting in Queen Street, Colac.
- With DELWP approval, Council worked with local stakeholders to develop a solution to the Grey Headed Flying Fox (GHFF) issue in Colac's Botanic Gardens. GHFFs are important to the eco-system however they have caused damage to heritage trees in the Gardens. A model was created and carried out in an attempt to move the GHFF to other, more robust trees, closer to the lake foreshore for long term cohabitation.
- Tulloh Street, Colac footpath construction, funded by Local Roads and Community Infrastructure Program.

## COMMUNITY

- Results from the 2021 Colac Otway annual community satisfaction survey indicated overall performance ratings are at the highest level in 10 years.
- Installation of 30kW solar PV system on the Colac Community Library and Learning Centre and 746 fluorescent tubes and other lights retrofitted to LED.
- Colac Otway Shire again recorded above average rates for childhood immunisation, a strong achievement with this important service being safely delivered during the pandemic.
- Ceiling maintenance work completed at Bluewater Leisure Centre.

## LEADERSHIP AND MANAGEMENT

- Comprehensive community engagement to assist in the development of Council's long-term strategic documents, the Council Plan 2021-2025 and the Community Vision 2050.
- Adoption of the Waste Management Strategy to reduce waste to landfill, increase recycling and composting and improve efficiencies of current waste processes. The strategy includes roll-out of a fourth purple glass-only recycling bin and a hard waste collection.
- Council received a positive response to skips provided in Kennett River and Wye River for greenwaste collections to assist communities in preparation for fire season. A total of 19 tonnes of greenwaste was collected between October and December with no contamination of waste received.

## FINANCIAL PERFORMANCE

At 30 June 2021, Council's financial position has improved in an uncertain environment as the COVID-19 pandemic continues to impact delivery of a significant capital works program and operating projects carried forward to 2021-22. The financial results reflect Council's efforts to maintain essential services and existing assets with improvement in some critical financial indicators in 2020-21, although these indicators continue an underlying trend downward. The key results include:

- Net surplus of \$6.4 million
- Capital works program of \$9.9 million (94% asset renewal projects and \$5.5 million carried forward to 2021-22)
- Operating projects and programs of \$1.2 million carried forward to 2021-22
- Cash balance of \$21.96 million
- Statutory and non-statutory reserve

commitments totalling \$20.0 million (excluding long service leave included in current liabilities)

- Working capital (current assets less current liabilities) of \$12.9 million, including \$5.5 million grant revenue received in advance)
- Provision liabilities of \$10.8 million (landfill restoration provision reduced by \$3.3 million due to an independent expert assessment of Council's obligations for future restoration of ten closed landfill sites reducing the expected cost of works required)
- Borrowings of \$0.7 million (reduced by \$0.4 million)

After removing non-recurrent capital grants and contributions, the 2020-21 underlying result achieved was \$4.5 million. This result was impacted by a significant one-off reduction in the landfill restoration provision movement by \$3.3 million (recognised as revenue) and a \$0.58 million impairment expense for right of use assets. The 2020-21 underlying result would have been \$1.8 million if this provision movement had not been recognised. The result excludes the impact of timing of expenditure associated with operating initiatives carried forward to 2021-22 of \$1.2 million, due to the uncertainty of the COVID-19 pandemic.

The impact of lost revenue and additional costs associated with managing the COVID-19 pandemic was provided for in the 2020-21 budget. The COVID-19 pandemic required the continued closure of Council facilities in 2020-21 and resulted in a

decrease in Council user fee revenue and associated expenses. Additional costs from closed facilities were offset in 2020-21 by redeployment of Council staff to activities funded by the Working for Victoria program in response to the pandemic.

Colac Otway's four-year budget through to 30 June 2025 identifies several performance indicators in decline. The full impact of the COVID-19 pandemic, average rate increases below the rate cap, and Council's ability to cover annual increases in operating costs associated with delivering the current level of services remains uncertain. Financial sustainability indicators also highlight Council's concerns about the effectiveness of Council's revenue strategies, and Council's capacity to meet its long term financial needs. Council is reviewing its revenue and rating plan in 2021-22 and has been developing a long term financial plan to meet this challenge.

The cost of funding existing service levels continues to increase at a greater rate than Council's revenue despite efforts to reduce costs. Adoption of a sustainable long term financial plan and revenue and rating plan in 2021-22 will be essential for Council to effectively fund the services and expectations of our community into the future.

**Anne Howard**  
**Chief Executive Officer**



# Welcome

## **WELCOME TO COLAC OTWAY SHIRE COUNCIL'S ANNUAL REPORT FOR 2020-21.**

Our report documents Council's performance during 2020-21 against the Council Plan 2017-2021 and the 2020-21 Budget.

This is the final year of reporting against the Council Plan 2017-2021.

Council is committed to transparent reporting and accountability to the community. This report is the primary means of advising the Colac Otway community about Council's operations and performance during the year.

The report serves as an important document that will provide 'point in time' information about Council and the community for readers of the future.

This document also provides the opportunity to celebrate the achievements of Council, Council staff and the community over the course of the year.

The content of the Annual Report is reviewed each year and is guided by best practice in reporting and local government.

An online version of this report is available on [www.colacotway.vic.gov.au](http://www.colacotway.vic.gov.au)

This Annual Report states progress against the 2020-21 achievements in realising the strategic objectives of the Council Plan 2017-2021. That important plan established the following framework for the term of the Council elected in 2016.

## **Strategic Vision Towards a Prosperous Future**

### **VALUES**

Council will achieve its Vision by acting with:  
Respect; Integrity; Goodwill; Honesty; Trust

### **STRATEGIC DIRECTION**

The Councillors of Colac Otway Shire commit to plan growth in business and employment for our towns and settlements; the delivery of high quality services that meet community needs and demonstrate value for money; and to be leaders and work together as a team with the community and the organisation to achieve our goals for the Shire.

### **THE FOUR THEMES OF OUR COUNCIL PLAN INFORM OUR KEY STRATEGIC DIRECTION FOR 2017-2021:**

#### **THEME 1 – OUR PROSPERITY**

#### **THEME 2 – OUR PLACES**

#### **THEME 3 – OUR COMMUNITY**

#### **THEME 4 – OUR LEADERSHIP AND MANAGEMENT**

# Contacting Council

## **COLAC OTWAY SHIRE**

PO Box 283, Colac Vic 3250

E: [inq@colacotway.vic.gov.au](mailto:inq@colacotway.vic.gov.au)

T: 03 5232 9400

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

For callers who have a hearing, speech or communication impairment, and for text telephone or modem callers, use our National Relay Service on 133 677

## **COUNCIL CENTRES**

Colac Service Centre

2-6 Rae Street, Colac Vic 3250

Open: Monday – Friday, 8.30am – 5.00pm

## **Apollo Bay Service Centre (GORVIC)**

100 Great Ocean Road, Apollo Bay Vic 3233

Open: 7-days per week, 9.00am – 5.00pm

## **Colac Otway Performing Arts & Cultural Centre (COPACC)**

95-97 Gellibrand Street, Colac Vic 3250

T: 03 5232 9418

E: [copacc@colacotway.vic.gov.au](mailto:copacc@colacotway.vic.gov.au)

W: [www.copacc.com.au](http://www.copacc.com.au)

Open: Monday – Friday, 9.00am – 5.00pm (except public holidays)

## **Bluewater Leisure Centre**

118-134 Hearn Street, Colac Vic 3250

T: 03 5232 9551

E: [bluewater@colacotway.vic.gov.au](mailto:bluewater@colacotway.vic.gov.au)

W: [www.bluewater.org.au](http://www.bluewater.org.au)

Open: 7-days per week (check website for current hours)

Gymnasium open 24/7

## **Great Ocean Road Visitor Information Centre (GORVIC)**

100 Great Ocean Road, Apollo Bay Vic 3233

T: 03 5237 6429 or 1300 689 297

E: [gorvic@colacotway.vic.gov.au](mailto:gorvic@colacotway.vic.gov.au)

Open: 7-days per week, 9.00am – 5.00pm

## **Colac Visitor Information Centre**

53 Queen Street, Colac Vic 3250

T: 1300 OTWAYS (689 297)

E: [colacvic@colacotway.vic.gov.au](mailto:colacvic@colacotway.vic.gov.au)

Open:

Mon – Thurs 9.00am – 3.00pm;

Fri 9.00am – 5.00pm;

Sat 9.00am – 3.00pm;

Sun: 10.00am – 2.00pm

## **Colac Maternal Child Health Centre**

49 Queen Street, Colac

T: 03 5232 9570

E: [inq@colacotway.vic.gov.au](mailto:inq@colacotway.vic.gov.au)

Open:

Monday - Friday 9.00am – 4.30pm

(Contact Colac MCH Centre for MCH Outreach Centre hours)

# Introduction

21,662 population

3,438 square km

1,622 km of local roads

556 km of sealed roads

1,056 km unsealed roads

95 km coastline

110,000 hectares of forest and National Park

16 towns



## Who are we?

**5.6%** 0-4 years

**17.7%** 5-19 years

**15.7%** 20-34 years

**21.9%** 50-65 years

**21.8%** 65+ years

**1.2%** Aboriginal & Torres Strait Islanders

**9%** of the population was born overseas

Our population growth rate is currently

**0.46%**



## Where do we work

Manufacturing - **1,440**

Healthcare & Social Assistance - **1,341**

Agriculture, Forestry & Fishing - **1,284**

Retail Trade - **936**

Tourism - **876**

## Our Location



Colac Otway Shire has been an unsubdivided municipality (no Wards) since March 2007.



# Location

**A LARGE RURAL AND COASTAL SHIRE WITH A POPULATION OF 21,662, COLAC OTWAY IS WITHIN COMMUTING DISTANCE FROM MAJOR REGIONAL CITIES OF GEELONG TO THE EAST, WARRNAMBOOL TO THE WEST AND BALLARAT TO THE NORTH.**

Colac Otway's landscape is made up of a unique and precious natural environment, from a rural idyll with fertile farmland and volcanic lakes and craters inland, to beautiful rainforest, National Park, waterfalls, beaches and rugged coastlines.

Much of the rural area is used for agriculture, with farming, cropping and dairying being the main agricultural pursuits. Agricultural activity is concentrated in the northern part of the Shire, although timber and fishing are prevalent in the south. Tourism is an important industry, especially in the southern section along the Great Ocean Road.

The Shire has two main townships, with many small historic towns throughout. The largest town Colac, which serves as an administrative, retail and commercial centre, is well serviced by high quality education, health, recreation, arts and social facilities.

Apollo Bay is our major tourism centre located along the spectacular Great Ocean Road; this coastal community experiences an annual swell of thousands of holidaymakers over the summer months, with the lure of beautiful beaches, fresh local seafood and breathtaking scenery.

Colac Otway's townships include, Alvie, Beeac, Birregurra, Carlisle River, Cororooke, Cressy, Forrest, Gellibrand, Swan Marsh, Beech Forrest, Lavers Hill, Kennett River, Separation Creek and Wye River.

Colac Otway Shire has been an unsubdivided municipality (no wards) since March 2017.

## HISTORY

Before European arrival in the district, Colac was known as 'Kolak' or 'Kolakgnat', which means 'belonging to sand' to the Gulidjan people. The Gadubanud people occupied the rainforest, estuaries, grass and wetlands and coastline of the Otway's<sup>1</sup>.

Lake Colac, the volcanic plains and the Otway's provided rich and diverse food supply, including drinkable water from Lake Colac in the southeast and the Woody Yaloak River to the north<sup>2</sup>. Ownership and custodianship of these areas span thousands of years and is still present today.

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

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

## OUR COMMUNITY

Our resident population is estimated at 21,662 as at 30 June 2021. Approximately 83% of the Shire's residents were born in Australia and of those born overseas, 4% came from non-English speaking backgrounds.

Completion of the dual highway to Geelong has opened up the region, making the commute to major centres more comfortable and an attractive option for both the local population and for those seeking a lifestyle change.

## EMPLOYMENT

The following five major industry sectors make up 56.5% of the employed resident population in Colac Otway Shire.

1. Aboriginal History Volume 33 - Lawrence Niewojt

2. Aboriginal settlement of the saline lake and volcanic landscapes of Corangamite Basin, western Victoria - Ian J McNiven



# The Year In Review





# Fast Facts About Our Services

**342**  
Planning Permit applications received

**46,147**  
Walk-ins to Visitor Information Centres

**3,767**  
Incoming calls to Visitor Information Centres

**4,163**  
Payments processed at Rae Street reception

**2,859**  
Payments processed over the phone at Rae Street reception

**690**  
Payments processed at Apollo Bay reception

**36,929**  
Phone calls processed by customer service

**56.67%**  
Phone calls resolved at first contact by customer service

**22,432**  
Animals through Colac Regional Saleyards

**991**  
Local Development business forum attendees

**4,700**  
Attendees at 176 COPACC business events

**1,200**  
Attendees at 16 COPACC exhibitions

**2,700**  
Attendees at 10 externally produced COPACC events

**1,100**  
Attendees to COPACC produced events

**240**  
Bluewater childcare attendees

**7,833**  
Bluewater casual pool attendees

**1,055**  
Bluewater casual gym attendees

**60,005**  
Bluewater gym member attendees

**3,327 tonnes**  
Organic waste diverted from landfill

**396 kilos**  
Household waste to landfill

**25km**  
Rural roads tree trimming

**1,271km**  
Footpath repairs

**2,771**  
Maternal Child Health consultations

**209**  
Birth notifications received

**6,875**  
Meals on Wheels delivered

**16,689**  
Home care hours

**16,590**  
Personal care hours

**2,285**  
Child & flu vaccinations performed

**206**  
Food safety Inspections

**2,750**  
Trees, grasses, lilies & shrubs planted

**135**  
Children participated in environmental activities

**138**  
Animals returned to owners

**104**  
Animals rehomed

**36,059**  
Correspondence received by Councils INQ email

**296,499**  
Records created or registered in organisation

**192**  
Properties mapped carbon emissions reduced

**15,644**  
Rateable properties

**2,063**  
Pension rebates on property rates

**1,466**  
land certificates issued

Footpath repairs\*

\*The lower lineal metre figure is as a result of the replacement and upgrade of a significant section of the Barongarook Creek path from footpath width (1.5 metres) to a 2.5 metres wide shared use cycling and walking path.



# Financial Summary

The purpose of the Annual Report is to convey the performance of Council for the 2020-21 financial year. From a finance perspective, it is important to consider this Annual Report in conjunction with the Council Plan, incorporating Council's Strategic Resource Plan, which focuses on the longer term objectives of Council. This document can be found on Council's website at [www.colacotway.vic.gov.au](http://www.colacotway.vic.gov.au)

A summary of our performance is outlined below. Detailed information relating to council's financial performance is included within the financial statements and performance statement sections of this report.

## OPERATING POSITION

Council achieved a surplus of \$6.4 million in 2020-21, which is an increase of \$5.2 million from 2019-20 and \$6.9 million favourable to the adopted budget. As per Note 1 in the Financial Statements, the variance to budget is primarily due to:

- \$3.3m reduction in the landfill restoration provision movement (recognised as revenue);
- \$2.5m lower materials and services expenditure (decrease of 11.3% compared to 2019-20);
- \$1.0m additional successful capital opportunities, including Central Reserve lighting and netball court redevelopment funding of \$514,000 (increase of 54.9% compared to 2019-20 - \$3.9 million of additional capital grant revenue was received in advance and is included in the balance sheet and recognised as revenue when performance obligations are met);
- \$0.6m non-monetary contributions for gifted subdivision infrastructure assets;
- \$0.9m lower depreciation (decrease of 8.6% compared to 2019-20).

This is partly offset by:

- \$1.9m additional employee benefits (increase of 9.2% compared to 2019-20). The COVID-19 pandemic required the continued closure of Council facilities in 2020-21 and resulted in a decrease in Council user fee revenue and associated expenses. Additional costs from closed facilities were offset in 2020-21 by redeployment of Council staff to activities funded by the Working for Victoria program in response to the pandemic.
- \$1.0m reduced operating grants (decrease of 6.7% compared to 2019-20 - \$1.2 million of additional operating grant revenue was received

in advance and is included in the balance sheet and recognised as revenue when performance obligations are met); and

- \$0.6m impairment expense for right of use assets relating to leased two-way radio equipment not able to be recovered from the supplier following voluntary liquidation in 2019.

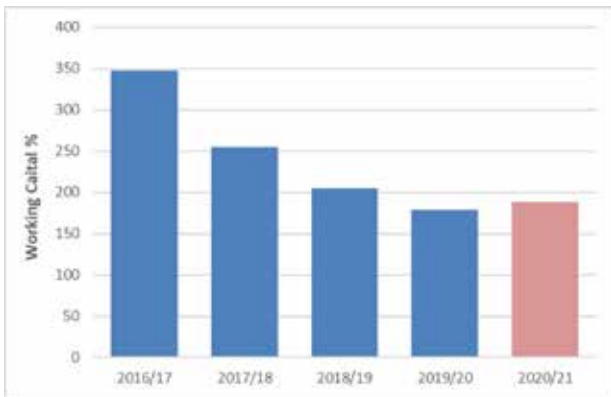
The adjusted underlying result (excluding non-recurrent capital funding, cash and non-monetary capital contributions,) increased to \$4.5 million. The result is due to a significant reduction in the landfill restoration provision movement by \$3.3 million offset by a \$580,000 impairment expense for right of use assets. This would have been \$1.8m underlying surplus if this provision movement had not been recognised. This result is higher than budgeted due to the timing of expenditure associated with operating initiatives carried forward to 2021-22 of \$1.2 million. It is a critical financial strategy to aim for underlying surpluses to provide capacity to renew the \$372 million of community assets managed and controlled by Council.



## LIQUIDITY

Cash has increased by \$5.8 million to \$22.0 million primarily due to increasing reserve commitments by \$6.1 million, including increased carry forwards by 4.3 million. This reflects the timing of grant funding received in advance (\$5.5 million) and associated carry forward expenditure. No additional loans and borrowings were undertaken in 2020-21 and \$286,000 of existing borrowings were repaid.

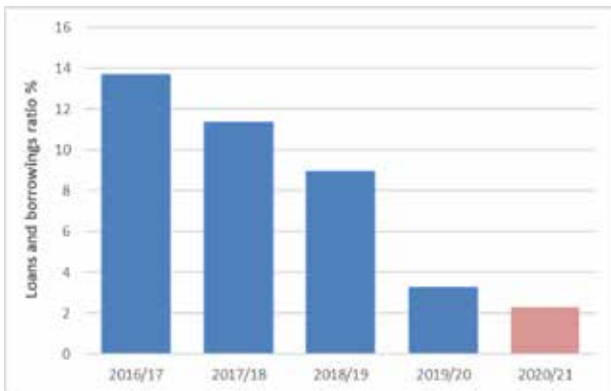
The working capital ratio which assesses Council's ability to meet current commitments is calculated by measuring Council's current assets as a percentage of current liabilities. Council's result of 190% is an indicator of satisfactory financial position and within Local Government Victoria's expected target of greater than 100%. However, it should be noted that this indicator is forecast to decline.



### OBLIGATIONS

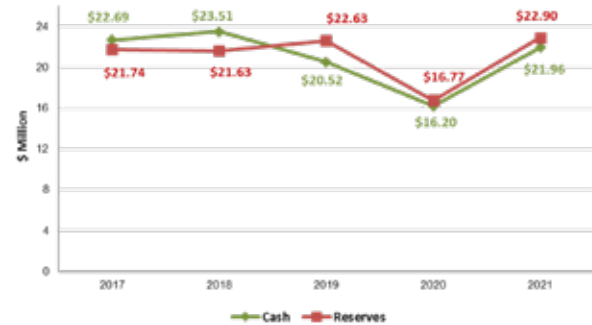
Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. Council invested \$9.6 million in renewal and upgrade works during the 2020-21 year (97% of capital works) toward bridging the infrastructure gap. The renewal gap ratio, which compares the rate of spending on existing assets through renewal, restoration, and replacement with depreciation, was 98% in 2020-21 compared to Local Government Victoria’s expected low risk target of 100%.

At the end of the 2020-21 year, Council’s debt (borrowing) ratio which compares interest bearing loans and borrowings to rate revenue was 2.31%, which is well below Council’s maximum threshold of 20%. This ratio has decreased primarily due to \$286,000 being repaid from existing loans and borrowings in 2020-21.



Council also has a policy to establish cash reserves to meet specific future obligations. At 30 June 2021 Council’s established reserves totalled \$22.9 million (refer Note 9.1 of Financial Statements), which exceeds Council’s cash balance by \$940,000. This means that some of Council’s reserves will continue to not be ‘cash backed’ for the third consecutive

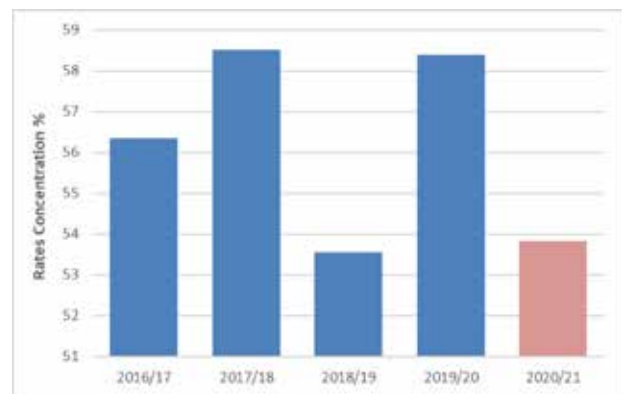
year, until Council can take steps to increase its cash balance.



### STABILITY

Council raises a wide range of revenues including rates, user fees, grants and contributions. Council’s rates concentration, which compares rate revenue to adjusted underlying revenue, was 53.8% for the 2020-21 year. Rate concentration has decreased from 2019-20 primarily due to a significant one-off reduction in the landfill restoration provision movement by \$3.3 million (recognised as revenue) in 2020-21 (refer to Note 5.5 of Financial Statements). A rate concentration ratio of approximately 60% is widely considered a healthy balance of not being over reliant on external funding to remain sustainable.

Further information on Council’s performance can be found on the Know Your Council website, [www.knowyourcouncil.vic.gov.au](http://www.knowyourcouncil.vic.gov.au)



**Amanda Barber**  
**Manager Financial Services**

# Major Capital Projects Report

## KEY HIGHLIGHTS OF THE YEAR

Substantial progress was made against the actions in the 2017-2021 Council Plan with the development of a draft capital allocations policy, internal capital works reporting framework and project management framework. These actions have provided a sound structure for the delivery of capital works to ensure that they are linked to strategic priorities and delivered efficiently, safely and cost effectively.

Standards are now embedded in infrastructure planning and design to ensure best practice Crime Prevention Through Environmental Design (CPTED) principles are used and community safety has been further enhanced through upgrades to the CCTV network in Colac.

One outstanding action from the 2017-2021 Council plan will be progressed in the coming period, being the development of a Property Management Framework.

## PROJECT DELIVERY

Despite a very challenging year, impacted substantially by COVID-19, 72% of the Capital Works Program was successfully delivered and substantial external funding (over \$5.93 million) was received for a range of projects. 2020-21 saw the completion of major projects such as the Central Reserve Netball Courts and Lighting upgrade; Forest Street Bridge replacement and widening; Forrest shared path upgrade and the delivery of federally funded Local Roads and Community Infrastructure Projects, which enabled Council to deliver new community infrastructure such as footpaths and playspaces.

## CAPITAL PROJECTS STATISTICS 2020/21

- 1,622 km of roads
- 566 km sealed
- 1,056 km unsealed
- 251 bridges and major culverts
- 146 km of footpaths
- 168 buildings

## CENTRAL RESERVE NETBALL COURTS AND LIGHTING UPGRADE

This project has enhanced local community facilities within the Colac Otway Shire. Central Reserve is Colac's premier football and netball facility which is used by Colac Football Netball Club during the home and away season, and as the finals venue for the Colac and District Football Netball League (four weekends (six days) during August/September).

Completing this project has resulted in the redevelopment of the Central Reserve facilities as a regional sporting venue through the provision of compliant AFL local match standard lighting (150 lux) and two redeveloped compliant netball courts with competition standard lighting (200lux) and spectator tiered seating for 80 people. The new facilities were completed in time for the 2021 football netball season (end of March 2021) and to support local sport (clubs, volunteers, officials) and the community.

Council was successful in receiving funding of \$375,164 under the State Government's Local Sports Infrastructure Fund, and \$425,000 under the Federal Government's Building Better Regions Fund (Infrastructure Projects). Council's contribution towards completing the project was \$243,890.

During the construction period, completing this project contributed towards the local economy. It provided local businesses and industry with additional work during the construction period with the appointed contractor supporting local businesses and industry by using local civil contractors, trenching businesses, crane operation, site gravel removal, concrete suppliers and contractors, fencing contractors, accommodation providers and food businesses.



## FOREST STREET BRIDGE REPLACEMENT AND WIDENING

The project was awarded under a design and construct contract to Gradian Projects for \$903,000, with a funding contribution of \$504,000 from State Government's Fixing Country Roads Program. The project aimed to widen the existing 7.2m bridge crossing so as to better serve current and future transport needs in terms of heavy vehicles.

Council originally specified a replacement bridge of 10m width however during the design phase the contractors faced constraints with existing power, gas and water assets all in the direct vicinity of the bridge. A compromise in the bridge width to provide a trafficable width of 9.6 meters was reached to avoid the cost and delays needed to relocate gas or power assets, the water/sewer assets were actually supported by the existing bridge and did not need relocation.

The type of bridge chosen for the Forest Street crossing is a pre-certified, modular & semi-integral type of bridge that was recently developed by engineering firm SMEC and InQuik Bridging Systems. Use of this system allowed flexibility over traditional precast bridge construction techniques and enabled the designers to maximise the cantilever effect so that maximum deck width could be achieved while maintaining a safe distance between the driven piles supporting the bridge and the underground gas mains.

Construction works to replace the bridge began on site in October 2020 after finalising the approvals with Barwon Water for service relocation works to temporarily relocate the water and sewer main pipework that was attached to the original bridge structure. Council and Barwon Water negotiated shared costs for these service relocation works, with the water and sewer pipes being permanently reattached to the new bridge structure.

The bridge replacement works reached practical completion in April 2021. The total project cost to Council, including the service relocation costs, was just over \$1.2 million.

## SHARED PATH, GRANT STREET, FORREST

The project aimed to provide safety improvements and community benefit by upgrading an existing pedestrian footpath to a wider and smoother shared path, as well as improvements to the stormwater drainage along the shared path. The original scope included a crossing of the Forrest main road (Grant Street) however this feature was removed from the project following community consultation. The contract was awarded under a construct only contract to a local contractor Deja Eight Pty Ltd for \$143,000. The project had a funding contribution from TAC to be matched by Council.

Works began on site in March 2021 starting with drainage works to replace old culverts, install culvert endwalls, supply beaching and reshape the swale drains. The old path was removed and the base reworked to widen, strengthen and remove soft spots before a new 2.5m wide asphalt path was laid down and finished off with bike holding rails, tactiles, linemarking and signage. The project reached practical completion on 21 June 2021 with the works costing \$159,000.

Following practical completion the TAC carried out a Road Safety Audit which has called for additional signage and tactiles which will be installed in the coming months.



## CHALLENGES

Key challenges for Assets and Project delivery include:

- efficient and cost effective delivery of capital works within the unpredictable impacts of COVID-19 such as; delays for delivery of materials, industry costs increasing due to demand, limited availability of suitable contractors to undertake the work, travel restrictions limiting attendance to site and movement of consultants and contractors.
- responding efficiently to an increase in development referrals within available resource constraints
- planning for resilient infrastructure in response to climate change impacts such as landslips, coastal erosion and flooding
- Council encountered a significant project challenge in June 2019 that impacted the 2020-21 financial year.

The objective of the project was to establish a Digital Mobile Radio managed network for Council's field staff that work across some of the most challenging terrain in the region. Council awarded contracts for this work in September 2018 but unfortunately the supplier went into voluntary administration in June 2019. While the failure of the supplier was beyond Council's control, the resultant issues were compounded by the complex contractual arrangements Council had entered. This included an operating lease with a third party (financial institution) that was not visible to Councillors when the contract with the supplier was approved through formal resolution of Council. The operating lease was based on 120 monthly payments to the financial institution at \$14,000 per month.

Two milestone payments (to a total of \$765,729) were made by the financial institution to the supplier under the authorisation of Council. The supplier had ordered equipment on behalf of Council but it was not installed or commissioned and the payments were therefore in advance of the delivery or completion of work.

After the supplier went into administration, Council was able to secure a large amount of hardware at a fee of \$32,499 to the Administrator. Council is still negotiating with the relevant parties and the financial outcomes are yet to be determined. The audited financial statements incorporated in this Annual Report reflect the appropriate financial accounting of the arrangements as known at this time.

Council has recognised that a series of project and contractual governance failings contributed to the circumstances that it finds itself in. Council knows that Councillors and the community expect and reasonably need confidence in its management of public money. Council has already implemented a range of corrective actions including:

- Improved project management governance processes; and
- Improved management of officer delegations supported by officer training.

Internal reviews are not yet finalised and further corrective actions and improvements are expected to be identified and implemented.

# Sustainability Report

## COLAC OTWAY SHIRE CARBON NEUTRAL TARGET 2020

Council's 2020 Carbon Neutral Target – originally established in 2010 – set a mandate for significant emissions reduction activities, ultimately achieving reductions of 36% by the end of 2019-20. This was achieved across a wide range of Council operations and significantly reduced the quantity of offsets required to claim carbon neutrality.

Figures compiled at the end of the 2019-20 financial year show that with the purchase of 100% Greenpower, Council is responsible for approximately 1,799 tonnes of residual greenhouse gas emissions (CO<sub>2</sub>-e) per year. The Environment team are currently working with expert consultants Pangolin Associates to provide third party verification of Colac Otway Shire's greenhouse inventory that will allow Council to secure the required offsets to declare its carbon neutral status for the 2020-21 financial year.

Following a February 2021 Council Briefing, which examined options for meeting the carbon neutral target, Councilors requested further investigation into reducing reticulated gas consumption at Bluewater Leisure Centre. Gas use at Bluewater accounts for around 13% of total shire emissions, almost entirely consumed for water and space heating (HVAC) at the facility.

Working closely with the Project Delivery and Bluewater teams, the Environment team have provided significant project guidance and technical advice, promoting the advantages of highly efficient electric heat pumps as an alternative to the current gas boilers and in April 2021 allocated funds to undertake this energy efficiency and emissions reduction upgrade.

In June 2020, COS commissioned network operator Powercor to upgrade the 125 remaining fully-owned Category V (Main Roads) streetlights within the Shire to LED. Following delays due to COVID-19 and other factors, the upgrade of these lights was completed in February 2021. It is estimated this upgrade will deliver savings of around \$9,000 (45,000 kWh) per year, reducing carbon emissions released into the atmosphere by 48 tonnes CO<sub>2</sub>-e.

## REVIEW OF COUNCIL'S ENVIRONMENT STRATEGY 2010-2018

The Environment Unit has commenced an internal review of Council's Environment Strategy 2010-2018. The review is focused on the evaluation of Council's progress against the targets set in the strategy,

related achievements, changes in administrative, regulatory and legislative settings and requirements and future opportunities to inform Council's new Environment Strategy (2022-2030), set to be finalised in 2022.

## SUPPORT FOR COMMUNITY ACTIVITIES

Colac Otway Shire was approached by Geelong Sustainability Group in February 2021 with a plan for a comprehensive solar and battery bulk buy program across the Barwon South West region. Colac Otway Shire agreed to provide promotional support for the program, which has partnered with local community groups Southern Otways Sustainable and Colac Otway Sustainability Group, along with regional solar installers and RACV Solar for delivery. Still in its early stages, the program has received unprecedented interest from residents across the region, with almost half of all enquiries incorporating batteries, a significant increase on previous programs.

## ORGANISATIONAL EMISSIONS FOR 2020-21

The purchase of 100% Greenpower from 1 July 2020 has had a considerable impact on organisational emissions in 2020-21, effectively halving Council's organisational GHG footprint to 1,775 TCO<sub>2</sub>-e. By way of comparison, efficiency upgrades and COVID-19 lockdowns have reduced GHG emissions from utility consumption by 7% compared to 2019-20.

Total COS Greenhouse Emissions (CO <sub>2</sub> -e tonnes)					
	Buildings	Gas	Street/ Public Lighting	Fleet	Total
2010-11	1,999	311	1,181	2,114	5,605
2011-12	1,916	290	1,202	1,727	5,135
2012-13	1,879	323	1,182	1,698	5,082
2013-14	1,484	186	1,014	1,523	4,207
2014-15	1,356	3	872	1,530	3,761
2015-16	1,846	282	436	1,269	3,833
2016-17	1,881	478	412	1,560	4,331
2017-18	1,887	488	406	1,329	4,110
2018-19	1,747	470	406	1,263	3,886
2019-20	1,389	466	417	1,333	3,605
2020-21	0* (1,199)	451	0* (379)	1,324	1,775 (3,353)

\*Electricity consumption is emissions-free due to the purchase of 100% Greenpower from 1 July 2020. Numbers in brackets show avoided emissions.

## BUILDINGS

Council's purchase of 100% Greenpower, which renders electricity consumption emissions-free across the organisation, removes the emissions attributable to buildings. Electricity consumption at Council buildings fell by 14% due to energy efficiency improvements and Covid shutdowns. In particular, electricity use at Pound Road Depot has fallen by 93% compared with 2019-20, largely due to the 30kW solar system installed in early 2020.

## STREETLIGHTS

Street and public lighting emissions are also emissions-free due to the purchase of Greenpower. Streetlight electricity consumption overall fell 9% in 2020-21, largely due to efficiency upgrades to Council's fully owned Main Roads (Category V) streetlights. LED upgrades commissioned by Council to 125 high powered, major road streetlights were completed in February 2021.

## FLEET

There was an overall decrease of 1% in fleet emissions during 2020-21. Fuel card diesel was down 28% due to COVID-19 restrictions on staff travel, however bulk diesel was up 27% due to additional utility vehicle usage as part of the Working for Victoria program, as well as a focus on maintaining essential operations through the Pound Road Depot. Despite considerable extra dredging in Apollo Bay Harbour during late May and early June, where around 24,000 m<sup>3</sup> of sand were removed, annualised diesel consumption for the dredge remained consistent compared with the previous year.

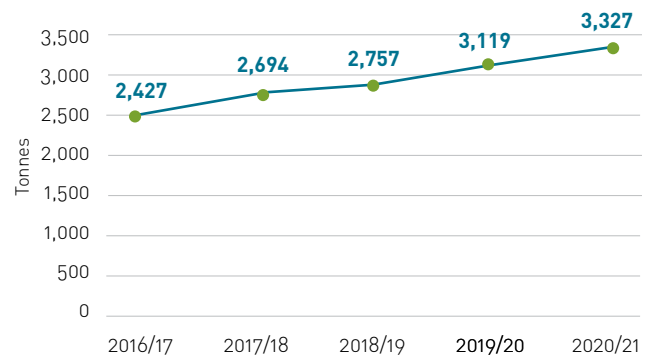
## WATER

Water use in the Shire has decreased overall by around 26% compared to last year, mainly due to reduced watering and the shutdown of key facilities throughout the Shire. Another wet year has meant significantly reduced water consumption at the Colac Botanical Gardens, Central Reserve and Memorial Square, with COVID-19 shutdowns dramatically impacting water use at Bluewater Leisure Centre and the Saleyards.

Total Water Usage for Council Facilities (kL)			
2011-12	95,498	2016-17	80,867
2012-13	104,735	2017-18	92,787
2013-14	99,908	2018-19	92,935
2014-15	86,740	2019-20	91,058
2015-16	93,900	2020-21	67,333

## WASTE

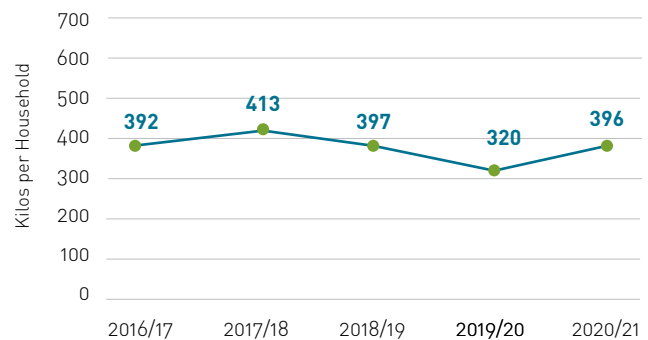
### Organic Waste Diverted from Landfill



Council received an extra 208 tonnes of organics this year compared to last year. As residents were home during lockdowns cleaning up their properties before fire season.

The introduction of two green waste 18-metre skip bins, were placed at Wye River and Kennett River in spring to encourage residents to clean up their properties before fire season. 19 tonnes were collected via these skip bins, with no reports of contamination.

### Household Waste to Landfill



In 2020-21 there has been an increase of 76 kilos per household. Total number of kerbside tenements 10,264.

Total number of general waste bins in service 10,485 (includes additional bins in service.)

The increase in household waste to landfill, was due to COVID-19 and the lockdown restrictions all Victorians faced during 2020-21, as more people stayed at home, more waste was created across all waste streams.



# Our Council



# Who Are Our Councillors

**IN 2020, THROUGHOUT THE LOCAL GOVERNMENT ELECTION PERIOD, THE STATE OF VICTORIA WAS UNDER COVID-19 RESTRICTIONS, THEREFORE A POSTAL VOTE WAS CONDUCTED TO ELECT OUR NEW COUNCILLORS.**

In November 2020, three new Councillors were elected to Colac Otway Shire Council, with four previous Councillors re-elected. Councillor Kate Hanson was elected as Mayor on 16 November 2020.

Council is governed by the *Local Government Act 2020*, and is responsible for setting the overall strategic direction of the municipality and ensuring it is achieved. This is achieved through long-term planning and includes the Council Plan, financial plans, the municipality strategic statement and other strategic plans. For additional information on the role and powers of Council, please see page 78

Council would like to thank outgoing Councillors, Brian Crook, Jason Schram and Chris Smith, who represented the Colac Otway Shire through the 2017-2021 Council period.



**CR KATE HANSON, MAYOR**

**First elected: 2016 Re-elected: 2020**

**M:** 0409 038 843

**E:** councillor.hanson@colacotway.vic.gov.au



**CR GRAHAM COSTIN, DEPUTY MAYOR**

**First elected: 2020**

**M:** 0475 444 006

**E:** councillor.costin@colacotway.vic.gov.au



**CR JAMIE BELL**

**First elected: 2020**

**M:** 0475 777 002

**E:** councillor.bell@colacotway.vic.gov.au



**CR STEPHEN HART**

**First elected: 2002**

**Re-elected: 2008, 2012, 2016, 2020**

**M:** 0407 962 412

**E:** councillor.hart@colacotway.vic.gov.au



**CR JOE MCCRACKEN**

**First elected: 2016 Re-elected: 2020**

**M:** 0427 749 918

**E:** councillor.mccracken@colacotway.vic.gov.au



**CR CHRIS POTTER**

**First elected: 2016 Re-elected: 2020**

**M:** 0427 821 435

**E:** councillor.potter@colacotway.vic.gov.au



**CR MARGARET WHITE**

**First elected: 2020**

**M:** 0475 111 388

**E:** councillor.white@colacotway.vic.gov.au

# Council Meetings

## ORDINARY COUNCIL MEETINGS

Council conducts its business in open and publicly advertised meetings. Council meetings are usually held on the fourth Wednesday of each month at Colac Otway Performing Arts and Cultural Centre (COPACC), Colac. Reports are prepared independently by staff for both information and decision of Council. Two Council meetings were scheduled to be held in Apollo Bay for the 2020-21 year; however, one of those meetings was rescheduled to COPACC due to COVID-19 restrictions that were in place.

Due to the COVID-19 restrictions on the movement of people imposed by the State Government, Council has continued live streaming public Council meetings.

## QUESTION TIME

In addition to Council business, question time is held at the start of each Council meeting. It provides the opportunity for members of the public to ask questions on issues in which Council has a direct interest or responsibility.

## BRIEFING SESSIONS

In addition to formal statutory meetings, Councillors attend briefing sessions. Briefing sessions are not decision-making forums. They are an opportunity for the administration to provide information on significant matters that will generally come before Council for formal consideration in the Council Chamber.

## DELEGATED COMMITTEES

A Council may by instrument of delegation, delegate to members of a delegated committee any of its powers, duties or functions, under the *Local Government Act 2020* or any other Act (with exceptions). Council has one delegated committee, being the Planning Committee of Council.

## AUDIT AND RISK COMMITTEE

Audit and Risk Committee meetings are held quarterly, or more frequently as determined. The functions and responsibilities of the Audit and Risk Committee are set out in a Charter approved by

Council. The Committee's purpose is to:

- a. Monitor the compliance of Council policies and procedures with the overarching governance principles, the Act, regulations and any Ministerial directions.
- b. Monitor financial and performance reporting.
- c. Oversee internal and external audit functions.
- d. Monitor and provide advice on risk management and fraud prevention controls.

The Committee's membership includes two Councillors and three independent members, one of whom is appointed as the chairperson.

## PLANNING COMMITTEE OF COUNCIL

Planning Committee meetings are held on the second Wednesday of the month, as required. The Planning Committee considers and determines all matters referred to it pursuant to its instrument of delegation, including matters relating to strategic issues, and other matters referred to the Committee.

## SPECIAL COUNCIL MEETINGS

Special Council meetings are called to consider specific matters. The following Special Council meetings were held: October 2020 to consider the financial statements for 2019-20; November 2020 to elect the Mayor and Deputy Mayor; June 2021 was a closed session to appoint the new CEO.

## SUBMISSION COMMITTEE MEETINGS

The Submission Committee (established in September 2020, replacing the Special Committee) meetings, are held to enable community members to speak to matters that have been put out for public consultation. There were two Submission Committee meetings held in 2020-21, the first in July 2020 and the second in June 2021, both were to consider submissions to the draft budget of the respective year.

**INFORMATION ABOUT ALL OTHER ADVISORY MEETINGS AND COUNCILLOR ATTENDANCE AT MEETINGS IS AVAILABLE IN THE DEMOCRATIC GOVERNANCE SECTION OF THIS REPORT, COMMENCING ON PAGE 79**



# Community Engagement

Council engages with its community through formal means including, community information sessions, surveys and submissions.

Council has a dedicated page on the website, you can subscribe to receive updates on active community engagement opportunities, via the community consultation page. Alternatively contact Council with your feedback at [inq@colacotway.vic.gov.au](mailto:inq@colacotway.vic.gov.au)

In 2020-21 Council formally consulted with the community on the following matters:

- Community Vision 2050 which included a panel of 24 community members to inform the development of the Community Vision 2050 and Council Plan 2021-2025 as part of a deliberative community engagement process
- Acquisition and Disposal of Council Property Policy
- Community Engagement Policy
- Domestic Animal Management Plan
- Draft 2021-22 Budget
- Old Coach Road – Proposed Changes
- Queen Street, Colac – Street lighting and public safety
- Roads Management Plan
- Two Waste Management Survey's for:
  - Kerbside collections
  - Drop off facilities.

# Our People



# Executive Management Team

**AN EXECUTIVE MANAGEMENT TEAM (EMT), LED BY THE CHIEF EXECUTIVE OFFICER, MANAGES COLAC OTWAY SHIRE. THE EMT PLANS, COORDINATES AND MONITORS THE PROGRESS OF COUNCILS STRATEGIC DIRECTION AND GOALS.**



**Peter Brown – Chief Executive Officer**

Peter has a degree in Economics and has more than three decades' experience in local government including seven years as Horsham Rural City Chief Executive. Prior to this position at Horsham Rural City, Peter served as Director of Corporate Strategies with the Warrnambool City Council and also held the role of Chief Executive of Wimmera Uniting Care. Peter has a strong interest in regional communities and the benefits of collaboration with neighbouring councils and other levels of government to achieve mutually beneficial outcomes.

Peter retired from Colac Otway Shire, finishing in August 2021.



**Errol Lawrence – General Manager Corporate Services**

Errol has 16 years' experience in local government, the last four of which have been with the Colac Otway Shire Council. His formal qualifications include a Diploma in Accounting and Company Director Diploma.

Errol relocated from Perth in 2017, where he was employed at the City of Kwinana for the previous 12 years as Director of Corporate and Engineering Services.

For 22 years prior to local government, Errol gained extensive experience in corporate finances while working in the automotive industry.



**Tony McGann – General Manager Environment & Infrastructure**

Tony brings 20 years of local government experience to the role of General Manager Environment and Infrastructure. He is qualified with a Master of Business Administration and a Bachelor of Engineering.

His private sector experience relates to designing and project managing civil engineering and building projects. In the Council environment, Tony has managed diverse portfolios including COPACC, Bluewater, town planning, asset management, waste management, local laws, environment, services and operations including the Port of Apollo Bay and capital works delivery.



**Ian Seuren – General Manager Development & Community Services**

Ian has over 25 years' experience in the public service and not-for-profit sectors, with qualifications including a Master of Sport Business and Bachelor of Applied Science (Human Movement).

With considerable experience in both local and state government organisations, Ian's career has focussed on community and business engagement and delivering on public sector policy. Ian has been employed with Colac Otway Shire since 2010, firstly as Manager Arts and Leisure before progressing to the position of General Manager Development & Community Services. Prior to working at Colac Otway Shire, Ian held regional roles with Regional Development Victoria and Sport and Recreation Victoria.



**Marlo Emmitt – Manager Governance & Communications**

Marlo has over 20 years' experience in Local Government, with qualifications that include a Bachelor of Commerce (Business Law) and Diploma of Business in Hospitality

Management. Prior to joining Colac Otway Shire in February 2021, Marlo most recently held executive roles of Acting Director Governance and Acting Manager Improvement and Program Integration at the City of Melbourne. Marlo focusses on providing high level support and advice to Councillors and the wider organisation, ensuring the organisation's reputation and enhanced risks are anticipated and managed, well-informed decisions are made by the administration and Council and Council's corporate planning and statutory responsibilities are met.



# Organisation Structure

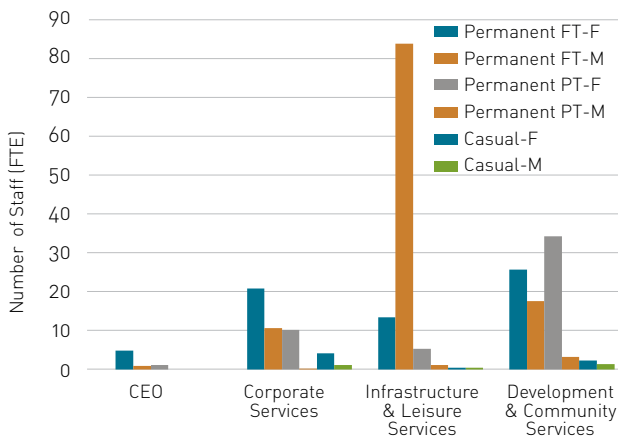


\*Anne Howard commenced in the role of CEO in August 2021.

# Colac Otway Shire Staff

Colac Otway Shire employs 244 (FTE) staff with predominantly permanent full-time roles at 73% with 23% permanent part time and 4% casual roles.

Employment type by gender indicates that Colac Otway Shire is almost 50/50, with males making up 49.5% and females 50.4% of the workforce. Permanent full-time roles are predominantly held by males at 63.4% whilst females are strongly represented in part-time roles at 78.5%.

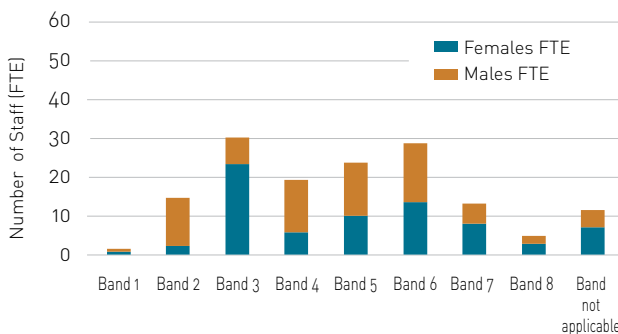


## STAFF BY EMPLOYMENT BAND AND GENDER

Our banding profile is generally consistent with comparable regional councils. Bands 2 and 3 are predominantly outdoor and community care workers.

Bands 4 and 5 are general administrative staff. Bands 6 and 7 consist of technical specialists, team leaders and coordinators. Band 8 consists of highly specialised, technical experts who may also have a supervisory role.

A summary of the number of full-time equivalent staff categorised by employment classification and gender is set out below:



## RECRUITMENT

We advertised 59 positions, attracting 349 applications, during the past year, which due to COVID-19 was considerably lower than previous years. Vacancies ranged across nearly all departments of the organisation, including Finance, Community Care, Assets and Project Delivery and Services and Operations.

## FLEXIBLE WORKING

Council is proud to support our employees by facilitating a range of flexible working arrangements to assist them to fulfil their professional and personal responsibilities. We supported 16 formal flexible working arrangement requests including, additional purchased leave, job sharing, unpaid leave etc.

## STUDENT WORK PLACEMENTS

We continue to support students in their pursuit of career advancement. This year we supported the following:

- One nursing student obtained experience in the practice of immunisation.
- Two university students completed practical work placement towards their Maternal and Child Health nurse qualifications.
- Two students needing to complete a practical component for their Certificate III in Fitness completed their placement with our Bluewater Leisure Centre.
- A Year 11 student commenced a VCAL work placement one day per week in the Information Communications Technology Department where he is gaining experience first-hand in the work place that will contribute towards his Certificate II in Information Technology.

Our Parks and Gardens team hosted a number of student placements this year:

- Two students from Colac Specialist School have been enjoying one day per week and will continue into the 2021-22 financial year.
- A group of 12 students who are doing Vocational Education and Training undertook a Structured Workplace Learning (SWL) placement. SWL placements allows students to have a hands-on experience under supervision, these students worked to improve the banks of the Barongarook Creek in Colac. Tasks included weeding, mulching, and planting of indigenous plants.

## TRAINEESHIPS

Colac Otway Shire Council is proud to support young people to obtain employment, and develop work skills and experience directly from the workplace. We will continue to offer more opportunities to school leavers towards the end of the 2021 school year.

Five people commenced with our Services and Operations Department in the roles of Mechanic, Gardener and Civil Construction. In addition to these, one trainee is now in their third year as Apprentice Gardener.

One trainee also commenced in the role of Office Administrator, Economy & Business Enterprise Department.

## EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Our commitment to Equal Employment Opportunity is covered in our local Enterprise Agreement and through Council's EEO, Diversity and Inclusion, and Unacceptable Workplace Behaviour Policies. We commit to compliance with EEO and antidiscrimination legislation and to promoting equality of opportunity and the elimination of discrimination in employment policies and practices. We are also committed to ensuring an inclusive workplace culture that values diversity and provides a work environment free from bullying, harassment and other forms of unacceptable workplace behaviour.

We identify ourselves as an 'Equal Opportunity Employer' in all external recruitment advertisements and ensure that all new employees are made aware of our EEO, Diversity and Inclusion, and Unacceptable Workplace Behaviour Policies as a mandatory component of our induction program.

All staff are required to attend mandatory Equal Opportunity/anti-discrimination and unacceptable workplace behaviour refresher training at regular intervals.

We also have a formal internal grievance policy and procedure that enables staff to raise complaints.

## LEARNING & DEVELOPMENT

The disruption of COVID-19 restrictions inhibited the learning and development opportunities offered this year, but some key programs were delivered from a strategic perspective to lead us into the 2021-22 financial year.

Our highlights in the 2020-21 year were:

- Commencement of a Leadership Development program for the 14 members of the Senior Leadership Team (SLT) that included psychometric testing using the Clarity 4D tool, 360 degree feedback, and coaching for development. This program has brought the SLT together after a period of disruption and

isolation to focus on a new foundation for leadership, in preparation for a new Chief Executive Officer and delivery of a new Council Plan.

- A Women's Leadership Development Program attended by 18 women over eight sessions, allowing time for practice of tools, skills and knowledge between sessions. Women will continue to be supported in their development.

## Training Programs Delivered 2020-21

- Health and Safety Representative Initial Course and refresher
- First aid/CPR update
- Unshakeable at Work (resilience building)
- Spectrum Spatial Analyst (SSA) Training (new mapping system program)
- Infection Control
- Women's Leadership (8 session program)
- Business Writing
- Time Management
- Speed Reading
- Mental Health first aid refresher
- Launch of Senior Leadership Team Development Program
- Fraud and Corruption Prevention
- Bullying and Harassment Awareness

## Webinars offered

- Dealing with difficult behaviour
- Managing a remote team
- Authorisations – what Councils need to know when appointing authorised officers

## HEALTH & WELLBEING



Our usual Health and Wellbeing program is filled with events and social occasions to build relationships and have fun. Due to COVID-19 restrictions we had minimal offering of activities but promoted our online resources such as recordings to manage stress, finances, as well as a new online eight week course on mindfulness. Staff reported gaining great benefit from an increased awareness of stress responses and learned ways to manage those responses to minimise the impact on one's health and wellbeing, despite the circumstances they find themselves in.



## FLEXIBLE WORK OPTIONS

In accordance with the Chief Health Officer's direction for staff who 'can work from home, must work from home', Colac Otway Shire staff worked from home during 2020-21.

Our IT Department worked tirelessly to ensure systems were in place so that Staff could be set up in a timely manner.

## APPRECIATING OUR STAFF

We were fortunate enough to deliver our key reward and recognition event in person this year after hosting it online in 2020 due to COVID-19 restrictions. The annual Years of Service Awards is a semi-formal event to celebrate key milestones reached by staff in their years of service.

We also acknowledge and highlight the valuable contributions our staff bring to the organisation and community and show appreciation for the work they do.

Colac Otway Shire recognised 47 employees for key service milestones, these included 5 years; 10 years; 15 years; 20 years; 25 years; 35 years; 40 years.

## REVIEW OF THE REWARD AND RECOGNITION PROGRAM

With the launch of our new organisational values, a review of our reward and recognition programs has commenced with a view to create new and innovative ways to appreciate our staff. This review will be complete in the latter half of 2021.

## OCCUPATIONAL HEALTH & SAFETY

Colac Otway Shire has continued to actively work with its employees, contractors and volunteers in order to maintain and improve positive safety performance and minimise incident and injury.

The ongoing maintenance of effective consultative processes such as Council's OHS committee structures, continue to assist with fostering a positive and action focused organisational safety culture. There are 22 Health and Safety Representatives (HSR's) elected, representing each of the 17 designated work groups across Council. Additional Occupational Health and Safety (OHS) systems such as policies, procedures and processes have been further developed and improved, with a particular focus on lone workers; emergency management and high-risk work activities.

Workplace incidents continue to be actively reported and investigated in order to proactively facilitate the implementation of corrective actions and preventative control measures. By collaborating with the injured worker, their manager and any workplace rehabilitation providers, medical or other health professionals as well as our insurer, Council aims to achieve positive and healthy outcomes for both our employees and for Council. We will continue to focus on communications with injured employees and educating our leaders with

skills and resources to improve early intervention management and overall injury outcomes.

There were seven standard WorkCover claims for 2020-21; one more than the previous year.

## MENTAL HEALTH

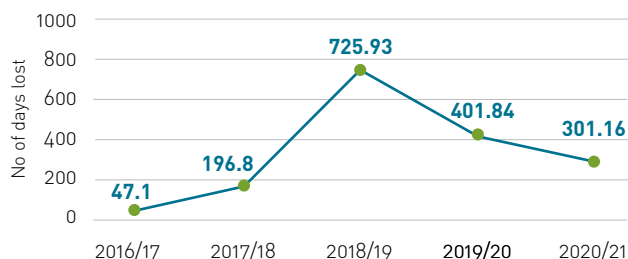
Council continues to maintain a proactive and self-motivated Mental Health Network to help support the role of the Mental Health First Aid Officers. Our commitment to providing employees with a psychologically safe and healthy workplace is ongoing and includes:

- An Employee Assistance Program provider; Converge International.
- 20 Mental Health First Aid Officers accessible to staff across all areas of Council.
- A Mental Health Network consisting of the Mental Health First Aid Officers and Senior Leadership Team which meet bimonthly.
- A dedicated page on the staff intranet called "COS We Care", providing access to all wellbeing resources.

In 2020-21 Council also committed to undertaking the People at Work survey; a validated psychosocial risk assessment survey, which assesses a number of the most common psychosocial hazards and factors. This survey will be conducted in 2021-22 with findings to form part of Council's strategic action plan towards controlling psychosocial risks in the workplace.

## DAYS LOST TO INJURY

We had 301.16 days lost due to injury during the 2020-21 year; a total of 301.16 effective full-time (EFT) days compared with 401.84 EFT days in 2019-20 period; a reduction of 29%.



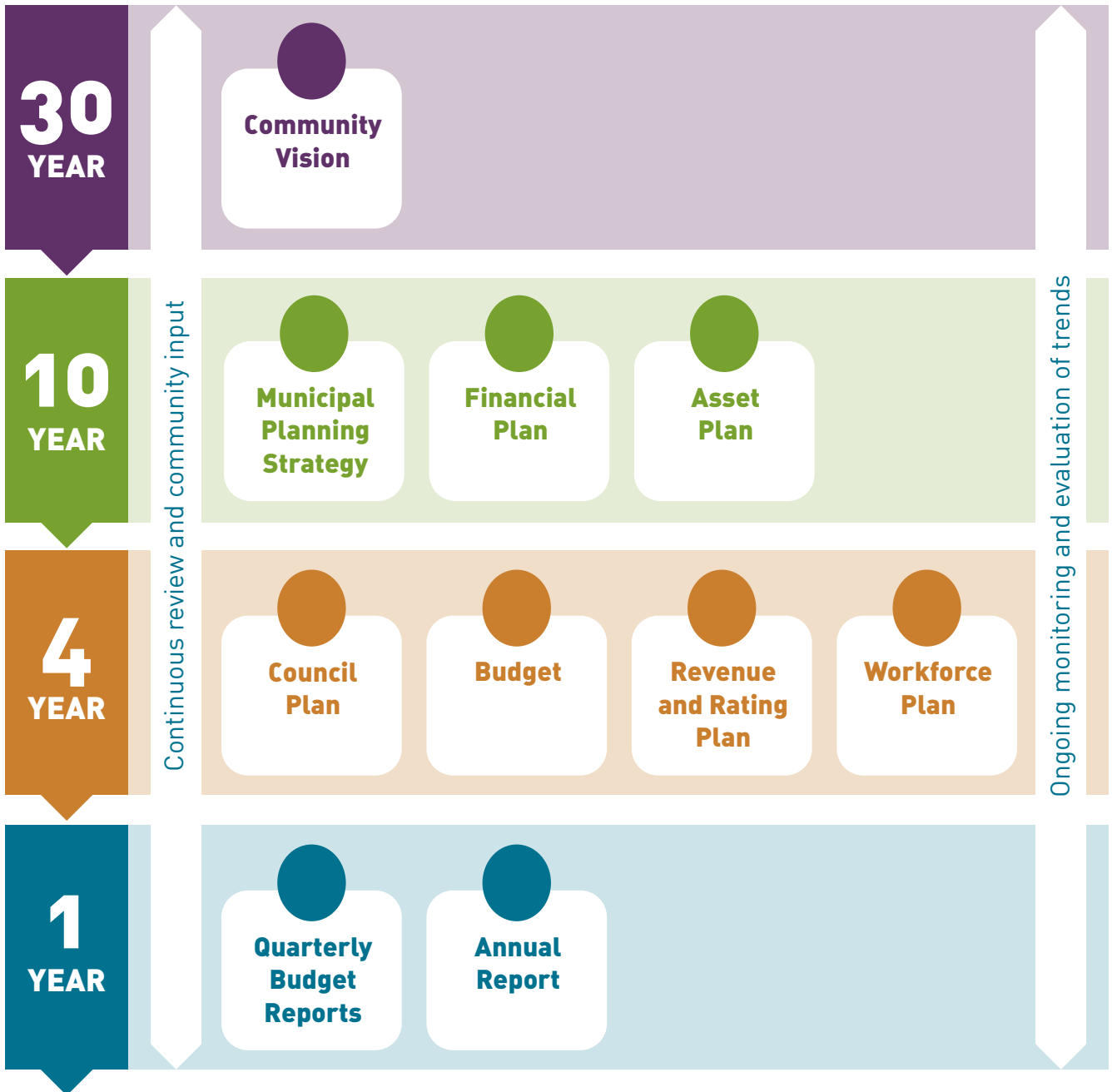
## SUPPORTING OUR EMPLOYEES

Employees (and their families) have access to an extensive range of support services through our employee assistance program. Employees can discretely and confidentially access a range of emotional, physical and social support services including:

- 24/7 face-to-face and telephone counselling.
- Manager hotline.
- Health and wellbeing services.
- Extensive online resources e.g. health risk assessment, mortgage assist, finance assist and legal assist.

# Report of Operations

## INTEGRATED PLANNING FRAMEWORK



# Report of Operations

## ECONOMIC AND ENVIRONMENTAL IMPACTS

The onset of COVID-19 has seen a significant change in how business is carried out by Council, both internally and externally, with major operational changes required to ensure services provided to our community were able to continue in a COVID safe environment for our community and employees.

With continued restrictions and lockdowns, flexibility and innovative thinking went into:

- Continuing to provide care services to our community's most vulnerable.
- Working with various stakeholders and authorities in the management of a local COVID-19 outbreak.
- Providing employment opportunity to our community through the Working for Victoria program.
- Supporting staff to work from home.
- Providing work opportunities for our staff, through redeployment within the organisation.
- Finding suitable options for virtual meetings.
- Finding alternatives to providing access to Council Meetings.
- Limiting the number of staff in offices.
- Ensuring those in the office were able to social distance.
- Ensuring Council facilities adhered to ongoing changes with COVID-19 restrictions.
- Providing online and phone customer service during centre closures.

## MAJOR OPERATIONAL CHANGES

A considerable review was undertaken of Colac Otway Shire's organisational structure focussing on the need for synergies, consistent quality and efficient delivery of services to the community. The Executive Management Team also consulted a number of service reviews undertaken to guide the understanding of future service delivery and organisation needs.

The realignment of the organisation structure supports two specific deliverables for the organisation, being strong community connections and services, and secondly economic growth and development through enhanced management of business enterprises.

The following changes occurred at a department level:

- Disestablishment of the Arts and Leisure department.
- Community Services Department was renamed, Healthy Active Communities.
- The Economic Development and Tourism Department was renamed, Economy and Business Enterprises.
- Establishment of the City Deals department.

The following changes occurred at a business unit level:

- The Arts and Leisure Teams was dispersed into the Healthy Active Communities and the Economy and Business Enterprises business units. Recreation and Open Space moved into the Healthy Active Communities department, whilst Bluewater and COPACC moved into the Economy and Business Enterprises department.
- OPASS was removed from the Healthy Active Communities department and now reports directly to the General Manager Development and Community Services.
- Visitor Information Centres have joined the Customer Service team within the People and Culture department.
- Port of Apollo Bay has joined the City Deal department.

The following changes have occurred at a divisional level:

- Infrastructure and Leisure Services was renamed, Environment and Infrastructure Services.
- Environment and Community Safety department has joined the Environment and Infrastructure division.

# Description of Operations

**COLAC OTWAY SHIRE IS RESPONSIBLE FOR 52 SERVICES AND FACILITIES ACROSS A WIDE RANGE OF AREAS FROM, PROVIDING COMMUNITY SERVICES, ENVIRONMENTAL MANAGEMENT, CUSTOMER SERVICES, HEALTH AND WELLBEING, FAMILY AND CHILDREN'S SERVICES, OPEN SPACES, WASTE MANAGEMENT, TOURISM, PARKS AND GARDENS; TO BUSINESS DEVELOPMENT, PLANNING FOR APPROPRIATE DEVELOPMENT AND ENSURING ACCOUNTABILITY FOR COUNCIL'S BUDGET.**

The delivery of services, activities, support and advocacy to achieve the Strategic Objectives Council has set out in its Council Plan 2017-2021, is measured by a set of service performance indicators and measures. Council also has a wide range of responsibilities under Victorian legislation.

As this is the final year reporting on the Council Plan 2017-2021, an assessment has been undertaken and each action has been identified as:

**✓ Complete and/or business as usual**  
This indicates the project undertaken to achieve the action has been completed, or the work done in achieving this action will now continue to be undertaken as part of Council's business as usual (core duties).

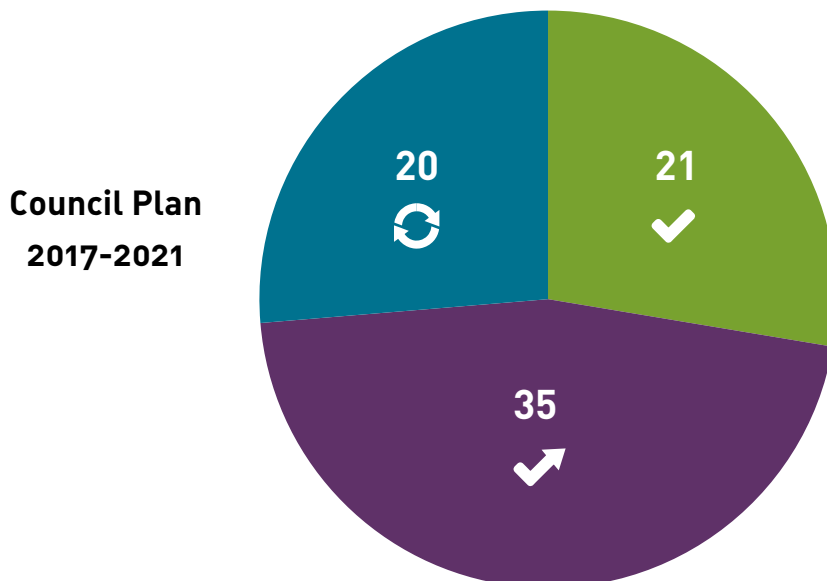
**↗ Complete with further priorities (i.e. stage two of project) in the draft Council Plan- 2021-2025**

This indicates the work undertaken to date has achieved the outcome of the action, however there have been additional works identified through the process or the project involves a staged approach over consecutive Council Plans.

**↻ Carry over with ongoing priorities in the draft Council Plan 2021-2025**

This indicates the work undertaken to achieve the action requires further work to be considered complete.

The following chart shows the status of the Council Plan actions, as at 30 June 2021.





# Our Prosperity

**WE WORK TOGETHER TO IMPROVE THE PROSPERITY OF OUR PEOPLE, BUSINESS AND COMMUNITY PARTNERS BY WORKING TO PROMOTE OUR BEAUTIFUL SHIRE AS AN ATTRACTIVE PLACE TO LIVE, WORK, INVEST AND VISIT.**

## **THE IMPORTANCE OF OUR PROSPERITY AS A THEME**

Colac Otway Shire has a diverse economy, much of it built on the natural environmental values. The area has enjoyed successful dairy and food processing industries for many decades; supports the timber industry; has a growing tourism industry built on both a striking coastline and the forests of the Otways; small, specialist food producers, many forming the Colac Otway food trail; plus, a host of local retail businesses, arts and crafts enterprises; and health and education services.

The shire has two larger towns of Colac and Apollo Bay, and a number of smaller towns. Each of these has unique attractions and supports local cultures and communities. The shire is strategically placed halfway between Geelong and Warrnambool which provides opportunities for economic development and a growing population supported by access to work.

## **FOUR STRATEGIES CONTRIBUTE TO ACHIEVING OUR GOAL**

1. Plan infrastructure, assets and land use with a long-term vision for economic growth.
2. Support a thriving economy and industries.
3. Strengthen partnerships with key stakeholders to benefit the whole community.
4. Improve strategic planning and coordination of the Great Ocean Road.

Key highlights for projects and activities linked to our Prosperity begin on page 35

# Our Prosperity

## SERVICES CONTRIBUTING TO OUR PROSPERITY

The following services/activities were funded in the 2020-21 budget and contribute to achieving the goals and strategies for this Theme.

SERVICE AREA	DESCRIPTION OF SERVICE	NET COST ACTUAL BUDGET VARIANCE \$000
<b>Building Control</b>	This service provides for planned building developments to meet present and future community requirements.	1,322 <u>1,106</u> 216
<b>Events</b>	This service provides for active community involvement in the provisioning of management and support for community entertainment and events.	101 <u>127</u> (26)
<b>Economic Development</b>	The service facilitates a healthy and resilient economy by providing effective leadership, advocacy, and partnership, by working with government business and the community.	1,257 <u>1,154</u> 103
<b>Tourism</b>	This service provides economic benefit by promoting the Shire as a location for visitors to enjoy, explore and return to. Visitor information is provided via Council's two Visitor Information Centres and via media.	457 <u>561</u> (104)
<b>Apollo Bay Harbour</b>	This service manages and maintains the Apollo Bay Harbour for the enjoyment of the community.	311 <u>17</u> 294
<b>Colac Regional Saleyards</b>	This service provides a vital link in our rural infrastructure by providing a marketplace for buying and selling livestock.	(63) <u>(30)</u> (33)
<b>Statutory Planning</b>	This service fulfils Council's statutory obligations in being the responsible authority for the management and regulation of land use and development, with the aim of achieving sustainable outcomes in the interests of current and future generations.	1,167 <u>972</u> 195
<b>Strategic Planning</b>	This service ensures that land use planning is undertaken to meet the sustainable long term needs of current and future generations.	548 <u>261</u> 287

# Our Prosperity

## HIGHLIGHTS

### Apollo Bay Harbour Development Plan

A master plan for redevelopment of the Apollo Bay Harbour was finalised and adopted by Council, providing direction for future improvements of the harbour precinct aimed at increasing its desirability as a destination for tourists. This Plan facilitates implementation of State and Federal City Deal funding for key elements of the redevelopment.

### Reduced planning permit processing times

Despite the challenges of remote working for staff during COVID-19 stay at home restrictions, and a 28% increase in planning permit activity for the year, processing times for planning permit applications were reduced, reflecting increased use of technology for paperless assessment and approvals and other process improvements. The median number of days to determine an application reduced from 40 to 32, and the percentage of applications determined within the 60 day statutory period increased from 72% to 76%.

### Sale of Council land at Bruce Street, Colac

After completing an environmental audit of Council owned land in the residential zone abutting a closed landfill in Bruce Street, Council resolved to sell the land for residential development, incorporating social housing. An Expression of Interest process commenced to seek interest from developers to achieve this outcome.

### COVID-19 Business Support

During the 2020-21 financial year COVID-19 had a substantial impact on local businesses and the community. Council delivered a range of programs to support local businesses and the community as well as conducting advocacy work to State and Federal government raising issues affecting Colac Otway businesses and seeking business COVID-19 assistance. Specific projects delivered include:

- Business Diversification Program
- Outdoor Dining Expansion Program
- Small Arts Projects Program
- Buy Local Campaign
- Connecting with Asia Program.

### Priority Project Funding

The Economy team has taken a leading role in facilitating the management process of Council's applications, and management of external grants.

A focus has been on aligning grant funding to Council's priority projects to maximise community benefit. During the 2020-21 financial year, the Economy team has directly achieved funding for the following projects, as well as conducted advocacy work for other priority projects that raise their profile for future funding programs. The team has also successfully advocated to external bodies e.g. NBN to conduct upgrades in our small towns.

- \$5.7m for Birregurra NB upgrade
- \$2.32m for Forrest Mountain Bike Network Revitalisation
- \$2m for Accessible Camping facilities and area at Apollo Bay Recreation Reserve Campground
- \$533,369 for Agricultural Road Upgrades (Swan Marsh Stonyford Rd)
- \$290,000 for Colac Municipal Aerodrome Upgrade – Stage 2
- \$290,000 for Business Digital Transformation Program
- \$35,625 for Community Event COVID Recovery Support.

## CHALLENGES

### Increased development activity

The increased development activity across the Shire is placing pressure on Council staff in a range of approval related areas such as planning, building, health and engineering. The challenge is to maintain service levels in responding to this pressure, and in particular to maintain permit processing times and facilitate development that contributes to the economic recovery of the community.

### COVID impacts on health inspections

Council's Environmental Health activities have been heavily impacted by the pandemic which has necessitated significant support being provided to both the Council organisation in its response and recovery, but also to the business community with regularly changing State health orders. This has adversely impacted the routine inspection activities of health staff and will continue to influence staff operations into 2022 until vaccinations reach a threshold level.

## Economy and Business

COVID-19 will continue to impact on the Colac Otway economy and businesses. A key challenge will be to ensure when borders open, that Australian residents continue to visit our region. Some sectors including tourism and the arts may need additional stimulus support to return to pre-COVID-19 levels of activity.

Key Worker Housing availability is continuing to impact on workforce availability for businesses across the shire. Both in Colac and Apollo Bay a significant number of jobs are unfilled due to a lack of available workforce. Projects are underway to mitigate the issue in the short term and address in the medium-long term.

## FUTURE OUTLOOK

### Residential land availability in Colac

Completion of the Princes Highway duplication from Colac to Geelong and increased interest of people moving from Melbourne to the regions post COVID-19, has resulted in a critical shortage of available residential land to meet demand for housing. The priority will be to complete a Development Plan for existing zoned land at Colac West, undertake further strategic planning for the Colac Deans Creek Growth area (including preparation of development contribution plans) and facilitate rezoning proposals. Council will work with the State Government to facilitate development adjacent to the former Colac High School.

### Social Housing

A Social Housing Plan will be finalised following consultation with the community, providing direction for Council efforts to achieve increased social housing across the municipality. The plan will be used to advocate for State Government investment in social housing projects from the Big Housing Build program, and for negotiation with developers to achieve social housing in new estates rezoned for residential purposes.

### Availability of affordable housing for key workers

Council will be working with Apollo Bay and other coastal communities in seeking to address the shortfall in affordable housing for workers in these towns through a Joint Task Force. Council is also participating in a regional project to develop solutions to the issue, and is advocating on behalf of

the community.

## Economy and Business

At the end of the 2020-21 financial year, the team was successful in accessing funding for multiple projects to stimulate and upskill local businesses including the Digital Transformation Program. The first half of the year will be an opportunity to deliver on these projects and create a platform to provide business support, private and public investment attraction and plan infrastructure for a post-COVID-19 economy.

## PLANNING AND BUILDING STATISTICS 2020-21

### VICSMART APPLICATIONS

(decisions made within 10 days)

YEAR	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21
Applications received	12	52	54	63	68
Determined ↓ 10 days	9	44	50	54	60
Median Processing Days	7.6	7.5	6	7.2	5.75

### REGULAR PLANNING APPLICATIONS

(decisions made within 60 days)

YEAR	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21
Applications received	365	319	342	245	396
Determined ↓ 60 days	282	178	166	209	204
Median processing days	43.3	70	86	4	31.4
Appeals to VCAT	2	1	6	2	2
Council decision upheld	2	1	0	1	0



# Council Plan Objectives

**THE FOLLOWING PAGES INCLUDE A SUMMARY OF THE WORK THAT HAS OCCURRED OVER THE FOUR YEARS OF THE COUNCIL PLAN 2017-2021, AGAINST THE ACTIONS IN THEME ONE.**

The chart below provides details of the status of the 21 actions under Theme One.

## Theme One



Complete and/or business as usual











Complete with further priorities (i.e. stage two of project) in the draft Council Plan- 2021-2025




Carry over with ongoing priorities in the draft Council Plan 2021-2025








# Performance Against

	Action	Work undertaken over four-year Council Plan	Status
<b>Plan Infrastructure, assets and land use with a long- term vision for economic growth.</b>			
1.1	Provide direction on how growth across the Shire should proceed and ensure adequate land is provided for industrial and residential use.	<p>Colac 2050 Growth Plan finalised and a planning scheme amendment implemented to include relevant provisions in the Planning Scheme.</p> <p>Colac Commercial and Industrial Land Use Strategy finalised and the planning scheme updated, including rezoning of further land for industrial purposes</p> <p>Development planning undertaken for residential land at Colac West to facilitate residential development adjacent to the former Colac High School, and land acquired from the former school for public open space.</p>	
1.2	Develop and implement a Colac Otway Economic Development Strategy.	Council endorsed the Economic Development Strategy March 2019. As at 30 June 2021 ten of the actions are complete and fully implemented, with numerous other actions ongoing in nature.	
1.3	Conduct a review of the housing stock in Colac and establish a Residential Housing Strategy to ensure current and future stock is suitable to attract new residents.	<p>A residential demand and supply analysis was undertaken to inform the Colac 2050 Growth Plan.</p> <p>A Housing Strategy assessment to identify future Housing need/ types based on the population trends and community patterns has not yet been funded.</p> <p>Officers have participated in a Key Worker Housing Project with other Great Ocean Road Councils which aims to identify actions to overcome housing availability constraints for employees in Colac's key professional and manufacturing industries and for seasonal workers in Apollo Bay.</p> <p>Officers are participating in a G21 Regional Social Housing Study which will identify housing needs across the Shire for the most vulnerable and establish strategies to address this.</p> <p>A Social Housing Plan for Colac Otway Shire is being presented to Council at the August 2021 OCM for adoption.</p> <p>A business case to develop a Shire-wide Settlement Strategy that incorporates a review of the Rural Living Strategy, including boundaries of the Rural Living Zone was not supported in the 2020-21 budget, but will be reconsidered for the 2021-22 budget process.</p>	
1.4	Identify and improve tourism assets across the Shire.	<p>\$20 million has been secured through the City Deal for upgrade of the Apollo Bay Harbour, Coastal Discovery Trail and Kennett River parking and toilets</p> <p>Forrest Mountain Bike Revitalisation Project has received \$2.32 million (\$500,000 Regional Development Victoria, \$250,000 Colac Otway Shire and Department Environment, Land, Water &amp; Planning \$1.57 million).</p> <p>Wildlife Wonders in Apollo Bay opened its doors to the public in 2021.</p> <p>Investment has been attracted to improve multiple tourism assets including Beachamp Falls camping; Stevenson's Falls camping; Great Ocean Road.</p>	
1.5	Prepare an Infrastructure Master Plan for Apollo Bay and Coastal Townships, covering categories including roads, car parking, bus parking, footpaths and stormwater drainage	Apollo Bay, Skenes Creek & Marengo Community Infrastructure Plan in development.	






Action	Work undertaken over four-year Council Plan	Status
1.6	<p>Attract investment to implement key master plans that will drive economic growth such as the Lake Colac Foreshore Master Plan.</p>	<p>Investment secured for the following projects:            \$2.3 million for Forrest Mountain Bike Network.            \$112,000 for implementation of stage 1 of the Colac Municipal Aerodrome Master Plan            \$20 million for the City Deal Projects            \$670,000 in total (including Council contribution) for Memorial Square Playground upgrade.            \$500,000 in total (including Council contribution) for Cororooke Open Space implementation.</p> 
1.7	<p>Remove unnecessary planning triggers to streamline planning processes.</p>	<p>Four-year Planning Scheme Amendment review adopted.</p> <p>Some of the key items to note:            Amendment C102 which removed redundant Environmental Significance Overlays at Colac, Elliminyt and Warrion groundwater area has been finalised.</p> <p>Amendment C90 has been submitted to the Planning Minister for approval, this will remove planning permit requirements associated with building works in flood prone areas where they are constructed above nominated flood level.</p> <p>Prepared an amendment to Heritage Overlay provision in Colac to remove requirements for minor building works following a Council resolution at the September 2020 Ordinary Council Meeting.</p> <p>The Erosion Management Overlay provisions to reduce mapping overlay and planning requirements is being finalised and scheduled to be reported to Council mid-2021.</p> 
1.8	<p>Strengthen partnerships with employers in the Shire.</p>	<p>Council officers have maintained direct contact with employers, and also maintained contact with employer representative bodies such as the Chambers of Commerce and the Colac Large Employers Group.</p> <p>Council officers have worked actively with the Warrnambool City Council to support the designated area migration agreement. To date seven local businesses and a total of 14 employees have been successful through the Designated Area of Migration Agreement program.</p> 

### Support a thriving economy and industries

1.9	<p>Identify and promote Tourism pathways between attractions across the whole Shire.</p>	<p>Apollo Bay Destination Marketing Plan was completed in 2017. This plan links to the 2015 'I am Apollo Bay' Brand Positioning work. Annual Destination marketing campaigns for Apollo Bay are ongoing.</p> <p>The Colac Destination Plan was completed in February 2020.</p> <p>The decision to disband the Otway Tourism Advisory Committee (OTAC) was made in early 2020. Additionally, Otway Country to Coast Tourism disbanded in 2019.</p> <p>Council and the business associations (Colac Chamber, the Otway Harvest Trail and the Apollo Bay Chamber and the Action for Apollo Bay group) continue to work together on strategic initiatives. Council also engages with tourism operators, tourism associations and Great Ocean Road Regional Tourism via the Destination Leadership Groups that formed/ forming out of the Destination Action Plan processes.</p> 
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Action	Work undertaken over four-year Council Plan	Status
1.10	<p>Identify and support employment in tourism</p> <p>Council partnerships have been established in the following:</p> <ul style="list-style-type: none"> <li>- Great Ocean Road Regional Tourism and Visit Victoria to market our tourism regions.</li> <li>- Great South Coast Councils to develop and implement Key Worker Accommodation Study.</li> <li>- Great Ocean Road Regional Tourism to develop workforce planning.</li> </ul> <p>Council's tourism and Visitor Information Centre resources have been redeployed to a business support function, focussed on contacting local businesses (including tourism businesses) to better understand what the impact of COVID-19 has been, and how Council can help.</p> <p>Council has facilitated the expansion of outdoor dining throughout the shire, with a particular emphasis on Apollo Bay.</p> <p>Council has continued to support tourism operators and assist them with accessing government support throughout COVID-19.</p>	
1.11	<p>Explore options to facilitate new tourism accommodation</p> <p>A Colac Accommodation Investment Feasibility study was completed in June 2020. This included a demand study document, site identification report and investment prospectus.</p>	
1.12	<p>Review planning controls for the coastal hinterland and support establishment of tourist accommodation</p> <p>Funding to progress this initiative was not obtained throughout the 2017-2021 term, however this action will be addressed through the Great Ocean Road Strategic Framework Plan being led by Department Environment, Land, Water &amp; Planning.</p>	
1.13	<p>Review the Shire Events Strategy and partner with event organisers to assist them preserve the amenity of residents while running successful events.</p> <p>Shire Events Strategy was incorporated into the Economic Development Strategy 2019-2024.</p>	
1.14	<p>Facilitate the attraction of investment in the development of high standard accommodation in Colac and Apollo Bay, complemented by high yielding nature based experiences.</p> <p>Council officers facilitated a process for consideration of a proposed five-star hotel on land to the rear of Apollo Bay, which was called in by the Planning Minister in January 2019, and was considered by an independent Panel appointed by the Minister. Whilst the Minister has since refused the application, it is expected this work will contribute to future development of the site.</p> <p>Colac Accommodation Demand Study complete; Site identification complete; Investment Prospectus for Colac complete. Council is continuing conversations with potential investors and developers led by the study.</p>	
1.15	<p>Encourage and support existing owners of accommodation to upgrade, refurbish and develop new infrastructure to meet visitor demand.</p> <p>Due to COVID-19 this action has been temporarily put on hold to respect the financial difficulties our accommodation sector is experiencing as a result of restrictions and social distancing. However, investigations continue into securing opportunities to expand Colac and Apollo Bay's accommodation offerings more broadly.</p>	
1.16	<p>Review the Great Ocean Road Closure Policy.</p> <p>Policy has been reviewed and endorsed by Council in May 2020.</p>	



Action		Work undertaken over four-year Council Plan	Status
<b>Strengthen partnerships with key stakeholders to benefit the whole community.</b>			
1.17	Seek regional funds from state and Federal Governments.	Council's internal grant identification, application and management processes have been improved leading to multiple projects being funded. Priority projects have been a focus of Council.	
1.18	Develop and maintain regional partnerships and joint advocacy.	Council continues to be involved with all regional bodies including: <ul style="list-style-type: none"> <li>- G21 Regional Alliance</li> <li>- Great Ocean Road Regional Tourism</li> <li>- Barwon Regional Partnership</li> <li>- Regional Development Australia</li> <li>- Barwon South West committee</li> <li>- G21 Great South Coast CEO's group</li> <li>- Regional Forums where Council CEO's are invited</li> </ul>	
1.19	Seek to influence education providers to match local job opportunities with available skills training.	Council has ongoing participation in the GROW program as well as regular liaison with local employers and schools to support the implementation of this action.  Council actively engages with Colac Otway Careers Advisors and Teachers Network to assist in matching education with industry trends.  South West TAFE has recorded significant growth in registered students and training uptake.	
1.20	Support programs to reduce youth unemployment and promote employment for disadvantaged groups in partnership with employers, G21 and the GROW initiative.	Jobs Fair held 2019 and another planned for late 2021.  Council has ongoing participation in the GROW program as well as regular liaison with local employers and schools to support the implementation of this action.  Council actively engages with Colac Otway Careers Advisors and Teachers Network to assist in matching education with industry trends.  South West TAFE has recorded significant growth in registered students and training uptake.	
<b>Improve strategic planning and coordination of the Great Ocean Road</b>			
1.21	Advocate for the establishment of a Great Ocean Road Authority	Great Ocean Road Authority established 1 December 2020	

# Local Government Performance Reporting Framework

SERVICE / INDICATOR / MEASURE	Results 2018	Results 2019	Results 2020	Results 2021	COMMENTS
<b>Statutory Planning Timelines</b> <b>Time taken to decide planning applications</b> [The median number of days between receipt of a planning application and a decision on the application]	70.00	86.00	91.00	74.00	Additional staff engaged to assess applications and respond to increased permit numbers received post COVID-19, and increased efficiencies from electronic processing of applications and other process improvements.
<b>Service standard</b> <b>Planning applications decided within required time frames</b> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	74.25%	73.22%	80.23%	77.19%	Minor change from previous year.
<b>Service cost</b> <b>Cost of statutory planning service</b> [Direct cost of the statutory planning service / Number of planning applications received]	\$3,634.56	\$3,367.43	\$3,447.93	\$1,998.25	The cost per application decreased due to a significantly higher number of applications being received and processed during 2020-21
<b>Decision making</b> <b>Council planning decisions upheld at VCAT</b> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00%	0.00%	50.00%	0.00%	There were no Council decisions set aside by VCAT.

# Our Places

**OUR PLACES ARE WELL-PLANNED. WE WORK WITH LOCAL AND GOVERNMENT PARTNERS TO PLAN HEALTHY, SAFE ENVIRONMENTS WHICH PROMOTE COMMUNITY LIFE AND ENHANCE WELL-BEING. OUR INFRASTRUCTURE ASSETS ARE MANAGED SO THAT THEY ARE SUSTAINABLE FOR THE LONG TERM.**

## **THE IMPORTANCE OF OUR PLACES AS A THEME**

Infrastructure assets such as roads, drainage and footpaths are important because they help to deliver services to the community. Roads and footpaths provide the ability for people to access work, education and recreation. Drainage provides protection to properties and allows for safe transport.

It is important for us to manage assets in a rational way so that we can ensure they are sustainable over the long term so that those services are provided to future generations.

It is important that Council operations are undertaken in consideration of the natural environment and where possible take action to help improve to protect, enhance and restore the environmental values of the region.

## **SIX STRATEGIES CONTRIBUTE TO ACHIEVING OUR GOAL**

1. Assets and infrastructure meet community needs.
2. Our places are managed for long term sustainability.
3. Towns and places are welcoming and attractive.
4. Leadership in natural environment through good management practices.
5. Delivery of our capital works program.
6. Emergency management is coordinated locally and on a regional basis.

Key highlights for projects and activities linked to Our Places begin on page 45

# Our Places

## SERVICES CONTRIBUTING TO OUR PROSPERITY

The following services/activities were funded in the 2020-21 budget and contribute to achieving the goals and strategies for this theme:

SERVICE AREA	DESCRIPTION OF SERVICE	NET COST ACTUAL BUDGET VARIANCE \$000
<b>Emergency Management</b>	Provision of necessary support for the community in the case of an emergency event occurring.	649 <u>953</u> (304)
<b>Environment</b>	Management of our natural environment for to the betterment and enjoyment of all members of our community.	558 <u>680</u> (122)
<b>Infrastructure Services</b>	Provides for the physical assets required by the community to maintain a happy, healthy and sustainable lifestyle.	7,567 <u>5,355</u> 2,212
<b>Parks, Gardens and Reserves</b>	Maintenance of open space for the enjoyment of all community members.	977 <u>2,319</u> (1,342)
<b>Waste Management</b>	Efficient and effective control of waste products produced by our community. It includes the provision of waste collection services as well as for disposal to landfill.	(2,638) <u>772</u> (3,410)



# Our Places

## HIGHLIGHTS

### Environment and Sustainability

#### Communities Combating Pests and Weeds Grant Program

Council's Environment unit successfully concluded and acquitted the 18-month, \$200,000 federally funded program at the close of the 2020 year. The program was a resounding success, targeting a wide range of noxious weeds as well as rabbits across the diverse landscapes of the shire. The program involved three distinct components – each of which was the subject of highly positive feedback: grants for private landowners, projects on public land and the development of community education materials. Public land works included a significant Gorse removal project along Atkins Creek, Birregurra, and weed treatment at a range of former landfill sites. Most significantly, Council provided a 50% contribution for weed and pest control projects on private land to more than 50 property owners in Colac Otway Shire during the life of the project. Both landowners and local contractors provided commentary on the invaluable nature of the program, particularly at a very difficult time of multiple uncertainties for our region.

#### Garden for Wildlife Booklet

In the 2020-21 financial year, Council's Environment unit completed its development of a locally focused guide for gardeners in our communities to enhance habitat for native fauna. The booklet is the first of its kind to be developed by a regional Council in Victoria. This educational resource provides an accessible way to understand the unique landscapes and species within the Colac Otway Shire, and will inform landholders on garden design, planting, maintenance, as well as offering innovative ideas on how to create spaces for wildlife within the backyard. It also includes an in-depth guide to beautiful, local and available flora that supports the wellbeing of wildlife. The booklet will be launched as part of National Tree Day celebrations later in 2021.



#### Environmental Education Program commencement - Colac Specialist School

In early winter 2021, Council's Environment unit commenced a program with Colac Specialist School to enable hands-on environmental education for students across a range of class groups and ages. The program will provide students with a long-term view of native revegetation and maintenance, and will focus on locally native species and the values that they bring to the environment. Two sites have been selected for revegetation under the program: a section of Barongarook Creek, close to its entry into Lake Colac, and a highly accessible embankment in the grassed lawn between Barongarook Creek and the Bird Reserve. The aim in designating two very specific locations is that the students will achieve a sense of ownership of their work, and be able to see the results as the plants develop over time.



#### Emergency Management and Fire Prevention

- 671 fire inspections, with less than 5% non-compliance
- With cooperation and collaboration from various departments within Council, "letters of support" were issued to absentee landholders within the municipality permitting travel to their properties to undertake fire prevention works during COVID-19 lockdowns.
- Contribution to a successful response to the COVID-19 outbreak in Colac Otway Shire.
- Implementation of the new *Emergency Management Legislation Amendment Act 2018* which will enable a new integrated, comprehensive and coordinated framework for Emergency Management planning at state, regional and municipal levels.
- Establishment of a Municipal Emergency Management Planning Committee (MEMPC) compliant with the new reform guidelines.
- Secured Safer Together funding to facilitate and coordinate Community Based Emergency Leadership courses aimed at empowering communities and enhancing resilience.
- Our Fire Awareness Officer and Municipal Fire Prevention Officer, successfully completed Bushfire Attack Level (BAL) Assessor training, which adds to the skills and expertise of our emergency management team.

## Closed landfill management

Council completed the work commenced by the Barwon South West Waste Resource and Recovery Group to assess the risk of all of its former, smaller landfill sites. The assessment of the closed landfills, some that stopped operating over fifty years ago, found a differing level of risk, however none of the sites pose a risk to health or the environment to warrant immediate rehabilitation. Aftercare management plans will be developed to action the management recommendations of the assessment.

The closed landfill financial assurance for the rehabilitation and aftercare of all of Colac Otway's landfills has been updated to reflect the findings of the risk assessment and new statutory requirements of the Environmental Protection Authority.

Several assessments of the former Bruce Street landfill were undertaken and included the:

- landfill risk assessment
- hydrogeological assessment
- environmental monitoring plan
- rehabilitation plan.

The assessments were included in the Post Closure Pollution Abatement Notice requirements for Bruce Street Landfill that was verified by an Environmental Protection Authority appointed environmental auditor.

## Property Management

Council achieved a substantial 24% improvement in its Essential Emergency Services (fire-fighting equipment in all Council owned or operated buildings) compliance, which is now at 97.5% following a recent audit.

Leases and Licences are 94.5% compliant with payments up to date. The Sale of Land Policy was reviewed, and subsequently replaced with the Acquisition and Disposal of Council Property Policy

## Asset Management

Substantial progress was made in the development of a suite of Asset Management Plans (AMPs) for all of Council's asset types. Comprehensive condition assessments were undertaken for over 250 bridges and major culverts and draft AMPs were prepared for footpaths, buildings and roads.

Development of these plans and review of Council's Asset Management Strategy and Policy will guide the 10-year long term financial plan and is a requirement of the new *Local Government Act 2020* to be completed by end of June 2022.

Council was 100% compliant with its legislative requirements as outlined in the Road Management Plan, being to rectify more than 85% of defects within set timeframes and complete 100% of programmed asset inspections.

Dedicated efforts to improve programming, design and delivery of sealed and unsealed roads saw a significant increase in the community satisfaction scores for these assets compared to prior years.

## Infrastructure Development

With steadily increasing residential development and strategic planning for new developments, Council's engineering department has completed thousands of inspections and permit applications for new stormwater connections, roads, footpaths, drainage and other works and processed over 350 planning applications in 2020-21.

Advocacy and works to improve road safety were ongoing including Road Safety Audits for accident hot spots, speed and traffic data collection on priority streets to inform future traffic calming, completion of a Movement and Place assessment in Apollo Bay to inform the creation of a more pedestrian friendly environment, and gaining commitment from the Department of Transport to reduce the speed limit and improve safety at the new roundabout on the Princes Highway, eastern entry to Colac.

Strategic work and analysis has been undertaken to inform infrastructure improvements in flood prone areas, such as the Birregurra Flood Study, Kennett River and Skenes Creek Stormwater Concept Plans and the Aire Valley Estuary Floodplain Project.

Council is currently completing stages one and two of the footpath on Roadknight Street, Birregurra, providing an important pedestrian connection between the Birregurra Train Station and Main Street. Both stages of this project were able to be completed as a single project by combining Council Funds and COVID-19 Stimulus funding provided by the Federal Department of Infrastructure, Transport, Regional Development and Communications. This allowed the full connection to be delivered, satisfying the request contained within a petition tabled at the December 2019 Council Meeting, which was signed by more than 400 community members. The works are expected to be completed during the first half of the 2021-22 financial year.

## Service and Operations

As a result of scheduling improvement practices, Services and Operations were able to complete all planned scheduled activities within Roads and Parks and Gardens within budget. More efficient work practices allowed for a reduction in contracted services by freeing up resources to allow works to be completed in-house at a lower cost.

Works programs were reviewed and developed for:

- Open spaces, playgrounds and sporting precincts,
- Townships and street scapes,
- Street Sweeping,
- Unsealed road, trees and drainage maintenance
- Sealed road, line marking and drainage maintenance
- Footpath and path maintenance

Taking on additional in-house Capital Works for resheets, drainage and concreting allowed more control over our quality, timings and costs. Internal resourcing efficiency improvements permitted for additional works to be performed.

Services and Operations were able to undertake the scheduled program of works throughout the COVID-19 pandemic to be able to complete the programmed operational and capital reactive works. Upholding safety measures to protect staff members and the community, roads, building maintenance, waste services and parks & recreation reserves continued to ensure that all services were safe and functional.

Successfully implementing a State Government funded Working for Victoria program of works allowed for 14 people to remain in work during the COVID-19 pandemic for six months.

The program funded Colac Otway Shire staff affected by closures to continue full time employment, including staff members redeployed from Bluewater Leisure Centre, school crossing attendants and aged care.

Six additional external staff were employed through the scheme, all of whom remained in employment post the original six month deadline.

The program delivered improvements in our open spaces, trails, parks and gardens, COVID-19 sanitisation and building maintenance. Some of these include:

- Building fire compliance activities
- Test and tagging of electrical equipment
- Sanitisation of Colac Otway Shire building assets for COVID-19
- Maintaining and upgrading the Colac Lake Foreshore and Botanic Gardens

- Small township beautification
- Colac Hockey Rooms upgrade for user groups
- Path cleaning in Colac and Apollo Bay
- Building Asset roof gutter cleaning
- New street name blade installation

## CHALLENGES

### Environment and Sustainability

The ongoing difficulties and uncertainties of the global pandemic have once again had a deep impact on the delivery of outward facing services in the Environment and Sustainability space. One of the biggest challenges has been navigating on-ground and in-person events. These are usually a highlight of the calendar in this area, and include community revegetation days, as well as signature events such as World Environment Day. Unfortunately, for the second year in a row, World Environment Day activities had to be cancelled at short notice.

### Emergency Management and Fire Prevention

The ongoing threat of COVID-19 outbreaks and subsequent lockdowns will challenge us in the way we can deliver our services, particularly community based programs where potential on-line training may reduce participant numbers and limit the dissemination of key information into communities.

### Service and Operations

- Managing an aging workforce across Services & Operations.
- Difficulty finding full time staff in Apollo Bay. Due to the high cost of living and lack of affordable accommodation.
- Uncertainty of the COVID-19 pandemic lockdowns challenges resourcing, work practices and operational activities.
- Maintaining council's facilities and buildings to community expectations with current resources.

## FUTURE

### Environment and Sustainability

Council has remained committed to exploring new opportunities and potential collaborations with regional partners in both natural resource management and sustainability. In terms of future outlook, the unit has a commitment to flexibility and innovation that will continue to enable us to meaningfully engage with our communities.

## **Emergency Management and Fire Prevention**

We continue to plan and prepare for emergencies of all types and incorporate COVID-19 safe practices into the planning. Ongoing collaboration and communication between council departments and neighbouring councils will ensure we continue to develop and enhance our response to emergencies.

## **Closed Landfill Management**

Council has budgeted for the development of aftercare management plans for the closed landfill sites included in the Closed Landfill Risk Assessment, which will provide a uniform approach for post closure landfill management across the Colac Otway Shire. The results of groundwater and landfill gas investigations at the sites will determine the extent of landfill monitoring and aftercare management required into the future.

The landfill capping options for Alvie Landfill will be further investigated to determine how the non-operational site will be rehabilitated in accordance with the Environmental Protection Authority (EPA) guidelines and current Environmental Protection Act requirements. The total cost of rehabilitation will depend on the capping type agreed to by the EPA.

## **Service and Operations**

Restructuring the Colac roads crews into road maintenance, general maintenance and capital works will allow for works to be completed more efficiently and cost effectively.

To assist in the resourcing of council's facilities and buildings, the development of a Building Maintenance Charter and help desk triage system will ensure that building maintenance is performing priority works. The Charter will provide clarity over building maintenance and its functions and assist in the efficient upkeep of council owned assets.

# Council Plan Objectives

**THE FOLLOWING PAGES INCLUDE A SUMMARY OF THE WORK THAT HAS OCCURRED OVER THE FOUR YEARS OF THE COUNCIL PLAN 2017-2021, AGAINST THE ACTIONS IN THEME TWO.**

The chart below provides details of the status of the 30 actions under Theme Two.

## Theme Two



Complete and/or business as usual










Complete with further priorities (i.e. stage two of project) in the draft Council Plan- 2021-2025






Carry over with ongoing priorities in the draft Council Plan 2021-2025








# Performance Against




Action		Work undertaken over four-year Council Plan	Status
<b>Assets and infrastructure meet community needs.</b>			
2.1	Develop and implement a Property Strategy.	This action is not complete because the Property Strategy has not been developed. We do, however, review social issues such as availability of alcohol and gambling machines when considering policy for Council property.	
2.2	Develop and maintain constructive partnerships to access appropriate levels of funding, coordination, infrastructure and services.	Council has established strong relationships with: <ul style="list-style-type: none"> <li>- G21 Great Ocean Road Taskforce</li> <li>- Regional Development Victoria</li> <li>- Regional Roads Victoria</li> <li>- Barwon Water</li> <li>- Southern Rural Water</li> <li>- Great Ocean Road Regional Tourism (GORRT)</li> <li>- Parks Victoria</li> <li>- State and Federal Government Members of Parliament.</li> </ul>	
2.3	Conduct an ongoing program of service reviews to guide planning for infrastructure	Council has an adopted service review program September 2018.	
2.4	Council to work with key stakeholders such as the Otway Coast Committee, the Apollo Bay Chamber of Commerce and Council with the aim of aligning strategic planning and advocacy efforts for Apollo Bay and district.	The Mayor, Councillors and officers meet monthly with the Action for Apollo Bay group to ensure open dialogue. Key collaborations over the 2020-21 CP include: <ul style="list-style-type: none"> <li>- Support for Apollo Bay Boat Harbour renewal and development</li> <li>- Affordable housing</li> <li>- Economic and social response to COVID-19</li> <li>- Response to coastal erosion</li> <li>- Development of Community Infrastructure Plans</li> <li>- Major events in Apollo Bay</li> </ul>	
<b>Our places are managed for long term sustainability.</b>			
2.5	Update the Planning Scheme to reflect changing community needs and priorities.	Council adopted its Four Yearly Planning Scheme Review in March 2018. <p>Planning scheme amendments undertaken to:</p> <ul style="list-style-type: none"> <li>- Implement the Colac/Elliminyt Flood Study - adopted by Council in March 2021</li> <li>- Birregurra Flood Study - Council resolved to exhibit amendment in April 2021</li> <li>- Implement the Colac 2050 Growth Plan - adopted by Council in July 2020</li> <li>- Support a new service station at Colac East - adopted by Council in April 2021</li> <li>- Remove unnecessary environmental significance overlays - adopted by Council June 2019</li> </ul>	
2.6	Ensure best practice guides planning and management of the natural environment and associated assets.	Environmental advice continues to be provided on planning applications, strategic planning matters and on Council's major projects to ensure best practice standards are being met. Recent advice has involved ensuring minimising environmental impacts associated with local developments and projects being undertaken by Council's Infrastructure Division.	
<b>Towns and places are welcoming and attractive.</b>			
2.7	Enhance the attractiveness of towns in the Shire for both residents and tourists/visitors.	Negotiations with Regional Roads Victoria to improve presentation of proposed roundabout at Lavers Hill. Negotiations with VicRoads for improved planting and landscape treatments to the eastern entrance to Colac as part of the Princes Highway duplication works. Development of draft designs for entry signage to Colac at eastern and western approaches. Completion of concept designs for the Barongarook Creek picnic area. Development of a concept design for a new regional play space at Colac's Memorial Square.	





	Action	Work undertaken over four-year Council Plan	Status
2.8	Advocate for improvements to public open space where the State Government is the land owner/ manager.	<p>A list of priority projects has been prepared identifying reserves and open space infrastructure improvements that Council will advocate for, where State Government is the land owner/ manager.</p> <p>Elliminyt Recreation Reserve Master Plan endorsed, funding secured for the resurface of the velodrome. Funding has been secured to improve the Memorial Square play space in 2019-20. Continued work with the community to evolve the open space offering including the Forrest Common Draft Master Plan and review of the Cororooke Open Space Master Plan following the construction of the Cororooke Tennis Courts, tennis club storage shed and Cororooke public toilets.</p> <p>Land secured at the former Colac High School site for public open space. Actions for Lake Colac Masterplan are complete within the existing budgets available. Future initiatives will require further funding.</p>	
2.9	Develop and implement a prioritised program to review and implement master plans, community infrastructure plans and structure plans for small towns across the Shire, including the City Deal project.	A Community Infrastructure Plan is being developed for Apollo Bay, Skenes Creek and Marengo that will identify future social, community and physical infrastructure needs. The Colac 2050 Growth Plan is complete, and Development Plans are being facilitated for residential growth areas in Colac West and Elliminyt (including the development of shared infrastructure plans), and industrial land at Forest Street, Colac. Future budget allocations will be required to review the structure plans for Birregurra and Forrest. Small town master plans are currently under review.	
2.10	Incorporate treatments into infrastructure standards that enhance community perceptions of safety.	Included a process for developers to engage a consultant to be accountable for entire design and construction of third party works based on best practice from other LGAs. Lighting project to enhance public security measures incl: Memorial Square (incl CCTV) and Lake Colac pathway. Installation of safety guard rails and other safety measures at various locations.	
2.11	Maintain Parks and gardens, sports reserves and streetscapes.	<ul style="list-style-type: none"> <li>- Tree plantings</li> <li>- New bridge over Barongarook Creek was installed</li> <li>- New solar and caged bins installed</li> <li>- Aged seats and picnic tables replaced</li> <li>- Lake Colac recreation area weeds cleared</li> </ul> <p>- A program of works has been scheduled for parks, open space, reserves and trees This is done on a three scale service level Q1-3, where Q1 is the highest standard. Monthly routine cleaning of the CBD footpaths in Colac has been introduced. Apollo Bay CBD footpaths are cleaned bi-annually and by exception throughout the year.</p>	
2.12	Support enjoyment of outdoor experiences through the provision of a network of quality open spaces, including paths and trails.	Ongoing implementation of Active Transport Strategy includes a range of strategic path connections completed such as: Forrest shared path and various footpaths within Colac and Apollo Bay. Open space improvements underway at Memorial Square and Cororooke as a result of external grant funding.	
2.13	Develop a prioritised program of works to support physical activity and active transport, and advocate for funding to continue to implement actions identified in the Active Transport Strategy.	A range of strategic footpath connections have been delivered in line with the Active Transport Strategy throughout the term of the previous Council Plan, as well as upgrades to existing path networks.	
2.14	Evaluate the feasibility of a regional wet waste facility to manage waste from road and drainage maintenance.	Under a new formal agreement with landholders, recovered material from road side collection is now repurposed with land owners. This practice has been introduced as an alternative to a wet waste facility.	
2.15	Continue to support the Apollo Bay community's advocacy for the development of a public indoor heated swimming pool in Apollo Bay.	Indoor pool project completed and open to the public.	



	Action	Work undertaken over four-year Council Plan	Status
2.16	Work with our community to protect amenity values in our places through strategic compliance action and animal management that is focused on ensuring education, safety and liveability.	Council employed an additional Compliance Officer in December 2019 to provide better service to coastal areas and address domestic animal issues across the shire.  The Domestic Animal Management plan is currently under review, with further actions to implemented in the 2021-2025: Council Plan.	

**Leadership in natural environment through good management practices.**

2.17	Ensure best practice guides planning and management of the natural environment and associated assets and Council's response to climate change.	Environmental advice continues to be provided on planning applications, strategic planning matters and on Council's major projects to ensure best practice standards are being met.	
2.18	Minimise coastal erosion in partnership with other stakeholders and implement measures to assist climate adaptation	Implementation of a Local Hazard Assessment project  Department of Environment, Land, Water & Planning (DELWP) allocated \$3 million to help address erosion along the coast in the Apollo Bay and Marengo region.  Working closely with DELWP and the Otway Coast Committee on the management of coastal erosion.	
2.19	Improve the health and sustainability of the natural environment through structured planning with our partners.	Council continues to work with various other government agencies and community groups to improve the environment. Recent examples include working with DELWP on coastal erosion, Barwon Water on the Colac and Regional Renewable Organics Network and with councils from across south western Victoria on the formation of a new Greenhouse Alliance.	
2.20	Deliver localised planning to communities to reduce fire risk.	The Community Safety Sub Plans are in progress (these are attached to the operational township plans) for 12 townships, these plans have been consulted with COS and other community stakeholders. These plans are the localised Community Fire Plans , but with boarder context and rebranded as Community Safety Sub Plans. The plans are still in progress with a milestone completion date of December 2021.  There is also a Safer Together Local Operational Response Planning committee consisting of CFA, VicPol, Colac Otway Shire, Corangamite Shire, Surfcoast Shire, DEWLP and Parks Vic which meet a few times throughout the year.  Out of this Safer Together funding there has been a number of community focussed initiatives with fire safety a key component, rolled out into some of our "at risk" communities. i.e. Community Based Bushfire Management and Community Based Emergency Leadership programs.	
2.21	Implement emission reduction programs for Council operations.	The Bluewater Solar Array was completed 2017-18.  Audits of Council facilities completed in 2018-19 to identify further energy saving opportunities  More efficient lighting has been installed in 2018-19 in Council facilities. The retrofits reduce electricity consumption across all sites by 97,494 kWh/yr. and will save Council around \$23,487 per year, reducing greenhouse emissions by a considerable 104.2 tCO2e/yr.  Work continues toward achieving the Carbon Neutral Target in 2020. In 2019-20 efficient heating and cooling systems have been installed at Bluewater and COPACC. Further upgrades of Council's street lights has commenced and solar panels have been installed on the Colac Community Library and Learning Centre. In addition, Council has endorsed the purchase of 100% Green Power which will mean that all electricity purchased by Council comes from renewable energy sources which produce no emissions.	

Action	Work undertaken over four-year Council Plan	Status
2.22 Enhance the level of resource recycling and reuse across the Shire.	<p>Presentations to local schools and community groups have commenced as part of Council's education campaign for resource recycling and reuse across the shire.</p> <p>Opportunities to recycle or reuse material are continually being explored. Materials recovered from works is saved and used where possible. Examples of this is the top soil from central reserve being used to level holes on the lake foreshore and bluestone rocks from footpaths being used in drainage works.</p> <p>Wood chips from tree maintenance is used on garden beds and surplus amounts are made available to community groups for mulching. Road materials recovered from asphalt renewal projects is repurposed in high maintenance areas on gravel roads. Recovered bitumens material from Regional Roads Victoria is used by Colac Otway Shire on local roads. Colac Otway Shire collect printer cartridges, mobile phones, CDs and DVDs for recycling. E-waste is also gathered for recycling.</p>	
2.23 Enhance and protect biodiversity through weed control and revegetation.	<p>Council's weed program was implemented within the budget constraints. New weed mapping was completed for Council's roadsides and reserves to inform the development of a new approach to Council's weed control program.</p> <p>The first stage of the large willow removal near the mouth of Barongarook Creek is complete. Indigenous plants have been planted to backfill the voids left by the removal. The second stage will be undertaken once the new plants have grown enough to provide a reasonable amount of shelter for the adjacent caravan park.</p> <p>Environmental Weed Control Program has been delivered. Target weeds include Boxthorn, Broome, Gorse, Blackberry and Spanish Heath. In addition, Council is managing a grants program for private landholders to manage pest plants and animals, with funds provided through a \$200,000 Federal Government Grant.</p>	
2.24 Implement Council's Climate Adaptation Strategy.	<p>Council endorsed the Climate Change Adaptation Plan 2017-2027 in April 2017.</p> <p>It is estimated 30-40% of the priority actions have been fully or partially delivered. Delivery of the actions has been impacted by COVID-19. The Plan is a ten-year plan and on track to be delivered.</p> <p>Development of management plans for high risks identified in the Local Coastal Hazard Assessment, these plans inform Council and other relevant agencies on how to best manage these areas under different climate change scenarios. Training for staff has been undertaken to help effectively manage climate as part of their projects.</p> <p>Council continues to undertake actions in accordance with Council's Climate Adaptation Plan. Funds were obtained from DELWP to develop landslide risk mitigation plans for Grey River, Kennett River and Skenes Creek. These plans have been completed and are now being used as the basis for seeking further funding to help make these towns more resilient to landslides.</p>	

Action	Work undertaken over four-year Council Plan	Status	
<b>Delivery of our capital works program.</b>			
2.25	Develop a system of capital allocations based on Asset Management Plans.	Although progress was made this work is not yet complete. Asset Management Plans will be completed to draft stage in the 2021 calendar year and this will allow them to influence the capital works program. Having said that capital program consists of 90% renewal works, which is in good alignment with sound asset management.	
2.26	Develop a project management framework, covering proposals, planning and delivery.	Project Delivery Procedure Manual developed as a framework for guiding project proposals, planning and delivery completed in 2018-19.  CAMMS Project implemented in 2018-19 to track progress against individual projects. New project plan template developed to ensure accurate pre-planning, estimating and scoping is undertaken prior to delivery of projects or seeking funding.  Development of a 'Funding Ready' and 'Shovel Ready' definitions and workflow to prepare projects for external funding and business cases, 2019-20.	
2.27	Develop a capital works reporting framework.	Monthly capital works report presented to EMT  Quarterly Performance Report presented to Council each quarter	
2.28	Deliver the annual capital works program.	Annual Capital Works Program is delivered annually. 2017-18 - Capital works program delivered 96% at 30 June 2018. 2018-19 - Capital works program delivered 97% at 30 June 2019. 2019-20 - Capital works program delivered 89% at 30 June 2020, with remaining works committed. 2020-21 saw 69% of the program delivered due to variables of the impacts from COVID-19	

<b>Emergency management is coordinated locally and on a regional basis.</b>			
2.29	Community based planning to build local understanding and preparedness for emergency events.	Community events are undertaken in the lead up to each fire season in Apollo Bay, Wye River, Forrest, Beech Forest, Barwon Downs and Gellibrand. These events focused on the location of Neighbourhood Safer Places and the need for people to develop personal bushfire plans that focus on the safety of themselves and their families.	
2.30	Education, joint planning and preparations undertaken to prepare for climate related threats and emergencies.	Various training has been undertaken by Council staff in relation to managing Emergency Relief Centres and providing leadership during emergency events. A large Emergency Relief Centre Exercise was undertaken in October with Corangamite and Surf Coast Shires to help staff put their training into practice. Further training is being organised for staff in 2020 to further enhance Council's capacity to respond to emergency events.	



# Local Government Performance Reporting Framework

SERVICE / INDICATOR / MEASURE	Results 2018	Results 2019	Results 2020	Results 2021	COMMENTS
<b>Roads</b> <b>Satisfaction of use</b> <b>Sealed local road requests</b> [Number of sealed local road requests / Kilometres of sealed local roads ] x100	15.95	23.24	28.50	24.21	Sealed Local Road Requests has decreased due to implementation of a timely re-sealing program, and improvement in Road Management Plan inspections, that have found defects and rectified them in a timely manner, resulting in a well-maintained road network with less requests.
<b>Condition</b> <b>Sealed local roads maintained to condition standards</b> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	93.58%	93.73%	93.11%	100.00%	Implementation of a timely re-sealing program, and improvement in Road Management Plan inspections, that have found defects and rectified them in a timely manner has resulted in a well-maintained road network.
<b>Service cost</b> <b>Cost of sealed local road reconstruction</b> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$52.61	\$41.06	\$51.70	\$87.30	Covid-19 affected the number of tenderers available to do work locally due to travel restrictions. This resulted in decreased contractor availability and higher contract prices in the supply-demand equation, which resulted in increased prices.
<b>Service Cost</b> <b>Cost of sealed local road resealing</b> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$5.99	\$5.40	\$5.14	\$5.16	Minimal change to costs which is consistent with expectation.

SERVICE / INDICATOR / MEASURE	Results 2018	Results 2019	Results 2020	Results 2021	COMMENTS
<b>Satisfaction</b> <b>Satisfaction with sealed local roads</b> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	39.00	42.00	44.00	53.00	Satisfaction with sealed local roads has increased due to implementation of a timely re-sealing program and improvement in Road Management Plan inspections, which have found defects and rectified them in a timely manner, resulting in a well-maintained road network with greater customer satisfaction.
<b>Waste Collection</b> <b>Satisfaction</b> <b>Kerbside bin collection requests</b> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	58.69	69.92	68.36	87.94	Council's new waste contract started in September 2020. Council received 232 new kerbside requests this year, which is approx. 15 more than previous year.
<b>Service standard</b> <b>Kerbside collection bins missed</b> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	2.30	2.13	1.63	3.09	Council's new waste contract started in September 2020 which required a change in some of the drivers, who were unfamiliar with the regular runs. This resulted in a slight increase in missed kerbside bin collection requests in 2020-21.
<b>Service cost</b> <b>Cost of kerbside garbage bin collection service</b> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$140.36	\$138.96	\$141.50	\$99.09	The decrease in cost is due to changing from a Metro Landfill centre to a Regional Landfill centre, where levies are lower.
<b>Service cost</b> <b>Cost of kerbside recyclables collection service</b> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$37.74	\$45.44	\$61.21	\$62.04	This increase is part of the new waste contract and a slight price increase in processing costs for recycling.
<b>Waste diversion</b> <b>Kerbside collection waste diverted from landfill</b> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	47.79%	52.06%	60.38%	57.53%	Includes 100% recycling this year as kerbside tonnages are now recorded separately, also includes 100% Organics kerbside collections.



# Our Community

**WE WORK TO KNOW COMMUNITY AND TO UNDERSTAND THEIR NEEDS AND ASPIRATIONS. WE PLAN OUR ASSETS AND SERVICES TO MEET COMMUNITY NEED AND TO FOSTER A CULTURE OF GOOD SERVICE AND PARTNERSHIP.**

## **THE IMPORTANCE OF OUR PLACES AS A THEME**

Colac Otway Shire sustains a mixed population of tourists, businesses, farmers, retirees and families, some of whom settled in the Shire recently and some of whom can trace their family's history back to European settlement, whilst our population of Aboriginal people dates back tens of thousands of years. The land of the Shire sustains different ways of living, from affordable housing options in towns, to spectacular properties with views of the forest and the sea. Potential for population growth in the Shire has increased due to the highway improvements and proximity to the larger centres of Geelong, Ballarat and Warrnambool. The Shire is well resourced compared with many other semi-rural shires, and enjoys good services and infrastructure, supporting families to connect and live well at all life stages.

## **SIX STRATEGIES CONTRIBUTE TO ACHIEVING OUR GOAL**

1. Increase social connection opportunities and community safety.
2. Connect people through events and activities.
3. Opportunities for the community to participate in lifelong learning.
4. Provision of resources to support physical activity by the community.
5. Foster an inclusive community.
6. Community planning informs provision of Council services and social infrastructure.

Key highlights for projects and activities linked to Our Community begin on page 60

# Our Community

## SERVICES CONTRIBUTING TO OUR COMMUNITY

The following services/activities were funded in the 2020-21 budget and contribute to achieving the goals and strategies for this theme:

SERVICE AREA	DESCRIPTION OF SERVICE	NET COST ACTUAL BUDGET VARIANCE \$000
<b>Arts &amp; Culture</b>	This service is responsible for the management and provision of arts and cultural services to the community. This service is responsible for the running of the Colac Otway Performing Arts & Cultural Centre.	172 <u>671</u> (499)
<b>Recreation</b>	This service provides for active community involvement and the promotion of healthy lifestyles by providing for suitable sporting and recreational facilities.	287 <u>250</u> 37
<b>Leisure Centres</b>	This service actively promotes a healthy lifestyle for our community by directly providing swimming and gymnasium facilities.	1,023 <u>936</u> 87
<b>Local Laws</b>	This service provides for community safety and health by providing for a framework for behaviours which affect our community well-being.	409 <u>507</u> (98)
<b>Public Health</b>	This service promotes a healthy and safe lifestyle by actively promoting and policing public health issues.	574 <u>509</u> 65
<b>Older Persons and Disability Support Services</b>	This service provides support to older and disabled members of our community in order to sustain quality of life for all our residents.	(872) <u>(190)</u> (682)
<b>Children and Family Services</b>	Supports our children, families and youth to encourage and nurture their growth and development.	190 <u>183</u> 7
<b>Library Service</b>	Provides resources and oversight to the Geelong Regional Library Corporation for the provision of information, education, recreation and enrichment of the community.	878 <u>741</u> 137



# Our Community

## HIGHLIGHTS

### Colac Otway Performing Arts and Cultural Centre (COPACC)

With the immensely popular Morning Music season scuppered for 2020, the team kept eyes and ears open for opportunities to present something for the community, in a different and COVID-19 safe Morning Music format.

Two morning music performances were secured and recorded, and the link provided through COPACC's website for access at no cost across a four-day period in early December; The Broadway I Love (Promac Productions) and a medley of songs from Rhonda Burchmore at her home in Melbourne.

This promotion was generously supported by Council's Community Engagement and Older Persons and Ability Support Services (OPASS) teams, with funding received through the Victorian Government's Community Activation and Social Isolation (CASI) initiative - an initiative intended to help people who might be feeling lonely or have lost their regular networks during coronavirus (COVID-19) to build or rebuild social connections and support networks.

### Bluewater

Reopening the facility after multiple closures due to the COVID-19 pandemic often at extremely short notice, Bluewater staff have been incredibly resilient and efficient on each occasion. Commitment displayed by key staff to often work long hours to get the facility operational for the public is to be commended.

In Term 2 of 2021, the Bluewater Swim School program reached an all-time high of 487 student enrolments.

Scheduled pool plant maintenance, even during lockdown, enabled a relatively smooth reopening and continuity for users – at no time for 2020-21 were our pools unavailable to the public or user groups due to pool plant failures.

### Open Space

Successful completion of upgrades to the netball courts and lighting at the Central Reserve.

Resurfacing of the velodrome at the Elliminyt Recreation Reserve, which has enhanced the facility for cyclists.

Council was successful in grant applications for projects such as oval lighting upgrades at five

sporting reserves; and a new electronic scoreboard for Lake Oval.

### Local Laws

Council's Community Safety Team waived all "goods on footpath" permit fees, this was supported by Council as part of our COVID-19 recovery response. The Community Safety Team worked collaboratively with business to support alfresco dining in the main precinct areas of the Shire.

The community Safety team responded to a number of COVID-19 related matters, in particular providing traffic management at the COVID-19 testing station at Central reserve Colac.

### Older Persons and Ability Support Services (OPASS)

The OPASS Service Delivery has continued during a very challenging period during COVID-19 with little disruptions for clients. The incredible demand to maintain Personal Protective Equipment working in over 600 homes each fortnight with limited disruptions and no breaches with IPP bears testimony to the professionalism of all the OPASS staff.

COVID-19 had a significant impact on our community and the function of the Regional Assessment service. Assessments were conducted over the phone rather than in client homes. This was a surprisingly relaxed and positive experience for both participants and assessor. Complex situations were followed up with a home visit when possible, and additional phone calls weeks and/or months later. Anecdotally, over the phone assessments were effective as people looked forward to interactions and were keen to engage and 'have a chat'. Restrictions meant that people were at home and had none of their usual distractions, activities and commitments to work around and plenty of time.

### Maternal Child Health Services

During COVID-19 lockdowns and outbreaks, our Maternal and Child Health and Family Day Care teams were able to put measures in place to enable them to continue providing high-quality services to children and families. High participation rates continued in both programs as a result.

Our Maternal and Child Health team made a successful return to group work after COVID-19 lockdowns via its Sleep and Settling and Circle of Security programs.

Sleep and Settling focuses on newborns, and babies of 6-8 months and 18 months of age. Circle of Security is an eight-week program that helps parents engage with their newborns and better interpret their cues.

Whilst overall birth rates were down on last year, we achieved 100% enrolment rates from these birth notifications, with overall participation rates in Maternal and Child Health programs increasing.

### **Children and Family Services**

Family Day Care educators completed the Smiles for Miles program, dedicated to improving dental hygiene of the children in their care.

### **Library Services**

Colac Otway made a successful transition from the Corangamite Regional Library Corporation to the Geelong Regional Library Corporation.

## **CHALLENGES**

### **Colac Otway Performing Arts and Cultural Centre (COPACC)**

The COVID-19 pandemic and restrictions have continued to severely impact the arts, culture and entertainment industries.

Survey results indicate that audiences are keen to return to live performances, however to encourage and facilitate a swift return, venues are focussed on providing a COVID-safe environment which necessitates increased costs associated with cleaning consumables and staff/labour for the additional cleaning and sanitising.

### **Health Protection**

Council's Environmental Health activities have been heavily impacted by the pandemic which has necessitated significant support being provided to both the Council organisation in its response and recovery, but also to the business community with regularly changing State health orders. This has adversely impacted the routine inspection activities of health staff and will continue to influence staff operations into 2022 until vaccinations reach a threshold level.

### **Open Space**

Limited budget means Council is relying on attracting external funding for recreation and open space upgrades and improvements.

### **Local Laws**

The Community Safety Team are currently working on a Domestic Animal Management Plan, this plan is a Council document that focuses on the management of dogs and cats, and outlines the key issues, objectives and priorities for how these will be managed. This plan will be implemented over a

four year period commencing 2022.

The Community Safety Team will also implement an online form to seamlessly facilitate online pet registrations, this will avoid pet owners attending a customer service centre to complete registration of their pet.

### **Bluewater**

Disruptions to operations due to unplanned emergency maintenance/asset renewal of building assets including:

- Pool hall ceiling removal
- Repairs to damaged section of the stadium roof
- Replacement of steam room generator
- Replacement of sand in Spa and 25m pool filters

COVID-19 pandemic:

- Bluewater was closed for a total of 116 days during the 2020-21 financial year. Further, the centre was often operating with patron limits due to restrictions.
- Significant reduction in centre visitation and subsequently income for the facility.
- Loss of experienced staff due to constant lockdowns and minimal availability of work, resulting in constant rostering challenges.

### **Older Persons and Ability Support Services**

Recruitment of community care workers to meet the increasing demands to provide services. (There was an increase of 2,633 hours during 2020-21 from 2019-20 for direct services).

Planning around the continued growth in the Home Care Packages field. Future administration and case managers required staff resources to maintain a quality standard.

### **Children and Family Services**

Securing stable childcare options for Apollo Bay and Colac.

### **Maternal Child Health Services**

Continuing to adapt maternal and early childhood programs to a COVID-safe environment to ensure we can continue to provide high quality services, maintain participation rates and grow our group work offerings.

## **FUTURE**

### **Colac Otway Performing Arts and Cultural Centre (COPACC)**

The COPACC staff look forward to welcoming audiences and facility users back to COPACC in a COVID-safe environment, and helping to facilitate and encourage participation in the arts.

## Open Space

Commencing work on masterplans for four city reserves, being Eastern Reserve, Western Reserve, Lake Oval and Central Reserve to provide Council with direction for future facility upgrades and improvements. Also supporting the Great Ocean Road Authority to prepare a master plan for the Apollo Bay Recreation Reserve.

Investigating the feasibility of a path around the perimeter of Lake Colac.

Implementing a range of on-ground projects that have received external funding such as the Cororooke open space development, lighting at five sporting reserves, and the Memorial Square Playspace.

## Bluewater

Conduct a feasibility study to investigate the viability and costs associated with the replacement of gas boilers at Bluewater with electric heat pumps in a bid to reduce the carbon emissions of the facility. The gas boilers currently heat the 25m pool, toddler pool, splash pad, warm water pool and the spa pool.

Conduct an internal service review on Bluewater Operations to provide strategic direction on future improvements to operations.

Conduct an expression of interest process for the lease of the Bluewater Consulting Rooms and Café services at the centre.

Expression of interest process to donate old Bluewater gym equipment to community groups.

Asset renewal/replacement:

- Implementation of outcomes from the scheduled August Life Saving Victoria pool safety assessment
- Replacement of the roof over the 25m pool.
- Replacement of the non-compliant pool ladders in the 25m pool.
- Replacement of sand in Warm Water Pool Filters
- Review and renew

## Older Persons and Ability Support Services

Review of Colac Otway Shires Aged Care Services to meet the challenges being implemented by Commonwealth Department of Health Aged Services.

## Community Services

Developing a youth advisory group to elevate young people's voices and provide input into Council's ongoing strategic planning.

Implementing a Reflect Reconciliation Action Plan

and progressing to the next stage of partnerships with our Aboriginal and Torres Strait Islander communities.

Embedding a shared knowledge about family violence in key areas of the organisation and implementing strong processes for information sharing in line with the Multi-Agency Risk Assessment and Management Framework.

## Children and Family Services

Rolling out campaigns to attract new Family Day Care educators to Council's service.

Completing the Early Years Infrastructure Plan to provide a more strategic approach to the way Council manages and upgrades its early year's buildings.

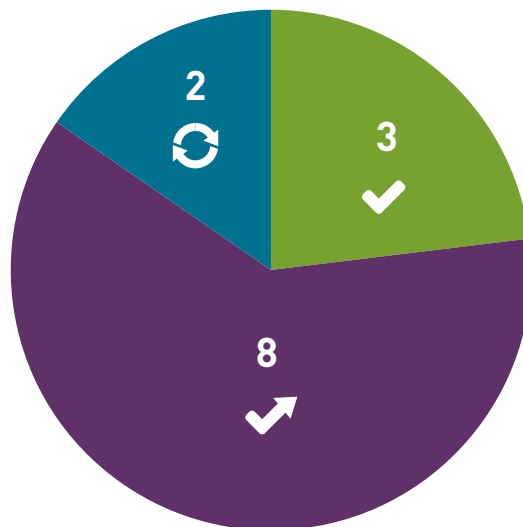
Moving the Apollo Bay Preschool into its new purpose-built kindergarten on the town's P-12 College site.

# Council Plan Objectives

**THE FOLLOWING PAGES INCLUDE A SUMMARY OF THE WORK THAT HAS OCCURRED OVER THE FOUR YEARS OF THE COUNCIL PLAN 2017-2021, AGAINST THE ACTIONS IN THEME THREE.**

The chart below provides details of the status of the 13 actions under Theme Three.

## Theme Three



Complete and/or business as usual












Complete with further priorities (i.e. stage two of project) in the draft Council Plan- 2021-2025





Carry over with ongoing priorities in the draft Council Plan 2021-2025


# Performance Against

	Action	Work undertaken over four-year Council Plan	Status
<b>Increase social connection opportunities and community safety.</b>			
3.1	Support community organisations through the community grants program.	Ongoing grants program delivered and well subscribed.	
3.2	Support community clubs, groups and associations to provide welcoming and inclusive environments for all members of our community within council facilities.	Meetings within a number of communities have been held to discuss our ageing population and Access, Equity and Inclusion.  There is continued participation in committees and groups such as: The Gathering Place; Colac Multicultural Committee; Barwon Neighbourhood House Network; and, Positive Ageing Ambassadors and regular user groups of Council facilities eg: recreation reserve.	
<b>Connect people through events and activities.</b>			
3.3	Provide grant programs to involve local people in activities that facilitate their health, wellbeing and enjoyment.	Ongoing grants program delivered and well subscribed.  Additional grants programs provided during COVID-19 included one for arts projects to bring community together.	
3.4	Supports community activities through information dissemination and planning information.	Council is active in sharing information about community activities via its social media, traditional media and other communication channels including community and sporting groups.	
<b>Opportunities for the community to participate in lifelong learning.</b>			
3.5	Provide opportunities for lifelong learning and community connections through library programs.	Council has successfully transitioned to the Geelong Regional Library Corporation, which will result in an enhanced service to the community.	
3.6	Support for community groups	Ongoing support to community groups includes support to transition from Section 86 committees to Community Asset Committees; close working relationships with local sporting groups and associations; and close relationships with groups such as U3A, Positive Ageing Ambassadors, Neighbourhood Houses etc.  In-kind contribution is part of the weighting criteria for funding applications.	
<b>Provision of resources to support physical activity by the community.</b>			
3.7	Deliver programs through the Bluewater Centre that promote physical activity in the Shire.	Increased Learn to Swim enrolments to a record level.  A range of programs delivered on an ongoing basis. Commenced 24/7 gym operations.  Myzone wearable heart-rate technology introduced to encourage further engagement in achieving fitness goals and will continue to improve systems, processes and customer service.  Visitation increased prior to the closure brought on by COVID-19 restrictions.	
3.8	Build capacity of local sports groups in promoting healthy eating and physical activity.	Council partners with groups such as Colac Area Health, Great Ocean Road Health, Leisure Networks and community groups and associations to promote healthy eating and physical activity.	
3.9	Encourage more people to participate and be inclusive of others.	Council's fees and charges for sporting groups will be reviewed as part of the new Council Plan 2021-2025, with a view to incentivising aspects like gender equity, healthy eating and growing diversity.	




Action	Work undertaken over four-year Council Plan	Status
3.10	<p>Participate in the G21 Healthy Eating and Active Living regional priority project.</p> <p>Council is an active member in G21's HEAL project (Healthy Eating, Active Living).</p> <p>Council is working in partnership with Colac Area Health and Deakin University on a childhood obesity project.</p> <p>Council staff are monitoring the health and wellbeing of more than 600 community members who receive services from Older Person Ability Support Services.</p>	
3.11	<p>Consider health of the community when formulating policy for Council's Property Strategy.</p> <p>A reference to community health is included in Council's Property Management Framework.</p> <p>This action is not complete because the Property Strategy has not been developed. We do, however, review social issues such as availability of alcohol and gambling machines when considering policy for Council property.</p>	

**Foster an inclusive community**

3.12	<p>Increase advocacy in partnership with our community to enhance cultural awareness, inclusiveness, safety and health, community, family and education.</p> <p>A review and community consultation has occurred to enable implementation of the Access Equity and Inclusion Plan, 50+ Plan and Municipal Early Years Plan.</p> <p>Aboriginal Victoria and Eastern Maar Cooperative provided two workshops and two site visits for Councillors and staff to enhance Aboriginal cultural awareness and gain a greater understanding of local indigenous heritage.</p> <p>Ongoing work to improve accessibility of Council buildings, facilities, paths and open spaces in line with Access, Equity and Inclusion Plan. Council also works with Leisure Networks and state sporting associations to develop inclusive club policy, particularly in relation to gender equity.</p>	
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**Community planning informs provision of Council services and social infrastructure.**

3.13	<p>Update social infrastructure planning on a continuing basis to guide asset planning.</p> <p>The Apollo Bay, Skenes Creek &amp; Marengo Community Infrastructure Plan examined social infrastructure needs.</p> <p>Broader Shire wide Social Infrastructure Plan did not gain funding in budget, therefore has not progressed.</p>	
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# Local Government Performance Reporting Framework

SERVICE / INDICATOR / MEASURE	Results 2018	Results 2019	Results 2020	Results 2021	COMMENTS
<b>Aquatic Facilities</b> <b>Service standard</b> <b>Health inspections of aquatic facilities</b> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	1.00	1.00	0.00	No inspections were conducted at the Centre in 2020 due to COVID-19 closures and restrictions.
<b>Utilisation</b> <b>Utilisation of aquatic facilities</b> [Number of visits to aquatic facilities / Municipal population]	5.01	4.60	5.17	1.68	<p>Bluewater Leisure Centre was closed for a total of 118 days due to COVID-19 restrictions in Victoria in the 2020-21 financial year. Additionally, when the centre reopened on multiple occasions, visitation to the centre was often limited due to COVID-19 restrictions.</p> <p>Further, Bluewater changed point of sale &amp; membership software providers in October of 2020, data was not captured on casual or multipass visits to the centre from 1 July 2020 to 27 October 2020 (noting the centre was only open 20 days in July during this period due to COVID-19 closures).</p>
<b>Service cost</b> <b>Cost of aquatic facilities</b> [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	New in 2020	New in 2020	\$5.41	\$23.59	<p>Bluewater Leisure Centre was closed for a total of 118 days due to COVID-19 restrictions in Victoria in the 2020-21 financial year. Additionally, when the centre reopened on multiple occasions, visitation to the centre was often limited due to COVID-19 restrictions.</p> <p>Further, to reduce the financial burden on facility users, when the centre reopened Council's Executive Management Team approved a month of free access for members and several periods of discounted memberships during restricted operations.</p> <p>Note: From 2020, this measure replaced two previous measures: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities', see retired measures.</p>

SERVICE / INDICATOR / MEASURE	Results 2018	Results 2019	Results 2020	Results 2021	COMMENTS
<b>Animal Management</b> <b>Timeliness</b> <b>Time taken to action animal management requests</b> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.00	1.00	1.00	This achievement is consistent with core business targets.
<b>Service standard</b> <b>Animals reclaimed</b> [Number of animals reclaimed / Number of animals collected] x100	77.63%	74.52%	48.62%	61.14%	The number of animals reclaimed reflects the increased use of social media where impounded animals were placed on Facebook and the owners either observed their pet there, or were informed by friends etc. that their dog/cat was at the pound.
<b>Service standard</b> <b>Animals rehomed</b> [Number of animals rehomed / Number of animals collected] x100	New in 2020	New in 2020	42.46%	23.83%	The lower figure of animals rehomed, is a result of the increase in animals being reclaimed by owners. Note: New measure for 2019-20 financial year.
<b>Service cost</b> <b>Cost of animal management service per population</b> [Direct cost of the animal management service / Population]	New in 2020	New in 2020	\$15.98	\$14.69	Note: This measure is replacing previous 'Cost of animal management service', which was based on cost per number of registered animals, see retired measures.
<b>Health and safety</b> <b>Animal management prosecutions</b> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	100.00%	100.00%	Note: This measure is replacing previous 'Animal management prosecutions', which was a measure of number, not proportion, see retired measures.
<b>Food Safety</b> <b>Timeliness</b> <b>Time taken to action food complaints</b> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	2.00	2.32	1.41	0.50	The number of complaints received was significant less, however prompt action to investigate these complaints was initiated.

SERVICE / INDICATOR / MEASURE	Results 2018	Results 2019	Results 2020	Results 2021	COMMENTS
<b>Service standard</b> <b>Food safety assessments</b> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	100.00%	95.02%	101.24%	49.02%	The number of food safety assessments has decreased from previous year due to officers being redirected to manage the COVID-19 outbreak within the Shire. Some premises were also closed for trading for some of the 2020 calendar year, resulting in the inability to assess these temporarily closed premises.
<b>Service cost</b> <b>Cost of food safety service</b> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$402.10	\$501.48	\$468.48	\$458.84	The cost per food premises has reduced marginally due to the small increase in food registrations being serviced without additional staff cost.
<b>Health and safety</b> <b>Critical and major non-compliance outcome notifications</b> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	94.74%	97.50%	90.00%	Result remains high despite a lower result than previous year.
<b>Libraries</b> <b>Utilisation</b> <b>Physical library collection usage</b> [Number of physical library collection item loans / Number of physical library collection items]	4.68	4.32	3.51	1.98	Reduction in collection usage reflects limitations on branch library access during COVID-19 lockdown periods. Note: From 2019-20, this indicator measures the performance of physical library items as a subset of the wider library collection.
<b>Resource standard</b> <b>Recently purchased library collection</b> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	68.18%	69.03%	66.40%	50.28%	The overall percentage reduced owing to a reduction in purchasing new stock pending the exit of partners from the Regional Library Corporation.

SERVICE / INDICATOR / MEASURE	Results 2018	Results 2019	Results 2020	Results 2021	COMMENTS
<b>Participation</b> <b>Active library borrowers in municipality</b> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	16.04%	14.99%	15.45%	No data	Due to the current Library Management System the data for active borrowers includes a proportion of non-active members and therefore isn't relevant for trend comparison in this category against previous years.
<b>Service cost</b> <b>Cost of library service per population</b> [Direct cost of the library service / Population]	New in 2020	New in 2020	\$32.59	\$34.30	Note: This measure is replacing the previous 'Cost of library service' indicator which measured based on number of visits, see retired measures.
<b>Maternal and Child Health (MCH)</b> <b>Service standard</b> <b>Infant enrolments in the MCH service</b> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	99.54%	100.91%	99.57%	100.00%	SMS messaging and full staffing have contributed to increased participation rates
<b>Service cost</b> <b>Cost of the MCH service</b> [Cost of the MCH service / Hours worked by MCH nurses]	\$72.85	\$81.94	\$68.33	\$73.60	A number of factors contributed to this financial years variance, including: use of casual MCH nurses in response to birth notifications; funding to provide a sleep and settling program; and COVID-19 restrictions impacted nursing hours.
<b>Participation</b> <b>Participation in the MCH service</b> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	70.85%	74.44%	55.23%	75.83%	Data cleansing has assisted in cleaning up old histories and bringing data back to previous years participation rates. We have also worked on our overdue KAS reporting which allowed us to contact and re-engage with some families.
<b>Participation</b> <b>Participation in the MCH service by Aboriginal children</b> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	66.67%	58.33%	55.26%	72.00%	Small numbers but the Maternal Child Health service has been participating in a new program to increase participation rates for Aboriginal children in early year's services and emphasis on more active engagement.
<b>Satisfaction</b> <b>Participation in 4-week Key Age and Stage visit</b> [Number of 4-week key age and stage visits / Number of birth notifications received] x100	New in 2020	New in 2020	88.09%	103.35%	SMS messaging and full staffing have contributed to increased participation rates



# Our Leadership and Management

**WE WILL WORK TOGETHER WITH OUR COMMUNITY TO CREATE A SUSTAINABLE FUTURE. WE WILL DELIVER VALUE FOR MONEY FOR RATEPAYERS IN EVERYTHING WE DO AND WE WILL ACHIEVE LONG TERM SUSTAINABILITY AND TRANSPARENT COMMUNITY LEADERSHIP.**

## **THE IMPORTANCE OF OUR LEADERSHIP AND MANAGEMENT AS A THEME**

There are many demands on the resources of the Colac Otway Shire. The major source of income, ratepayer's funds, has been constrained through the introduction of rate capping by the State Government and an increasing challenge for the community to continue to afford rate increases.

The environment of the shire is attractive and well-recognised. Its diversity also results in involvement by many authorities and stakeholders, creating the need for partnerships and clarity about the role of the Shire. Incidents such as bushfire, floods and more recently COVID-19 impact on the community and draw a significant amount of organisational resources, both in emergency responses but also in longer term planning and support to the community. It is expected that fire and flood events will be more common as climate change accelerates.

## **FIVE STRATEGIES CONTRIBUTE TO ACHIEVING OUR GOAL**

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

Key highlights for projects and activities linked to Our Leadership & Management begin on page 72

# Our Leadership and Management

## SERVICES CONTRIBUTING TO OUR LEADERSHIP AND MANAGEMENT

The following services/activities were funded in the 2020-21 budget and contribute to achieving the goals and strategies for this theme:

SERVICE AREA	DESCRIPTION OF SERVICE	NET COST ACTUAL BUDGET VARIANCE \$000
<b>Councillors and Chief Executive</b>	This area of governance includes the Mayor, Councillors, Chief Executive Officer and Public Relations Team and associated support which cannot be easily attributed to the direct service provision areas.	1,757 <u>2,027</u> (270)
<b>Finance, Property and Rates</b>	This service has the responsibility to generate revenue for Council via rate, levies and charges and to provide sustainable and accountable financial management of Council's resources.	5,769 <u>(5,080)</u> (689)
<b>Customer Service</b>	This service has the responsibility to provide the first point of contact between Council and the public through Council's Customer Service Centres. The service provides overall corporate customer service to the wider community and assists all areas of Council with the provision of corporate responsibility.	448 <u>463</u> (15)
<b>Corporate Services</b>	This service has the responsibility to maintain strong governance and administrative systems and to ensure that these systems are responsive, accountable and transparent to internal users and community needs.	516 <u>417</u> 99
<b>Contract Management Service</b>	This service provides oversight and governance on contractual and procurement services undertaken by Council.	265 <u>353</u> (88)
<b>Information Services</b>	This services provides management and governance of information flows, storage and retrieval within the organisation in accordance with appropriate legislation and standards.	2,435 <u>2,541</u> (106)
<b>People and Culture</b>	This service provides and develops a culture of high performance, productivity and accountability across the organisation.	755 <u>777</u> (22)
<b>Risk Management Services</b>	This service has the responsibility to identify, record and manage all business risk associated with Council's activities. This service manages Council's insurance portfolio.	473 <u>653</u> (180)

# Our Leadership and Management

## HIGHLIGHTS

### Governance

Following the Local Government Elections in October 2020, we welcomed a new Council consisting of three new and four returning Councillors. A comprehensive induction program was undertaken by all Councillors. On 16 November 2020 at a Special Council meeting the Councillors elected Cr Kate Hanson as Mayor and Cr Graham Costin as Deputy Mayor. The first Council meeting for the new Council was conducted on 25 November 2020.

Throughout 2020 and 2021 we have continued to work on the implementation of the *Local Government Act 2020*. Currently many of the required policies and processes designed to align with the new act are now in place.

To enable the community to have greater access to Council's decision making processes, we have continued to live-stream Council and Planning Committee meetings. This allows the public to view these meetings on line in real time.

### People and Culture

#### Global Pandemic Response

Workplaces were challenged with a different type of emergency in 2020-21. Council was no different and found itself rapidly adapting to a changing employment landscape. Collaboration across the organisation ensured that we were responsive to closures, work from home and increasing mental health concerns. Positively, Council can now see a successful model of working from home with greater flexibility and adaptation.

#### Working for Victoria

Council was successful in obtaining funding from the Victorian State Government's Working for Victoria program. This program was implemented in response to the significant job losses experienced from specific industries as a result of the pandemic. This funding supported the creation of 22 full-time jobs for a period of six months. The program was a significant boost for Council to be able to respond to increasing demands on our workforce as a result of organisation and community needs. This program was able to employ new employees into the organisation as well as support our own employees affected by service closures.

#### Launch of New Organisation Values and Behaviours

Following the 'What We Stand For' project commenced in early 2020, and during a difficult year of lockdowns and work from home, the organisation successfully created a new direction for the organisation through its values and behaviours. The new values and behaviours were launched in October 2020 and are continually being implemented and absorbed into all aspects of the workplace and what we do.

#### Information Services

The unit's response to COVID-19 restrictions and working from home orders, has enabled an almost seamless change and has provided the organisation with, among other things, the ability to work remotely, meet virtually, both internally and externally, communicate one-on-one and in a team environment and consult, engage and survey the community.

The ever increasing risk of cyber-attack has been a focus for the ICT team. The team has, and will continue to be vigilant in its endeavour to ensure the protection of personal data and information, sensitive and confidential corporate information and the organisation's computer operating systems. An enormous effort has already been put towards this endeavour and will continue into the future.

Implementation and upgrade of Council's Electronic Document Record Management System (EDRMS) entailed upgrading to the latest supported version to ensure continuation of legislative compliance with the Public Records Act.

Performance and capacity improvements of new links to support Business requirements medium-long term. Decommission of legacy single point of failure WAN link connection from Colac to Apollo Bay with separate connections implemented to each Apollo Bay site.

An upgrade of the GIS Web Portal on the public website provides much improved mapping capabilities including ability to create your own map, emergency management planning, and ability to view overlays/zones.

The implementation on online service to pay infringements provides the community greater flexibility to make payment.

# Our Leadership and Management

## CHALLENGES

### People and Culture

As we progress through the ongoing pandemic there are continuing pressures from a work and personal perspective for our employees. The organisation is mindful of the mental health impacts on our workers and continues to implement enhance programs to support our response to the ongoing crisis and the impacts on the workforce.

Our Visitor Information Centres are experiencing a significant downturn of visitors and tourists within our region due to the travel restrictions imposed by the pandemic. This will continue to provide a challenge for our workforce and community until travel numbers increase.

Ongoing restrictions imposed by the State Government continue to result in the temporary closures of Bluewater, COPACC, Customer Service and the Visitor Information Centres. At a time of uncertainty for our employees the organisation responded by identifying redeployment opportunities for the majority of displaced employees.

### Information Services

Challenges for the Information Service department and the continuation of COVID-19 lockdowns and subsequent demand for more readily available online digital services, with the ability to access from anywhere, as well as, the increasing, ongoing, and evolving nature of cyber-attacks occurring around the globe are having on human resources. Increased incoming electronic correspondence from external senders requiring a more flexible way of working.

## FUTURE

### Governance

Looking ahead we will continue to realise the benefits across the organisation of the ongoing implementation of the *Local Government Act 2020*, which is a principles based act, rather than a prescriptive act.

In the year ahead we look forward to continuing to live stream Council meetings and look for ways to enable the community to participate in these online meetings.

### People and Culture

#### Workforce Flexibility

Council has seen considerable growth in the ability to implement flexible working arrangements as well as the implementation of systems and processes to enable this to continue into the future. The hybrid-working model brings some challenges but adds convenience and balance to our workforce. Further, it provides new opportunities to capitalise on moving employment markets and ways of working.

#### Customer Service

Council is continuing to identify innovative and digital ways that our customers can interact with Council to deliver the best outcome. This will include the implementation of a Customer Service Charter and internal guidelines on customer service across the organisation.

### Information Services

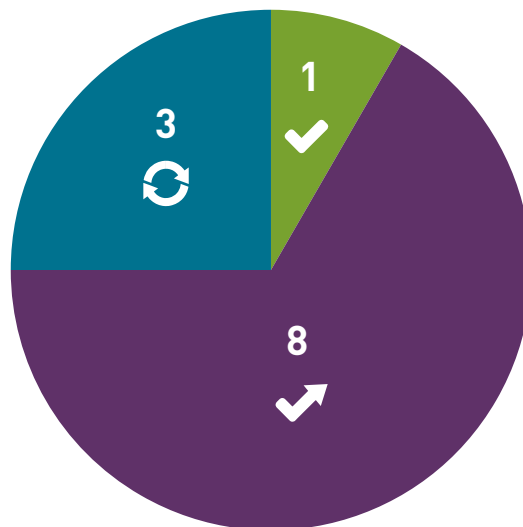
Future outlook includes expansion of online service capabilities such as ability for the community to submit a request form via our public website and ability for new animal registration of cats and dogs. Upgrade of phone system to give office-based staff more flexibility to work in different work locations. Implementation of a digital enterprise email management, compliance, and productivity solution to improve quality of work for maintaining email records. Upgrade of facilities to enhance online meetings.

# Council Plan Objectives

**THE FOLLOWING PAGES INCLUDE A SUMMARY OF THE WORK THAT HAS OCCURRED OVER THE FOUR YEARS OF THE COUNCIL PLAN 2017-2021, AGAINST THE ACTIONS IN THEME FOUR.**

The chart below provides details of the status of the 12 actions under Theme Four.

**Theme Four**



Complete and/or business as usual









Complete with further priorities (i.e. stage two of project) in the draft Council Plan- 2021-2025









Carry over with ongoing priorities in the draft Council Plan 2021-2025



# Performance Against

Action	Work undertaken over four-year Council Plan	Status
<b>Effectively manage financial resources.</b>		
4.1	<p>Manage the short and long-term financial sustainability of the shire through prudent financial management.</p> <p>Continued improvements in financial management reporting has provided management the ability to proactively provide enhanced financial management.</p> <p>Financial reporting occurs each quarter through the Quarterly Performance Report, also included in the Annual Report.</p> <p>Finance Business Partnering supporting managers in delivering the adopted budget and making informed business decisions.</p> <p>A Budget Development and Management Policy has been developed to guide Council in meeting its legislative responsibilities in relation to sound financial management principles.</p>	
4.2	<p>Maintain the 10-year long-term financial plan.</p> <p>Work has continued with developing a service based long term financial plan for adoption by Council by October 2021.</p>	
4.3	<p>Identify new income opportunities.</p> <p>Council has limited access to new income opportunities.</p> <p>Advocating for revenue increases to line with rate cap to ensure Council costs do not continue to outstrip increased revenue.</p>	
4.4	<p>Maintain low risk audit rating for financial sustainability.</p> <p>Council's 2017-18 financial result is consistent with a low risk rating in relation to financial sustainability.</p> <p>Overall, the Victorian Auditor-Generals Office rated Colac Otway Shire low risk in relation to financial sustainability for 2018-19.</p> <p>The 2019-20 results show that Council remains financially sustainable, but some critical indicators continue to trend downward.</p> <p>Information on Council's financial position will be completed when the accounts for 2020-21 are complete, this will be reported in the Annual Report 2020-21.</p>	
<b>Openness and accountability in decision making.</b>		
4.5	<p>Ensure where ever possible decisions are debated and made in open Council meetings.</p> <p>Councillors are proactive in ensuring that Council only goes in committee when it is absolutely necessary.</p>	
4.6	<p>Develop and implement a program of regular reporting on key activities to ensure they are focused on implementing priorities.</p> <p>Quarterly Performance Reporting has been introduced, reports are available on Councils website.</p> <p>Internal Monthly Reporting has been introduced to monitor performance and risks.</p>	

Action	Work undertaken over four-year Council Plan	Status	
<b>Organisational development and legislative compliance.</b>			
4.7	<p>Support organisational development to ensure key organisational capability areas support the organisation to deliver on Council priorities, with a particular emphasis on attracting suitably qualified applications to fill regulatory roles.</p>	<p>The People and Culture Strategic Plan 2019-2021 was completed and circulated to all staff in December 2018. The proposed Year One actions are now being implemented on a timely basis and the progress of the strategic plan actions are being regularly reported to the EMT and staff.</p> <p>Major initiatives already completed include:</p> <ul style="list-style-type: none"> <li>• The development and implementation of an internal Coaching and Mentoring Program</li> <li>• Staff Alignment and Engagement Survey</li> <li>• Delivery of Performance Management and Development training for leaders</li> <li>• A review of the onboarding and offboarding processes</li> <li>• Health and Wellbeing Program</li> <li>• Implementation of an e-recruit platform</li> <li>• Regular scheduling of professional development speakers for the leadership team.</li> </ul>	
4.8	<p>Manage our risk exposure, including providing a safe working environment where "Work Health and Safety is everyone's business".</p>	<p>Mental Health Network established (approx. 15 members).</p> <p>Regular departmental safety audits have been implemented</p> <p>An audit of Council's OH&amp;S policies, procedures and safe-work practices was conducted by Crowe Horwath in accordance with Australian Standard 4801.</p>	

<b>Provide value for money services for our community.</b>			
4.9	<p>Implement a program of ongoing service reviews to ensure our services are efficient and effective and are valued by the community.</p>	<p>Council adopted a Three Year Service Review Program on 12 December 2018. It was completed within budget constraints during 2020-21. Further reviews are budgeted for 2021-22, namely Service and Operations and the Saleyards.</p>	
4.10	<p>Enhance opportunities for increased local spending of Council expenditure.</p>	<p>Although Council is unable to accurately determine if local spending has increased by at least 5% over the four years, Council's Procurement Policy encourages local spending and the Tender Procedure has a weighting towards local employment and suppliers.</p>	
4.11	<p>Develop partnerships to procure services and materials on a regional basis.</p>	<p>Council's Procurement Policy (adopted September 2018, reviewed annually) instructs testing requirements for shared services when certain criteria are met.</p>	
4.12	<p>Review the Community Engagement Policy to guide council decision making.</p>	<p>Council adopted Community Engagement Policy in March 2021, taking into consideration the Community Engagement Principles of the new Act.</p>	

# Local Government Performance Reporting Framework

SERVICE / INDICATOR / MEASURE	Results 2018	Results 2019	Results 2020	Results 2021	COMMENTS
<b>Governance</b> <b>Transparency</b> <b>Council decisions made at meetings closed to the public</b> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors ] x100	17.86%	6.10%	8.11%	7.64%	This indicator has randomly fluctuated around a relatively stable percentage for the past three years, due to the fact that since 2019 our decisions regarding awarding of contracts have been held in open Council meetings, with relevant confidential information distributed to Councillors.
<b>Consultation and engagement</b> <b>Satisfaction with community consultation and engagement</b> Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	55.00	54.00	55.00	60.00	The increase in this measure compared to the 2019-20 result may be due to the increased emphasis on community engagement in Local Government via the implementation of the <i>Local Government Act 2020</i> .
<b>Attendance</b> <b>Councillor attendance at council meetings</b> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	97.14%	90.29%	92.48%	98.57%	This score indicates that Councillor attendance at Council meetings is at a very high value. Councillors have physically attended meetings through COVID-19 with social distancing etiquette being observed.
<b>Service cost</b> <b>Cost of elected representation</b> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$41,116.71	\$42,300.86	\$44,852.14	\$47,857.87	There has been a significant increase in the cost of elected representation for 2020/21 due to mandatory Councillor induction upon election in October 2020.
<b>Satisfaction</b> <b>Satisfaction with council decisions</b> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	49.00	52.00	50.00	58.00	The increase in this measure compared to the 2019-20 result may be attributed to Council's response to the COVID-19 pandemic and public optimism towards the newly elected Council.

# Democratic Governance

## **COUNCIL'S MAIN RESPONSIBILITIES ARE TO SET THE OVERALL DIRECTIONS AND GOALS FOR THE MUNICIPALITY AND THEN MONITOR THEIR IMPLEMENTATION AND SUCCESS.**

The tools for setting these directions and goals are the major strategic plans. These include the Council Plan, the Financial Plan, the Municipal Strategic Statement and the Municipal Public Health and Wellbeing Plan. Council also has a role in advocating on behalf of its communities to State and Federal levels of government, statutory authorities and other sectors.

Colac Otway Shire is constituted under the *Local Government Act 2020* to provide good governance to its municipal district for the benefit and wellbeing of the municipal community.

A council must in the performance of its role give effect to the overarching governance principles, which include:

- Council decisions are to be made and actions taken in accordance with the relevant law;
- Priority is to be given to achieving the best outcomes for the municipal community, including future generations;
- The economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
- The municipal community is to be engaged in strategic planning and strategic decision making;
- Innovation and continuous improvements is to be pursued;
- Collaboration with other Councils and Governments and statutory bodies is to be sought;
- The ongoing financial viability of the Council is to be ensured;
- Regional, state and national plans and policies are to be taken into account in strategic planning and decision making;
- The transparency of Council decisions, actions and information is to be ensured.

## **DECISION-MAKING PROCESS**

Council is authorised to make decisions in only one of two ways:

- By resolution at Council meetings and Delegated Committees of Council;

- By Council officers under delegated authority. The Chief Executive Officer (CEO) is authorised under the Act to manage the day-to-day operations of the organisation. The CEO has the power to delegate decisions on operational matters to officers.

There are certain powers that Council cannot delegate. Examples include, but are not limited to the adoption of the Council Plan and Council Budget.

## **RELATIONSHIP BETWEEN COUNCIL AND THE EXECUTIVE**

The CEO is the only staff member who is appointed by the Council. As such, Councillors are accountable for setting the CEO's performance plan and monitoring performance. The CEO, along with the Executive Management Team, is responsible for implementing resolutions of Council and running the day-to-day affairs of the organisation. Individual Councillors cannot instruct staff to undertake specific duties.

## **COUNCILLOR CODE OF CONDUCT**

Council has a Councillor Code of Conduct, last reviewed and adopted by Council on 24 February 2021. The Code outlines the principles of good governance, guides Councillors' behaviour, accountability and dispute resolution between Councillors. All Councillors are expected to behave ethically and with integrity. The Code is available on Council's website.

## **CONFLICT OF INTEREST**

Councillors are elected by their communities to make decisions on behalf of those communities. To ensure the public interest is served at all times, Councillors are required to separate their private interests from their public duties, which may mean stepping aside from a decision where a conflict of interest arises.

During 2020-21, Councillors disclosed 12 conflicts of interest during Council meetings and two conflicts of interest during Planning Committee meetings.

## **COUNCIL MEETINGS**

In addition to the Advisory and Committee meetings listed on page 22 the following are also internal Committees of Council:

### **CENTRAL RESERVE ADVISORY COMMITTEE**

This meeting is held quarterly and facilitates communication between Council, park users and local residents about matters concerning planning, development, maintenance and operation of the reserve.

### **CITY DEALS PROJECT – COLAC OTWAY SHIRE EXECUTIVE STEERING COMMITTEE**

- Cr Stephen Hart

This committee meets monthly, to provide community engagement, strategic directions, guidance and support and to discuss status and critical issues.

### **COLAC MUNICIPAL AERODROME ADVISORY COMMITTEE**

- Cr Joe McCracken

This committee meets quarterly, to provide input, advice and support to Council in the ongoing sustainability, planning, development and maintenance of the Colac Municipal Aerodrome.

### **COLAC REGIONAL SALEYARDS ADVISORY COMMITTEE**

- Cr Jamie Bell

This committee meets quarterly as required, to provide advice on the operations of the centre and make recommendations to Council.

### **FRIENDS OF THE BOTANIC GARDENS ADVISORY COMMITTEE**

- Cr Margaret White

This committee meets monthly to undertake voluntary projects and to act as an advisory committee for Council.

### **LAKE COLAC COORDINATING COMMITTEE**

- Cr Jamie Bell and Cr Margaret White

This committee meets quarterly and provides a forum to assist Council in the implementation of the Lake Colac Management Plan and the Lake Colac Master Plan and to advise Council on the revitalisation and development of Lake Colac.

### **CEO EMPLOYMENT MATTERS ADVISORY COMMITTEE**

Meeting at least six monthly, the committee reports to the Council and provides recommendations, appropriate advice information and feedback on relevant matters.

**In addition to the previously listed committees, Councillors represented the Council on other external committees and groups:**

#### **Apollo Bay Harbour Precinct Redevelopment Project Control Group**

- Mayor Cr Kate Hanson and Deputy Mayor Cr Graham Costin

#### **Australian Local Government Association (ALGA)**

- Cr Chris Potter

#### **Barwon South West Waste and Resource Recovery Local Government Forum**

- Deputy Mayor Cr Graham Costin

**Barnard Trust Committee** – Cr Stephen Hart

#### **Colac Community Library and Learning Centre Joint Use Committee**

- Cr Stephen Hart

**Colac Road Safety Group** – Cr Chris Potter

#### **COPACC Trust**

- Cr Joe McCracken and Cr Margaret White

#### **Corangamite Regional Library Corporation**

- Cr Stephen Hart

#### **Geelong Regional Library Corporation**

- Cr Stephen Hart

**Great South Coast Group** – Deputy Mayor Cr Graham Costin

**G21 Board** – Mayor Cr Kate Hanson

#### **Lavers Hill Swimming Pool Committee of Management**

- Cr Stephen Hart

#### **Mooleric Road Quarry Consultative Committee**

- Cr Jamie Bell

#### **Municipal Association of Victoria**

- Cr Stephen Hart

#### **Municipal Emergency Management Planning Committee**

- Cr Chris Potter

#### **Municipal Fire Management Planning Committee**

- Cr Chris Potter

#### **Ondit Quarry Consultative Committee**

- Cr Jamie Bell

#### **Port of Apollo Bay Consultative Committee**

- Cr Chris Potter

**Rural Councils of Victoria** – Cr Margaret White

#### **Rural Financial Counselling Service Vic**

**– Wimmera Southwest (RFC)** – Mayor Cr Kate Hanson

#### **Timber Towns Victoria Committee**

- Cr Chris Potter

#### **Weeds Consultative Committee**

- Cr Jamie Bell

#### **G21 Pillar Membership – Arts and Culture**

- Mayor Cr Kate Hanson

#### **G21 Pillar Membership – Economic Development**

- Cr Chris Potter

#### **G21 Pillar Membership – Education and Training**

- Cr Joe McCracken

#### **G21 Pillar Membership – Environment**

- Cr Stephen Hart

#### **G21 Pillar Membership – Health and Well Being**

- Cr Margaret White

#### **G21 Pillar Membership – Planning and Services**

- Deputy Mayor Cr Graham Costin

#### **G21 Pillar Membership – Sports and Recreation**

- Cr Chris Potter

#### **G21 Pillar Membership – Transportation**

- Cr Jamie Bell



## COUNCILLOR ATTENDANCE AT MEETING

COUNCILLOR	COUNCIL		SPECIAL COUNCIL		PLANNING COMMITTEE	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Jamie Bell	8	8	2	2	3	3
Graham Costin	8	8	2	2	3	2*
Brian Crook	3	3	1	1	1	1
Kate Hanson	11	11	3	3	4	4
Stephen Hart	11	11	3	3	4	4
Joe McCracken	11	11	3	3	4	4
Chris Potter	11	11	3	3	4	4
Jason Schram	3	3	1	1	1	1
Chris Smith	3	3	2	1	1	0
Margaret White	8	8	2	2	3	3

\*Cr Costin was unable to attend one Planning Committee meeting due to a conflict in meeting schedule

## COUNCILLOR SUPPORT AND REMUNERATION

The Council Expenses Policy provides a broad overview of how the Council provides assistance and support to the Mayor and Councillors in carrying out their roles and official duties. A copy of the Policy is available for inspection, on Council's website under Council policies.

In line with the Policy, support is provided to the Mayor in the form of a council vehicle. Information and communication technology is available to all Councillors.

The Council Expenses Policy contains provisions for reimbursement of expenses for training, registration fees for conferences and functions, travel and child care.

The following table sets out the allowance paid to Councillors for the reporting period 2020-21

COUNCILLOR	Allowance (including superannuation)	Travel	Car Mileage Expenses	Childcare Expenses	Information and Communications Technology Expenses	Conference and Training Expenses	Total
Kate Hanson (Mayor)	\$62,233	\$932	\$304	-	\$547	\$1,593	\$65,609
Graham Costin (Deputy Mayor)	\$16,908	\$1,400	\$4,092	-	\$382	\$179	\$22,961
Jamie Bell	\$16,908	-	-	-	\$382	-	\$17,290
Stephen Hart	\$27,555	\$941	\$4,162	-	\$2,008*	\$268	\$34,934
Joe McCracken	\$27,475	-	-	-	\$523	-	\$27,998
Chris Potter	\$27,571	\$875	\$561	-	\$571	\$1,768	\$31,296
Marg White	\$16,908	\$875	-	-	\$382	\$1,813	\$19,978
Jason Schram	\$31,978	-	-	-	\$504	-	\$32,482
Chris Smith	\$10,567	-	\$794	-	\$48	-	\$11,409
Brian Crook	\$10,567	-	-	-	\$248	-	\$10,815
<b>Total</b>	<b>\$248,620</b>	<b>\$5,023</b>	<b>\$9,913</b>	<b>-</b>	<b>\$5,595</b>	<b>\$5,595</b>	<b>\$274,722</b>

\*Cr Hart's ICT expenses include a one-off of charge of \$1,784 for installation of a Telstra Mobile Smart Antenna and an external antenna to address coverage issues.

## LOCAL LAW

The following local laws are in force:

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

Date Adopted by Council: 28 August 2013

Date Operational: 28 August 2013

### No. 2 General Local Law

Date Adopted by Council: 25 September 2013

Date Operational: 25 September 2013

### No. 3 Livestock Local Law

Date Adopted by Council: 28 August 2013

Date Operational: 28 August 2013

### No. 4 Governance

Date Adopted by Council: 26 August 2020

Date Operational: 26 August 2020

## POLICIES, STRATEGIES AND PLANS

The following policies, strategies and key plans were reviewed, endorsed and/or adopted by Council during 2020-21:

### Council Expenses Policy

Adopted: 22 July 2020

### Grants Contributions and Sponsorship Policy

Adopted: 22 July 2020

### Audit and Risk Committee Charter

Adopted: 26 August 2020

### Election Period Policy

Adopted: 26 August 2020

### Governance Rules

Adopted: 26 August 2020

### Public Transparency Policy

Adopted: 26 August 2020

### Administration and Enforcement of Building Legislation Policy

Adopted: 16 September 2020

### Apollo Bay Harbour Development Plan

Adopted: 16 December 2020

### Livestreaming and Recording of Council and Planning Committee Meetings Policy

Adopted: 24 February 2021

### Community Engagement Policy

Adopted: 24 February 2021

### Councillor Code of Conduct

Adopted: 24 February 2021

### Gifts, Benefits and Hospitality Policy

Adopted: 24 March 2021

### 2021-2025 Revenue and Rating Plan

Adopted: 24 June 2021

### Acquisition and Disposal of Council Property

Adopted: 24 June 2021

### Procurement Policy

Adopted: 24 June 2021

## AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (ARC) is an advisory committee of Council and its purpose is to provide a structured, systematic oversight of Council's governance, risk management and internal control practices. The ARC assists the Council and management by providing advice and guidance on the adequacy of initiatives for:

- Values and behaviours (What We Stand For)
- Governance structure
- Risk management
- Internal control framework
- Oversight of the internal audit activity, external auditors and other providers of assurance
- Financial and performance statements and public accountability reporting.

The Audit Committee meets five times in an annual cycle and has consisted of the following members over the financial year:

Audit Committee member	Eligible to attend	Actual Attendance
Mr Mike Said, Independent Member and Chairperson (EMES Consulting)	5	5
Mr Brian Keane, Independent Member (Brian Keane Consulting Pty Ltd)	5	5
Mr Richard Trigg, Independent Member	3	3
Cr Stephen Hart	5	5
Cr Jason Schram	2	2
Cr Graham Costin	3	3

Mr Mike Said was reappointed Chairperson of the ARC on 2 December 2020.

On 28 November 2018, Mr Brian Keane's appointment to the Audit Committee was ratified by Council at its Ordinary meeting. Mr Keane's first meeting as an independent member was on 5 December 2018. The ARC Charter (adopted by Council 26 August 2020), in accordance with the *Local Government Act 2020*, stipulates that the Committee consist of two Councillors and three independent members. Mr Richard Trigg was appointed to the ARC as the third independent member at the 25 November 2020 Council meeting. His first meeting as an independent member of the ARC was on 2 December 2020.

Cr Stephen Hart and Cr Jason Schram were appointed to the ARC at the Ordinary Council meeting held on 27 October 2019 and served until October 2020. Following the Local Government general election, Cr Stephen Hart and Cr Graham Costin were appointed to the Committee at the Council meeting held on 25 November 2020.

The Chief Executive Officer, General Manager Corporate Services, General Manager Environment & Infrastructure, General Manager Development & Community Services, Manager Governance & Communications, Governance Coordinator, Manager Financial Services and the Finance Coordinator attend meetings to assist with information and support. Other Council officers attend as required.

Over the financial year the ARC dealt with issues under the following headings as per the Audit Committee Charter:

- Financial Reporting
- Internal Control
- Values and Ethics
- Risk Management
- Fraud and Corruption Prevention Systems and Control
- Business Continuity
- Internal Audit
- External Audit
- Compliance
- Reporting Responsibilities
- Performance Evaluation
- Review of Charter
- Meeting Schedule
- Other Responsibilities.

#### **Outcomes 2020-21**

- Development of the Audit and Risk Committee Charter in alignment with the *Local Government Act 2020*.
- Development of the Audit and Risk Committee Plan for the year.
- Review and endorsement of the financial statements and performance statement.
- Review end of year financial management.
- Reporting of Fraud Control Program.
- Review of Quarterly Performance reports of Council.
- Reviewed the audit scopes, reports and recommendations of internal audit projects.

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

Council's Internal Auditor is Crowe Howarth.

# Corporate Governance

We are committed to ensuring that our governance practices are accountable, transparent and fair, and that we act with honesty and integrity in all of our operations and decisions.

The Chief Executive Officer (CEO), Peter Brown, was a direct appointment of Council and has a number of responsibilities that are set out in the Act. These include:

- Establishing and maintaining an appropriate organisational structure.
- Ensuring Council decisions are implemented promptly.
- Oversight of the day-to-day management of Council operations.
- Implementing the Council Plan.
- Developing a code of conduct for Council staff.
- Providing timely advice to the Council.

The CEO is also the main person to whom Council delegates its powers, duties or functions.

The organisation supports the Council by being responsive to the community, encouraging democratic participation and involving people in decisions that affect them. We strive for excellence in financial management and Council services and always look for better ways to do things. This encompasses:

- Making clear the legislation and regulations under which we operate.
- Local Laws we are authorised to make.
- Ethical decision-making processes.
- Delegations of authority.
- Effective risk management systems and processes.
- Establishing frameworks for planning and monitoring operational effectiveness.
- Performance management.

## COUNCIL PLAN

The Council Plan 2017-2021, was developed with extensive community consultation. It is a high level strategic document responding to the issues faced by our community and sets our goals, key strategic activities and performance indicators over a four year period. This is the final year of the Council Plan 2017-2021, with development of a new Council Plan 2021-2025 underway.

## RISK MANAGEMENT

Risk Management has a high organisational profile, reinforced by a Corporate Risk Register, which is reviewed and updated regularly by staff and monitored by Council's internal Risk Management Committee and the ARC. The current Risk Management Framework provides for the management of these business enterprise risks in accordance with best practice guidelines and International Standard ISO 31000.

The Risk Management Committee's primary function is to monitor the risk management framework across Council. In addition to representation from Council's Executive Management Team, the Committee has broad management representation across operational service areas. The ARC routinely monitor, the activities of this group.

## BUSINESS CONTINUITY

Recognising the importance of continuous improvement, Council committed to an independent review of its business continuity framework in 2020-21. Recommendations from this review were used to develop a set of streamlined and tailored resources, replacing previous versions of Council's critical incident management plans. This project will continue into 2021-22 and incorporate invaluable learnings and operational efficiencies triggered by the events of the current global pandemic, such as the capacity to work remotely.

## INSURING RISK

Mitigation of Council's liability is achieved through effective claims management and maintenance of appropriate insurance cover for insurable assets and liabilities.

With the cyber insurance landscape continuing to change significantly, rapidly and with increased cyber events, Council undertook an independent cyber risk review in order to profile and quantify Council's most important loss scenarios. The outcomes of this review were tested against the Council's current insurance programme, taking into account the Cyber Liability Policy and also any other responding policies. Based on the recommendations, Council chose to mitigate potential loss by increasing its cover for specific cyber related events.

# Corporate Governance

## CONTRACTS

During 2020-21 Council procured software upgrades and consultancy services relating to Council software totalling \$380,491 cumulative spend with one company without going to tender.

## GRANTS AND DONATIONS TO THE COMMUNITY

Council provides grants and donations to assist the community to undertake projects and activities in cultural, recreational, environmental, community support initiatives and small business.

In 2020-21 Council provided a total of \$321,397 to our community: \$230,195 as a result of applications for funding by community groups, businesses, sporting and service clubs for a variety of projects ranging from minor facility and equipment updates to shop façade improvements, sporting equipment, arts and theatre group initiatives; and \$91,202 was allocated to support community events.

## GOVERNANCE AND MANAGEMENT CHECKLIST





The checklist forms part of the *Local Government (Planning and Reporting) Regulations 2014* and is designed to measure whether a Council has strong governance and management frameworks. The following pages contain the checklist which is presented in the format prescribed in the regulations.

# Governance and Management Checklist

GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT	REQ.
<b>Community engagement policy</b> (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act: 24/02/2021	
<b>Community engagement guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation: 03/02/2021	
<b>Financial (Strategic Resource) Plan</b> (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next ten financial years)	Adopted in accordance with section 91 of the Act: 22/07/2020	
<b>Asset Plan</b> (plan under section 92 of the Act that sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	IN DEVELOPMENT	
<b>Revenue and Rating Plan</b> (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	2021 -25 Revenue and Rating plan adopted by Council 24/06/2021 Rating section being reviewed for 2022-2025	
<b>Annual budget</b> (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 94 of the Act: 22/07/2020	
<b>Risk policy</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Date of operation of current policy: 24/10/2018	
<b>Fraud policy</b> (policy outlining Council's commitment and approach to minimising the risk of fraud)	Date of operation of current policy: 27/05/2020	



GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT	REQ.
<b>Municipal emergency management plan</b> (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	In accordance with section 20 of the <i>Emergency Management Act 1989</i> 30/10/2018	
<b>Procurement policy</b> (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Date of operation of current policy: 01/07/2021	
<b>Business continuity plan</b> (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Date of operation: 21/02/2018 Critical Incident Management Plan - Date of operation: 21/02/2018 CURRENTLY UNDER REVIEW	
<b>Disaster recovery plan</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation: 10/02/2021	
<b>Risk management framework</b> (framework outlining Council's approach to managing risks to the Council's operations)	Date of operation of current framework: 02/03/2016 CURRENTLY UNDER REVIEW	
<b>Audit and Risk Committee</b> (advisory committee of Council under section 53 and 54 of the Act)	Established in accordance with section 53 of the Act Date of establishment: 26/08/2020	
<b>Internal audit</b> (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Date of engagement: 01/08/2017	
<b>Performance reporting framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the <i>Local Government Act 1989</i> )	Date of operation: 28/07/2014	
Council Plan report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Dates statements presented: Q4. 16/12/2020 Q1. 16/12/2020 Q2. 24/02/2021 Q3. 26/05/2021	

GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT	REQ.
<p><b>Financial reporting</b> (quarterly statements to Council under section 138(1) of the <i>Local Government Act 1989</i> comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Dates statements presented:            Q4. 16/12/2020            Q1. 16/12/2020            Q2. 24/02/2021            Q3. 26/05/2021</p>	
<p><b>Risk reporting</b> (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Reports            Date of reports:            10/02/2021            11/08/2021 – Risk report was deferred from the May 2021 meeting to August 2021</p>	
<p><b>Performance reporting</b> (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the <i>Local Government Act 1989</i>)</p>	<p>Reports            Date of report:            Audit Committee Report            Half Year: 16/12/2020            Full Year: 26/05/2021</p>	
<p><b>Annual report</b> (annual report under sections 131, 132 and 133 of the <i>Local Government Act 1989</i> to the community containing a report of operations and audited financial and performance statements)</p>	<p>Considered at a meeting of Council in accordance with section 134 of the Act            Date of consideration: 16/12/2020</p>	

# Corporate Governance

## CONTINUOUS SERVICE IMPROVEMENT

The Service Performance Principles outlined in the Act require Council to plan its services to the municipal community in accordance with the following principles:

- Quality and cost standards for every service set by Council should provide good value.
- Services should be provided in an equitable manner and responsive to community needs.
- Accessible and appropriately targeted services.
- Continuously improve service delivery in response to performance monitoring.
- Service delivery must include a fair and effective process for considering and responding to complaints about service provision.

The following pages provide details of service improvements that have been implemented during 2020-21.

## PLANNING, BUILDING AND HEALTH

- Health, planning and building approval processes have become paperless through use of IT systems to process and determine applications for permits/consents, reducing use of paper and reducing the processing time for specific tasks. Staff had been making this transition but COVID-19 has increased the pace of change.
- Improvements have been made to CIVICA Authority to enhance the workflows for planning and building to enhance report and generate efficiencies. This is an on-going program of work.
- Applications for building over easements were transitioned over from the Building Department to the Infrastructure Department for processing to minimise double handling and reduce processing times.

## ENVIRONMENT AND COMMUNITY SAFETY

### Environment and Sustainability

The Environment Unit constantly seeks and investigates new opportunities – this endeavour is the core of continuous improvement. However, the inherent risk involved in taking up new initiatives has been an ongoing challenge for Council, particularly given the resource-limited environment in which we currently operate.

The Environment Unit continues to utilise alternative and online delivery platforms for community education and engagement programs.

### Emergency Management and Fire Prevention

Learning opportunities need to become a key driver for implementing improvements following emergency events or training exercises. It has been recognised that while we have the capacity to respond to emergencies, there are areas where improvements can be made. As a result, external consultants have been engaged to prepare an Emergency Management Planning Framework and an Emergency Management Training plan which will give a clearer view of where to concentrate our efforts when targeting training opportunities or development for our staff and our communities.

### Closed Landfill Management

Council completed the work commenced by the Barwon South West Waste Resource and Recovery Group to assess the risk of all of its former, smaller landfill sites. The assessment of the closed landfills, some that stopped operating over fifty years ago, found a differing level of risk, however none of the sites pose a risk to health nor the environment to warrant immediate rehabilitation. Aftercare management plans will be developed to action the management recommendations of the assessment in 2021-22.

## ASSETS AND PROJECT DELIVERY

A host of operational improvements have been made within the Assets and Project Delivery area to respond to challenges. Some examples include:

- Moving lease and licence record management to an automated system to improve accuracy of record keeping and ensure agreements are current.
- Implementation of a comments tracking system for development referrals to ensure matters are recorded, progressed and resolved.
- Development of new templates and processes in Project Delivery to ensure compliance with Council's Procurement Policy, efficient processing of claims, and comprehensive scoping of projects prior to funding to reduce risks through the delivery phase.

- Establishment of a Property Advisory Committee with representation across multiple Council departments. The group regularly reviews and makes coordinated recommendations regarding strategic use and management of Council property for executive and Council consideration, such as potential sale or purchase of land.
- Internal training for staff involved in Road Management Plan to ensure the compliance activities are accurately recorded in response to 2020 audit recommendations.
- Development of two draft policies to guide the transparent allocation of capital funding and prioritisation of projects in response to 2019 audit recommendations.

## SERVICES AND OPERATIONS

The introduction of a casual staffing pool has allowed for the flexibility of staffing to ensure that works can be completed effectively and efficiently. The casual staff are able to be called upon when:

- A full time staff member is on long term sick leave or long service leave or
- When a position is required to be back filled during the recruitment process when a full time staff member leaves.

To ensure that all programmed works can be performed, Services and Operations full time workforce is complimented by the casual staffing pool and value added by the strategic use of contractors to assist in program completion.

Several heritage trees at the Botanic Gardens were audited and deemed to be at risk due to lack of water caused by the change in climate.

To protect the trees for future generations, a grant was awarded to upgrade and extend the current irrigation system.

## INFORMATION MANAGEMENT

Further improvements and upgrade of Electronic Document and Records Management System (EDRMS) and supported software were made to ensure compliance with record keeping legislation. Implementation of Victorian Protective Data Security Framework and Standards. Development of online learning management module using Councils LMS system to deliver inductions for EDRMS. Increased awareness on further training opportunities for staff upon request.

## GEOSPATIAL INFORMATION SERVICES SOFTWARE

Implementation of new modern GIS software (Spectrum Spatial Analyst) and publically available online mapping facility.

## INFORMATION TECHNOLOGY

- Implementation of tighter security measures to reduce cyber risk using best practice technologies like multi-factor authentication for online applications and services.
- Increased Cyber Awareness training for staff to improve cyber awareness across the organisation whilst enabling hybrid workforce flexibility.
- Further enablement of digital capabilities such as online live streamed council meetings, online infringements payment facility to allow community to do this from anywhere.
- Modern AV upgrades of council sites to enable modern way of working by attending meetings online.

## HEALTHY ACTIVE COMMUNITIES

Council adopted a new Community Engagement Policy and operational Framework in line with the new requirements of the *Local Government Act 2020*. The next step is to embed best practice community engagement across the organisation and upskilling staff.

Council continued to transition Section 86 committees into Community Asset Committees in line with new legislative requirements, and is now working on developing management agreements with the new Committees.

The Beginning Steps project has strengthened Council's relationship with the Aboriginal Gathering Place and has provided new tools to support an enhanced experience for new Aboriginal and Torres Strait Islander parents and children using our Maternal and Child Health services.

We progressed with implementing the recommendations of the Family and Children's Services service review, including changing the fees and charges structure to support the ongoing sustainability of the service.

## OLDER PERSONS AND ABILITY SUPPORT SERVICES (OPASS)

The continuous improvement process for OPASS is based on ongoing feedback from:

- Service Users (and representatives)
- Staff
- Management and
- Other stakeholders including funders, other service providers and community organisations.

The OPASS Improvement Committee is responsible for the Continuous Improvement processes including identifying /reviewing all aspects of legislative requirements through our contracted and non-contracted services.

## PEOPLE AND CULTURE

With increased difficulties of face to face training as a result of the ongoing pandemic emergency, Council invested in online training software that was capable of transferring compliance modules online for greater accessibility for all employees and increase Council's response to mandatory training.

Following the roll out of the new values and behaviours, Council implemented a customised App for all corporate communication. Given the complex workforce and a significant part of the organisation who does not work from a computer, ShoutOut provides a consistent communication method accessible to all employees.

Council's customer service team has implemented a new role, which has a focus to coordinate the digitalisation of customer services.

Council is working to deliver online services such as forms, payments and requests that are accessible to all in the community. Great face-to-face service will also continue to be a focus.

## BLUEWATER

Following the expiration of a previous contract and subsequent request for quote procurement process, in October of 2020, Bluewater Leisure Centre implemented a new Facility Management Software program to manage point of sale, memberships, classes, facility bookings and retail at the facility. The new platform is cloud based and allows facility users to sign up and manage memberships and bookings online; features the previous platform was not capable of providing.

The implementation of a scheduled maintenance program for upkeep of pool plant equipment, has resulted in virtually zero unexpected downtime of pool facilities at Bluewater.

## OPEN SPACE

Fees and charges structures for our sporting user groups will be reviewed in the coming period in order to achieve a more equitable structure in line with contemporary sporting approaches.

New licence agreements were executed with nine landowners along the Old Beechy Rail Trail, providing consistency of maintenance and insurance arrangements along the trail.

## LEGISLATIVE COMPLIANCE

Council has responsibilities under a wide range of Victorian and Commonwealth legislation. Some of the key Acts that affect Council are:

- *Building Act 1993*
- *Carers Recognition Act 2012*
- *Domestic Animals Act 1994*
- *Environment Protection Act 2017*
- *Equal Opportunity Act 2010*
- *Food Act 1984*
- *Freedom of Information Act 1982*
- *Infringements Act 2006*
- *Land Acquisition and Compensation Act 1986*
- *Local Government Act 1989*
- *Local Government Act 2020*
- *Occupational Health and Safety Act 2004*
- *Privacy and Data Protection Act 2014*
- *Planning and Environment Act 1987*
- *Public Interest Disclosures Act 2012*
- *Public Health and Wellbeing Act 2008*
- *Road Management Act 2004*
- *Road Safety Act 1986*
- *Sentencing Act 1991*
- *Subdivision Act 1988*
- *Valuation of Land Act 1960*

The following Acts are required to be reported on in Council's Annual Report.

## COMPLAINTS REGISTER - REPORTING ON PERFORMANCE

The Colac Otway Shire Complaints Policy was adopted by Council on 26 June 2019. It sets out for members of the community the way in which the organisation handles complaints. It aims to put in place an open and transparent complaint handling system, details the key performance indicators to which we hold ourselves accountable and sets out how staff record and analyse complaint data to identify where we can improve our services.

During the 2020-21 financial year, 44 complaints were recorded in the Complaints Register. The complaint handling process has been completed for 43 of these, with one still in progress. Summary statistics for these 43 complaints are as follows:

- The average time to complete the complaints handling process was 16.7 days\*. Our standard for resolving complaints is within 28 days;
- 28% of the complaints were upheld, 44% were partially upheld and 28% were not upheld;
- No changes were made to services as a result of a complaint being registered;
- No complaints have proceeded to an internal review or escalated to an external body.

*\*For the purposes of calculating a representative average completion date, the completion date was set at the day the analysis was undertaken for the item that was not finalised.*

## DISABILITY ACTION PLAN

The Colac Otway Shire Disability and the Victorian State Disability Action Plan has been developed, with the following actions implemented:

- Client Incident Management Systems (CIMS).
- Workforce: Action 18: Employment of Qualified in Disability.
- Registered OPASS staff for the NDIS Worker Screening Check.
- Complied with Key Priority 3: Transport, Wheel chair access.
- Action 19: Safeguards, staff training around zero tolerance, how to report.

## DOMESTIC ANIMAL MANAGEMENT PLAN

Under the *Domestic Animal Act 1994* Council is required to evaluate its Domestic Animal Management Plan implementation in the annual report. The plan was prepared in accordance with the requirements and responsibilities under the *Domestic Animals Act 1994*, the *Impounding of Livestock Act 1994*, the Colac Otway Shire Council's General Local Laws and relevant policies. A review of the current plan (D.A.M.P 2017-2021) has commenced, which will enable the new plan (2022-2025) to be in place towards the end of 2021 following the required procedural, and public consultation requirements.

The Domestic Animal Management Plan addresses topics including Authorised Officer training, promotion of responsible pet ownership including registration, minimisation of dog attacks, operation of the Municipal Pound facility and general service delivery throughout the municipality. All Officers have extensive experience in the area of animal management (Livestock & Domestic Animals) and the majority of Officers have a background in Local Laws application and enforcement.

As at 30 June 2021 there were 5,391 domestic animals registered; 4,043 dogs and 1,348 cats:

- Of the 140 dogs impounded, 121 were returned to their owner, 16 were rehoused and three were euthanised.
- Of the 171 cats impounded, 16 were returned to their owner, 88 were rehoused and 67 were euthanised. We continue to receive support through a local vet who is runs a cat adoption scheme and a reduced price de-sexing program. Feral and unhealthy cats/kittens account for the number that were euthanised.

## FOOD ACT MINISTERIAL DIRECTIONS

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report. There were zero Ministerial Directions received by council during 2020-21.

## FREEDOM OF INFORMATION

The *Freedom of Information Act 1982* gives the community the right to access certain Council documents. The Act has four basic principles:

1. Local governments are required to publish information about the documents they hold, particularly those which affect members of the public in their dealings with Council.
2. Each person has a legally enforceable right to access information, limited only by exemptions necessary for the protection of the public interest and the private and business affairs of persons from whom information is collected by Council.
3. People may appeal against a decision not to give access to information or not to amend a personal record.
4. People may request inaccurate, incomplete, out of date or misleading information in their personal records be amended.

Freedom of Information (FOI) requests must be made in writing and be accompanied by a \$29.60 application fee. Applicants should also indicate how they would like to receive the information. For further information. For further information visit Council's website on the FOI page.

Applicants may appeal the decision made about their FOI request or the cost charged for access to documents, the letter containing the decision outlines the appeal process. There were zero appeals lodged through this process for 2020-21.

There were ten FOI requests received in 2020-21, of which 297 documents were released under FOI. One request resulted in no documents identified, one request was withdrawn, one request was satisfied outside FOI requirements and the remaining requests resulted in:

- Four documents under direct release
- 113 documents under part release
- 180 documents under full release.



## PRIVACY AND DATA PROTECTION

*The Privacy and Data Protection Act 2014* is underpinned by ten Information Privacy Principles that outline how Victorian public sector organisations must handle personal information. Council has adopted policies on information privacy that meet the requirements of the *Privacy and Data Protection Act 2014*. The responsible handling of personal information is a key aspect of governance and we are strongly committed to protecting an individual's right to privacy. Council's Information Privacy Policy can be downloaded from our website.

## PUBLIC ACCESS TO REGISTERS AND DOCUMENTS

In accordance with section 57 of the *Local Government Act 2020* Colac Otway Shire Council adopted its Public Transparency Policy on 26 August 2020. It formalises Council's support for transparency in its decision-making processes and availability of Council Information. The following Council Information will be available on Council's website:

- Meeting Agendas
- Minutes of Meetings
- Audit and Risk Committee Charter
- Terms of Reference for Delegated Committees
- Gift Registers for Councillors and Council Staff
- Travel Registers for Councillors and Council Staff
- Registers of Conflicts of Interest disclosed by Councillors and Council Staff
- Registers of Leases entered into by Council;
- Register of Delegations
- Register of Authorised Officers
- Register of Election Campaign Donations
- Summary of Personal Interest Returns
- Any other Registers or Records required by the Act or any other Act.

## PUBLIC INTEREST DISCLOSURE PROCEDURES

The Colac Otway Shire is committed to the aims and objectives of the *Public Interest Disclosures Act 2012* (Vic). Council has established guidelines for responding to public interest disclosures. Reports of improper conduct, corrupt conduct, criminal offences, serious professional misconduct, conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety by Colac Otway Shire or its employees, can be made to the nominated Council staff or the independent Broad-based Anti-Corruption Commission (IBAC).

Disclosures may be made by any person including a member, officer or employee of Colac Otway Shire. There were zero public interest disclosures reported in 2020-21. A copy of the Public Interest Disclosures Policy is available from Council's website.

## ROAD MANAGEMENT ACT MINISTERIAL DIRECTIONS

Council, as a road authority, is required under Section 22 of the Act to publish a copy or summary of any direction received from the Minister in its annual report. No Ministerial Directions were received during 2020-21.

# Financials



# Financial Performance Report

We are committed to providing accurate, understandable and fair reporting on our financial performance for 2020-21 and our financial position at the end of the reporting period. The financial report enables an assessment of our ability to deliver current services and maintain existing facilities in the longer-term.

## IN BRIEF

The 2020-21 results show that some critical indicators have improved yet continue an underlying forecast trend downward, specifically:

- the adjusted underlying result (excluding non-recurrent capital funding and contributions) increased to \$4.5 million due to a significant reduction in the landfill restoration provision movement by \$3.3 million (recognised as revenue) offset by a \$580,000 impairment expense for right of use assets. This would have been \$1.8 million underlying surplus if this provision movement had not been recognised. This result is higher than budgeted due to the timing of expenditure associated with operating initiatives carried forward to 2021-22 of \$1.2 million. (low-risk in 2020-21)
- The working capital ratio has increased slightly to 190% (2019-20 178%). This is positively impacted by grant funding received in advance for capital and operating projects carried forward to 2021-22 totalling \$6.7 million (low-risk in 2020-21).
- The Internal Financing Ratio has increased from 83.3% in 2019-20 to 165.3% in 2020-21. This is also positively impacted by capital and operating projects carried forward to 2021-22 (low-risk in 2020-21).
- The capital replacement ratio has decreased from 136% in 2019-20 to 121% in 2020-21. The target is greater than 150% and measures the rate of spending on fixed assets compared with its depreciation (medium-risk in 2020-21).
- The renewal gap ratio (capital renewal and upgrade compared to depreciation) was 98% in 2020-21 (2019-20: 109%). The target is 100% and measures Council's ability to replace existing assets with the same or better quality assets (medium risk in 2020-21).

The indicators that continue to improve are:

- The debt (or borrowings) ratio (borrowings compared to rates) has reduced to 2.3% (2019-20: 3.3%). This is due to repayment of loans in 2020-21 of \$286,000 (low risk in 2020-21).

- The indebtedness ratio (non-current liabilities compared to own-source revenue) has reduced to 16.1% (2019-20: 27.1%). This is due to a significant reduction in the landfill restoration provision by \$3.3 million and repayment of loans and lease liabilities of \$391,000 (low risk in 2020-21).

An explanation and some commentary on these indicators is discussed further in this report.

Other key results include:

- Net surplus \$6.40m
- Capital works program \$9.93m, of which 94% related to asset renewal projects and \$5.51m was carried forward to 2021-22 (funded by \$3.95m grant revenue received in advance)
- Working capital \$12.93m (including \$3.95m capital grant revenue and \$1.52m operating grant revenue received in advance)
- Cash balance \$21.96m

The \$6.85 million income and expenditure favourable variance compared to budget primarily relates to the following:

- \$3.3m other income represents a reduction in the landfill restoration provision movement due to an independent expert assessment of Council's obligations for future restoration of ten closed landfill sites reducing the expected cost of works required;
- \$1.0m unbudgeted successful capital opportunities, including Central Reserve lighting and netball court redevelopment funding of \$514,000;
- \$1.0m reduced operating grants, including:
  - (\$2.62m) City Deal project funding not received for Apollo Bay harbour redevelopment as a result of renegotiating the project delivery and later timing of milestones for grant payments;
  - (\$0.53m) Forrest Mountain Bike Trail revitalisation project funding received in advance and carried forward to 2021-22;
  - \$0.98m additional Working For Victoria funding partly used for redeployment of staff to respond to the COVID-19 pandemic;
  - \$0.28m unbudgeted Elliminyt Recreation Reserve velodrome resurfacing funding carried forward 2021-22;
  - \$0.27m unbudgeted City Deal project funding for infrastructure improvements at Kennett River.

- \$0.62m additional non-monetary contributions (gifted subdivision infrastructure assets);
- \$0.70m additional reimbursements, including Barwon Water reimbursement of water mains relocation for Forest Street bridge widening, Municipal Pandemic Plan implementation and Municipal Emergency Response contractor.
- \$1.89m additional employee benefits, noting:
  - Employee benefits increased by 9.2% compared to 2019-20.
  - The COVID-19 pandemic required the continued closure of Council facilities in 2020-21 and resulted in a decrease in Council user fee revenue and associated expenses. Additional costs from closed facilities were offset in 2020-21 by redeployment of Council staff to activities funded by the Working for Victoria program in response to the pandemic.
  - Additional aged care (OPASS) hours delivered for increased number of home care packages available to clients (funded by additional user fees).
- \$2.54m reduced materials and services expense, noting:
  - Materials and services reduced by 11.3% compared to 2019-20.
  - Reduction in the use of contractors in 2020-21.
  - Operating projects and programs totalling \$1.20m were carried forward to 2021-22 mainly due to the uncertainty of the COVID-19 pandemic.
- \$0.93m reduced depreciation expense due to reassessment of longer useful lives for road infrastructure following preparation of the 2020-21 Budget.
- \$0.58m impairment expense for right of use assets relating to leased two-way radio equipment not able to be recovered from the supplier following voluntary liquidation in 2019.

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

Council ended the financial year with a total cash balance of \$21.96 million. This is an increase of \$5.76 million from the prior year, primarily due to:

- Increasing reserve commitments by \$6.14 million, including increased carry forwards by 4.26 million. This reflects the timing of grant funding received in advance (\$5.47 million) and associated carry forward expenditure.

## OPERATING RESULTS

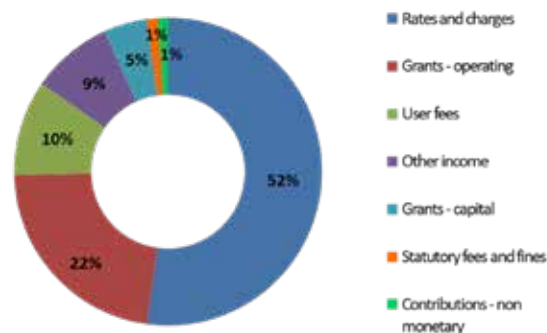
The surplus for the year totalled \$6.40 million, compared to a surplus of \$1.17 million in 2019-20.

Council's major challenge in future years remains ensuring Council is generating sufficient cash to fund infrastructure renewal requirements, whilst ensuring capacity to deliver significant carry forward projects and maintaining service levels. Rate capping and COVID-19 pandemic restrictions will continue to restrict Council's ability to raise revenue, therefore a sustainable Long Term Financial Plan and Revenue and Rating Plan is essential.

Council is undertaking further development of a more robust Long Term Financial Plan and Revenue and Rating Plan in 2021-22 that should assist in meeting these requirements.

## REVENUE

Total revenue for 2020-21 is \$61.14 million (budgeted \$55.63 million) compared with \$56.75 million for 2019-20. Further detail on our income can be seen in the Comprehensive Income Statement.

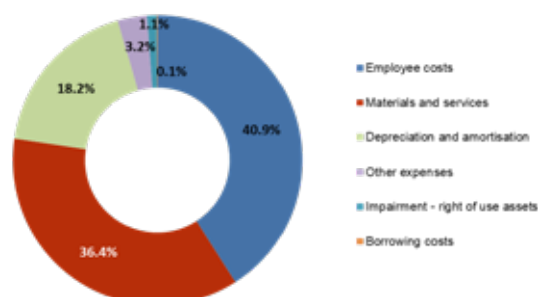


An analysis of Council's revenue sources highlights that 74% of our income is derived from two income categories:

- Rates and charges 52% (2019/-0: 55%)
- Operating grants 22% (2019-20: 23%)

## EXPENDITURE

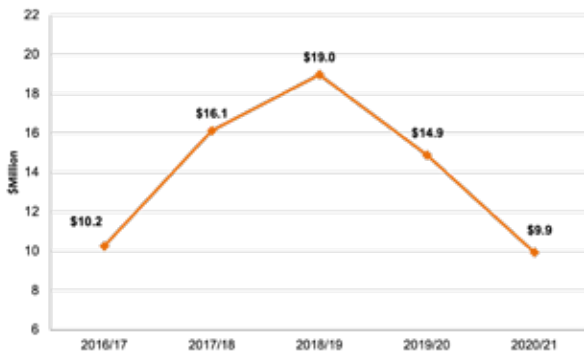
Total expenses for 2020-21 is \$54.74 million (budgeted \$56.08 million), \$0.85 million, or 1.5%, less than the \$55.59 million spent in 2019-20 (detailed in the Comprehensive Income Statement).



An analysis of expenses indicates that 95% were in the following three categories:

- Employee benefits 41%
- Materials and services 36%
- Depreciation and amortisation 18%

### CAPITAL WORKS



In 2020-21 Council's Capital Works activities decreased by \$4.96 million from last year, to a total of \$9.93 million. Renewal of our existing assets accounted for \$9.34 million, new assets accounted for \$297,000 and upgrade to existing assets totalled \$297,000. Investment in capital works is a strategic approach to maintaining or renewing the community's existing assets as they age.

Activities included:

- \$4.1m on road works;
- \$1.7m on drainage and storm water;
- \$1.6m on bridge works.
- \$1.4m on renewal of Council's plant, machinery and equipment;
- \$0.7m on footpaths and cycle ways;
- \$0.2m on buildings; and
- \$0.2m on other infrastructure

### ASSETS

Total assets are valued at \$399.74 million; 99% consisting of:

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

A \$580,000 impairment expense was recognised in 2020-21 for right of use assets due to leased two-way radio equipment not able to be recovered from the supplier following voluntary liquidation in 2019. The fair value adjustment resulted in the carrying value of leased two-way radio equipment being reduced from \$680,000 to the expected recoverable amount of \$100,000.

### LIABILITIES

Total liabilities were \$21.46 million as at 30 June 2021. Liabilities include loans, lease obligations, amounts owed to suppliers, provisions for landfill rehabilitation and amounts owed to employees for leave entitlements. Liabilities increased by \$0.41 million, in comparison with 2019-20.

The provision for landfill restoration reduced by \$3.27 million to \$5.64 million in 2020-21. A significant reduction in the landfill restoration provision movement by \$3.27 million was recognised in 2020-21. This was due to an independent expert assessment of Council's obligations for future restoration of ten closed landfill sites reducing the expected cost of works required. Four of the closed sites were found not to pose a risk to health or the environment to warrant immediate rehabilitation. Council was provided with updated expected cost of works during the financial year for provisioning of adequate funds to address the specific management actions required for rehabilitation and aftercare of all ten closed landfill sites taking into consideration current EPA regulations and any updated risk assessments.

### LOAN LIABILITY

Council's borrowings liability levels reduced from \$1.02 million in 2019-20 to \$0.74 million in 2020-21.

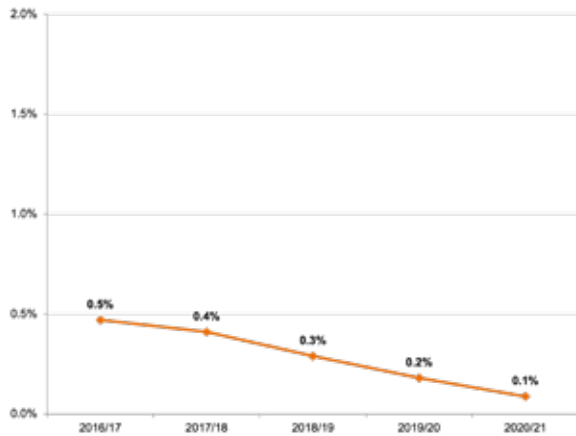


During 2020-21 Council made total loan payments of \$339,000 (\$286,000 repayment and \$53,000 interest). Council's current borrowings are very low.

### FINANCIAL INDICATORS

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

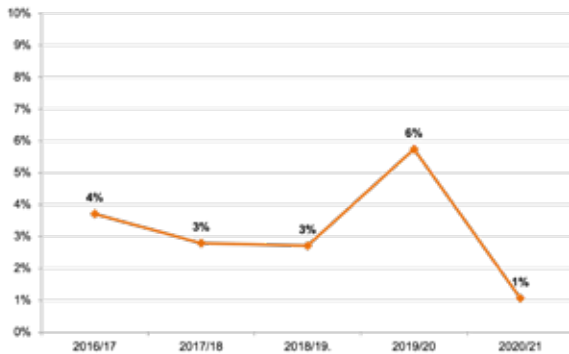
## DEBT SERVICING RATIO



The Debt Servicing Ratio essentially shows how much Council spends on maintaining its outstanding debts compared with how much revenue it earns. These debt-servicing costs refer to the payment of interest on loan borrowings. The ratio expresses the amount of interest paid as a percentage of our total revenue.

The ratio of 0.1% is very low and indicates that Council is able to service existing debt levels and have further capacity to borrow if required.

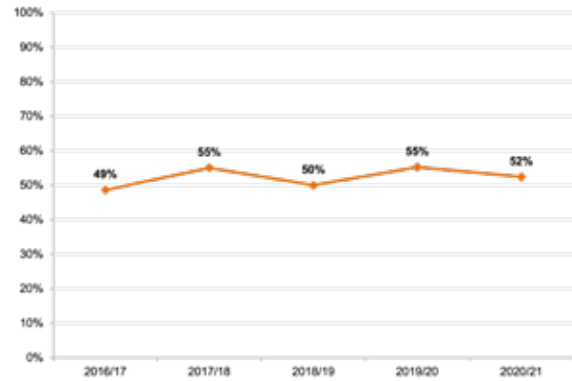
## DEBT COMMITMENT RATIO



The Debt Commitment Ratio is used to illustrate how much rate revenue is used to fund existing borrowing commitments during the year. This includes the payment of principal and interest relating to loans. The rate at which the ratio either increases or decreases is a reflection of Council's debt redemption strategy. The debt repayment ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

The Debt Commitment Ratio was higher in 2019-20 due to the increased repayment of loans, including a \$1 million bond repayment in November 2019, which was taken under the Local Government Funding Vehicle in 2014.

## REVENUE RATIO



The Revenue Ratio shows the level of reliance on rate revenue. It is an indication of how much total revenue comes from rates and charges. It is influenced by other revenue sources such as government grants, contributions, special charges, user fees and charges. Rate income is a secure and predictable source of revenue. A low ratio can warn of undue reliance on other forms of revenue, which may or may not be sustainable, e.g. government grants. The preferred position is for a reliance on rates and other commercial revenue, with a low dependency on government grants.

## FINANCIAL SUSTAINABILITY INDICATORS

Financial sustainability is defined in a number of different ways. A generally accepted definition is whether local governments have sufficient current and prospective financial capacity (inflows) to meet their current and prospective financial requirements (outflows).

To be sustainable, councils need to have some excess capacity at any point in time to be able to manage future financial risks and shocks without having to radically adjust their current revenue or expenditure policies.

The following seven indicators are utilised and published by the Victorian Auditor General annually, to assess the financial viability of councils. The figures for the financial years 2016-17 to 2019-20 are taken from the Victorian Auditor-General's Office (VAGO) report that can be found at:

<https://www.audit.vic.gov.au/report/results-2019-20-audits-local-government>

The 2020-21 figures in the following graphs are officer calculations of the ratios.



The following table summarises Colac Otway Shire Council's result for 2020-21:

Indicators	Colac Otway Result	Risk Levels		
		High	Medium	Low
Net Result Ratio	10.5%	Less than Negative 10%	Between negative 10% and zero	Greater than zero
Adjusted underlying result	7.6%	Less than 0%	Between 0% and 5%	Greater than 5%
Liquidity Ratio	189.7%	Less than 75%	Between 75% and 100%	Greater than 100%
Indebtedness Ratio	16.1%	Greater than 60%	Between 40% and 60%	Less than 40%
Internal Financing Ratio	165.3%	Less than 75%	Between 75% and 100%	Greater than 100%
Capital Replacement	120.9%	Less than 100%	Between 100% and 150%	Greater than 150%
Renewal Gap	97.6%	Less than 50%	Between 50% and 100%	Greater than 100%

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

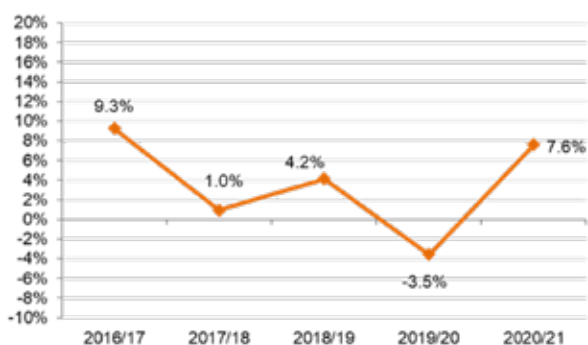
### NET RESULT RATIO

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



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

### ADJUSTED UNDERLYING RESULT

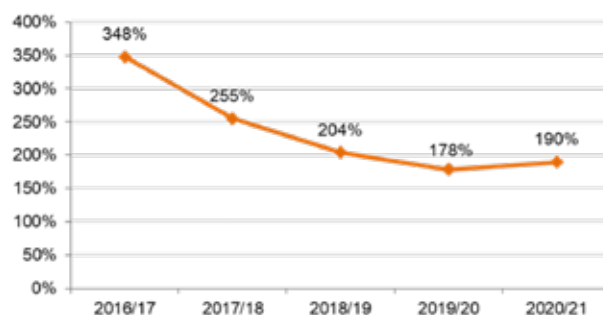


This measures an entity's ability to generate surplus in the ordinary course of business—excluding non-recurrent capital grants, non-monetary asset contributions, and other contributions to fund capital expenditure from the net result. A deficit suggests a reduction in the operating position.

The 2020-21 result has improved due to a reduction in the landfill restoration provision movement by \$3.27 million (recognised as revenue), which is due to an independent expert assessment of Council's obligations for future restoration of ten closed landfill sites reducing the expected cost of works required. The result has also reduced by \$580,000 due to impairment of right of use assets relating to leased two-way radio equipment not able to be recovered from the supplier following voluntary liquidation. The 2020-21 result would have been 3.24% if this provision movement and impairment had not been recognised.

### WORKING CAPITAL RATIO

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

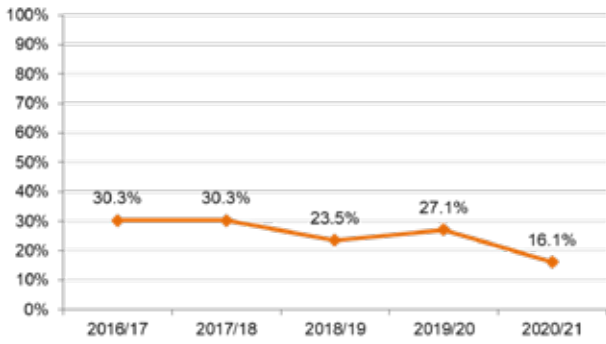


The Working Capital Ratio expresses the level of current assets, such as cash and investments, that Council has available to meet our current liabilities. This includes outstanding creditors and employee entitlements.

The current ratio of 190% is above the low risk target, but includes \$6.7 million of cash received in advance.

### INDEBTEDNESS RATIO

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

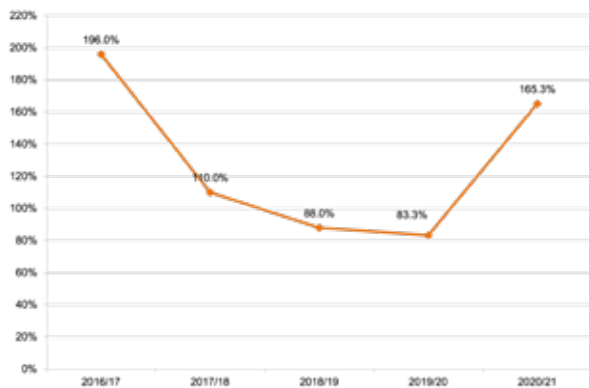


The ratio is comfortably in the low risk category, indicating that we are generating sufficient funds to cover debt without requiring outside assistance.

This indicator has decreased in 2020-21 due to a significant reduction in the landfill restoration provision by \$3.27 million and repayment of loans and lease liabilities of \$391,000.

### INTERNAL FINANCING RATIO

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

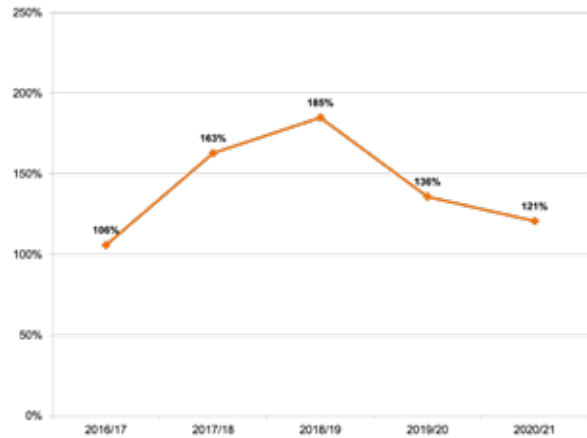


Results indicate that Council's ability to generate sufficient cash from operations to fund the renewal of existing assets has declined over the last three years.

This indicator is positively impacted by capital and operating projects carried forward to 2020-21 of \$6.72 million.

### CAPITAL REPLACEMENT RATIO

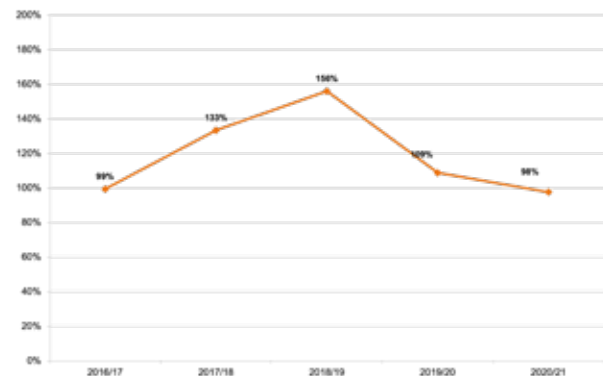
This compares the rate of spending on infrastructure, property, plant and equipment, and intangibles with its depreciation and amortisation. This is a long-term indicator, as capital expenditure can differ in the short term if there are insufficient funds available from operations or borrowings. A ratio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



This ratio is about the overall spending on assets, both new and existing. The 2020-21 result is assessed as medium risk and is impacted by the carry forward of capital projects of \$5.41 million to 2021-22.

### RENEWAL GAP RATIO

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



This ratio is about the renewal and upgrade of our existing assets (i.e. replacing one asset with another of the same or better quality). The 2020-21 result is just outside the low risk category.

# Understanding The Financial Statements

## INTRODUCTION

The financial statements show Council's performance during 2020-21 and our overall financial position as at 30 June 2021.

We present our financial report in accordance with Australian Accounting Standards. Particular terms required by the standards may not be familiar to some readers. Our commitment is to be as transparent as possible. It is in this context that the following explanations have been developed to assist readers to understand and analyse the financial report.

The financial report comprises two sets of statements:

- Financial Statements (see page 105)
- Performance Statement (see page 147)

## ANNUAL FINANCIAL REPORT

The Annual Financial Report contains the General Purpose Financial Statements. The data throughout this report includes all entities controlled by Council.

Council's financial report has two main sections, the Report and the Notes. There are five Statements and ten notes. These are prepared by Council staff, reviewed by Council and Council's Audit and Risk Committee and then given audit approval by the Victorian Auditor-General.

The five statements included in the first few pages of the report are the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement Cash Flows and Statement of Capital Works.

The Notes detail Council's accounting policies and give further information about the make-up of the values contained in the statements.

## COMPREHENSIVE INCOME STATEMENT

This statement includes all sources of income, less all operating expenses incurred in delivering Council services. It also includes depreciation of the value of buildings, roads, footpaths, drains and all other assets used to deliver Council services. These assets are depreciated over their life as they are used. Capital costs or new assets acquired or created during the year are excluded from this

statement.

Preparation of the statement is on an 'accrual' basis. This means that all income and costs for the year are recognised even though the income may not have been received (interest on bank deposits), or expenses not paid (invoices not received for goods and services already used). Similarly, income, such as grant revenue, that is received in advance is held on the Balance Sheet as a current liability and not recognised as revenue until earned (i.e. the required performance obligations have been met under the funding agreement).

The key figure to look at is the underlying surplus/ (deficit) for the year. A surplus that is positive means that recurrent revenue was greater than recurrent expenses. Continual deficits (losses) may raise questions about Council's ability to be financially viable in the longer-term.

## BALANCE SHEET

The Balance Sheet is a one-page summary of our financial position as at 30 June each financial year. It shows what we own (assets) and what we owe (liabilities). The bottom line of this statement is net assets or the 'net worth' of Council.

The assets and liabilities are separated into current and non-current. Current means those assets or liabilities which will fall due or will be used in the next 12 months. The components of the balance sheet are described below.

## CURRENT AND NON-CURRENT ASSETS

- Cash and cash equivalents include cash held at bank, petty cash and term deposits with an original investment period of 90 days or less.
- Other Financial Assets include investments, such as term deposits with original investment periods greater than 90 days.
- Trade and Other Receivables are monies owed to Council by ratepayers and other customers.
- Inventories include any stock being held by Council.
- Other assets include accounts which have been prepaid.
- Investment in Associates and joint ventures is the investment in the Corangamite Regional Library Corporation.

- Property, Plant and Equipment, Infrastructure is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, and other items.
- Right-of-use assets consist of leased assets, which Council has the right to use over the life of a lease.

### CURRENT AND NON-CURRENT LIABILITIES

- Trade and other payables include monies owed by Council as at 30 June each financial year and unearned income received in advance.
- Trust funds and deposits are monies received and held by Council.
- Provisions include landfill rehabilitation works and employee benefits, such as accrued long service and annual leave.
- Interest bearing loans and borrowings includes loans repaid over a set period of time.
- Lease liabilities are financial obligations to make the payments arising from leased assets, where control of the asset is transferred to Council.

### NET ASSETS

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June each financial year. The net value of Council is also synonymous with total equity.

### TOTAL EQUITY

- Asset revaluation reserve is the difference between the cost of property and infrastructure assets and their current valuations.
- Other reserves are allocations of the accumulated surplus for specific funding purposes. Some are required by legislation, some are mandated under Council policy.
- Accumulated surplus is the value of all net assets accumulated over time.

### STATEMENT OF CHANGES IN EQUITY

The value of total equity, as set out in the balance sheet, changes during the year. The statement shows the movement in total equity and any movement between accumulate surplus and reserves.

The main reasons for changes in equity are:

- The 'profit and loss' from operations, described in the Comprehensive Income Statement as the surplus/(deficit) for the year.
- The use of monies from Council's reserves and transfers to Council's reserves.

- Revaluation of assets occurs to ensure that assets are correctly valued at current replacement value.

### 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 Comprehensive Income Statement because this statement is prepared on an accrual accounting basis.

The amounts disclosed in the Cash Flow Statement are our cash flows generated from, and used in, three main areas:

#### 1. Cash Flow from Operating Activities

Receipts. All cash received into Council's bank account from ratepayers and other monies owed to Council. Receipts also include the interest assets from Council's cash investments. It does not include the costs associated with the sale of assets.

Payments. All cash paid from Council's bank account to suppliers, staff and other persons. It does not include the costs associated with the creation of assets.

#### 2. Cash Flow from Investing Activities

The accounting term Investing Activities relates to payments for the acquisition of assets, such as new plant, roads and other long-term revenue producing assets. It also includes the proceeds from the sale of assets, such as plant, and land.

#### 3. Cash Flow from Financing Activities

This is where the receipt and repayment of borrowed funds are recorded, as well as any movement in trust funds and deposits held by Council.

The bottom line of the Statement of Cash Flows is our total cash at the end of the financial year.

The Statement of Cash Flows is important as it shows the source of our funds and details how they are spent.

### STATEMENT OF CAPITAL WORKS

The Statement of Capital Works summarises Council spending on assets for the year. The Statement of Capital Works breaks all capital expenditure incurred by Council into three broad headings – Property, Plant and Equipment, and Infrastructure, with relevant sub groups below these.

The Statement of Capital Works also shows asset spending by three categories:

- New asset expenditure – spending on assets that Council has not possessed previously.
- Asset renewal expenditure – spending on renewing Council’s existing assets back to their original service provision capacity.
- Asset upgrade expenditure – spending on improving the service capacity of Council’s existing assets.

## NOTES TO THE ACCOUNTS

The Notes are an important and informative section of the report. The Australian Accounting Standards are not prescriptive on a lot of issues.

Apart from the accounting policies, the Notes also give details behind many of the summary figures contained in the statements. The Note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity and the Statement of Cash Flows.

Note 1 provides for a comparison between end of year actual results and Council’s adopted budget, highlighting and providing explanations for major variances.

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

- The cost of the various functions of Council.
- The breakdown of expenses, revenues, reserves and other assets.
- Transactions with persons related to Council.
- Financial performance indicators.

The Notes should be read in conjunction with the other parts of the Financial Statements to get a clear picture of the accounts.

## WHAT IS THE PERFORMANCE STATEMENT?

The Performance Statement reports on Council’s progress for the financial year against the Local Government Performance Reporting Framework indicators adopted as part of the annual budget. They include financial and non-financial data.

Our external auditors review the evidence and accuracy of the results.

## 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. It assures 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 confirming that in their opinion the financial statements are fair and not misleading. The Chief Executive also endorses and signs the certification.

## AUDITOR GENERAL’S REPORT

The Independent Auditor’s Report provides an external opinion on the financial statements. The opinion covers statutory and professional requirements as well as addressing the fairness aspects of the financial statements.

**Colac Otway Shire Council  
ANNUAL FINANCIAL REPORT**

*For the Year Ended 30 June 2021*



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

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



Amanda Barber CPA  
Principal Accounting Officer

27 October 2021  
Colac

In our opinion the accompanying financial statements present fairly the financial transactions of Colac Otway Shire Council for the year ended 30 June 2021 and the financial position of the Council as at that date.

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

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



Cr Graham Costin  
Councillor

27 October 2021  
Colac



Cr Stephen Hart  
Councillor

27 October 2021  
Colac



Anne Howard  
Chief Executive

27 October 2021  
Colac

# Independent Auditor's Report

## To the Councillors of Colac Otway Shire Council

<b>Opinion</b>	<p>I have audited the financial report of Colac Otway Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2021</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• statement of capital works for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• certification of the financial statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

---

MELBOURNE  
4 November 2021



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

## Comprehensive Income Statement For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Rates and charges	3.1	31,914	31,366
Statutory fees and fines	3.2	740	807
User fees	3.3	6,120	5,269
Grants - operating	3.4	13,732	13,174
Grants - capital	3.4	2,789	3,902
Contributions - monetary	3.5	254	195
Contributions - non monetary	3.5	617	728
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	183	(44)
Share of net profits (or loss) of associates and joint ventures	6.2	(44)	51
Other income	3.7	4,839	1,303
<b>Total income</b>		<b>61,144</b>	<b>56,752</b>
<b>Expenses</b>			
Employee costs	4.1	22,410	20,727
Materials and services	4.2	19,936	22,458
Depreciation and amortisation	4.3	9,868	10,944
Amortisation - right of use assets	4.4	119	95
Impairment - right of use assets	4.9	580	-
Bad and doubtful debts	4.5	34	15
Borrowing costs	4.6	53	102
Finance costs - leases	4.7	35	35
Other expenses	4.8	1,706	1,209
<b>Total expenses</b>		<b>54,741</b>	<b>55,585</b>
<b>Surplus/(deficit) for the year</b>		<b>6,403</b>	<b>1,167</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	6.2	16,453	32,113
<b>Total comprehensive result</b>		<b>22,856</b>	<b>33,280</b>

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

## Balance Sheet As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	21,958	16,198
Trade and other receivables	5.1	4,009	3,360
Inventories	5.2	155	215
Non-current assets classified as held for sale	6.1	715	-
Other assets	5.2	496	486
<b>Total current assets</b>		<b>27,333</b>	<b>20,259</b>
<b>Non-current assets</b>			
Property, infrastructure, plant and equipment	6.2	372,238	355,731
Investments in associates, joint arrangements and subsidiaries	6.3	-	441
Right-of-use assets	5.8	165	863
<b>Total non-current assets</b>		<b>372,403</b>	<b>357,035</b>
<b>Total assets</b>		<b>399,736</b>	<b>377,294</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3	8,438	5,622
Trust funds and deposits	5.3	741	985
Interest-bearing liabilities	5.4	142	286
Provisions	5.5	4,975	4,357
Lease liabilities	5.8	110	105
<b>Total current liabilities</b>		<b>14,406</b>	<b>11,355</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	5.4	596	738
Provisions	5.5	5,792	9,005
Lease liabilities	5.8	663	773
<b>Total non-current liabilities</b>		<b>7,051</b>	<b>10,516</b>
<b>Total liabilities</b>		<b>21,457</b>	<b>21,871</b>
<b>Net assets</b>		<b>378,279</b>	<b>355,423</b>
<b>Equity</b>			
Accumulated surplus		130,794	130,529
Reserves	9.1	247,485	224,894
<b>Total Equity</b>		<b>378,279</b>	<b>355,423</b>

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



### Statement of Changes in Equity For the Year Ended 30 June 2021

2021	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		355,423	130,529	208,131	16,763
Surplus/(deficit) for the year		6,403	6,403	-	-
Net asset revaluation increment/(decrement)	6.2	16,453	-	16,453	-
Transfers to other reserves	9.1	-	(18,474)	-	18,474
Transfers from other reserves	9.1	-	12,336	-	(12,336)
<b>Balance at end of the financial year</b>		<b>378,279</b>	<b>130,794</b>	<b>224,584</b>	<b>22,901</b>

2020		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		323,297	124,652	176,018	22,627
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers		(1,154)	(1,154)	-	-
Adjusted Opening balance	6.2	322,143	123,498	176,018	22,627
Surplus/(deficit) for the year		1,167	1,167	-	-
Net asset revaluation increment/(decrement)	6.2	32,113	-	32,113	-
Transfers to other reserves	9.1	-	(13,597)	-	13,597
Transfers from other reserves	9.1	-	19,461	-	(19,461)
<b>Balance at end of the financial year</b>		<b>355,423</b>	<b>130,529</b>	<b>208,131</b>	<b>16,763</b>

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

## Statement of Cash Flows For the Year Ended 30 June 2021

	Note	2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		32,017	30,712
Statutory fees and fines		740	807
User fees		5,115	5,981
Grants - operating		13,527	13,438
Grants - capital		6,454	4,546
Contributions - monetary		254	195
Interest received		29	272
Trust funds and deposits taken/(paid)		(244)	183
Other receipts		1,388	1,003
Net GST refund/(payment)		63	1,718
Employee costs		(22,385)	(20,340)
Materials and services		(21,159)	(25,270)
Other payments		-	(1,209)
<b>Net cash provided by/(used in) operating activities</b>		<b>15,799</b>	<b>12,036</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	6.2	(9,907)	(14,682)
Proceeds from sale of property, infrastructure, plant and equipment	3.6	347	233
Payments for investments		(6,000)	(27,000)
Proceeds from sale of investments		6,000	27,000
<b>Net cash provided by/(used in) investing activities</b>		<b>(9,560)</b>	<b>(14,449)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(53)	(102)
Repayment of borrowings		(286)	(1,697)
Interest paid - lease liability		(35)	(35)
Repayment of lease liabilities		(105)	16
<b>Net cash provided by/(used in) financing activities</b>		<b>(479)</b>	<b>(1,819)</b>
Net increase (decrease) in cash and cash equivalents		5,760	(4,326)
Cash and cash equivalents at the beginning of the financial year		16,198	20,524
<b>Cash and cash equivalents at the end of the financial year</b>		<b>21,958</b>	<b>16,198</b>
Restrictions on cash assets	5.1		
Financing arrangements	5.6		

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

**Statement of Capital Works  
For the Year Ended 30 June 2021**

	Note	2021 \$'000	2020 \$'000
<b>Property</b>			
Land		-	22
<b>Total land</b>		<u>-</u>	<u>22</u>
Buildings		224	1,082
<b>Total buildings</b>		<u>224</u>	<u>1,082</u>
<b>Total property</b>		<u>224</u>	<u>1,104</u>
<b>Plant and equipment</b>			
Plant, machinery and equipment		1,171	2,176
Fixtures, fittings and furniture		96	599
Computers and telecommunications		123	147
<b>Total plant and equipment</b>		<u>1,390</u>	<u>2,921</u>
<b>Infrastructure</b>			
Roads		4,094	4,464
Bridges		1,587	548
Footpaths and cycleways		648	478
Drainage		1,743	2,860
Other infrastructure		243	2,510
<b>Total infrastructure</b>		<u>8,316</u>	<u>10,859</u>
<b>Total capital works expenditure</b>	6.2	<u>9,929</u>	<u>14,885</u>
<b>Represented by:</b>			
New asset expenditure		297	2,977
Asset renewal expenditure		9,335	11,164
Asset upgrade expenditure		297	744
<b>Total capital works expenditure</b>		<u>9,929</u>	<u>14,885</u>

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

## OVERVIEW

### Introduction

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

### Statement of compliance

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

### Significant accounting policies

#### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation (except where transitional requirements of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

#### (b) Impact of Covid-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020-21 year, Council has noted the following significant impacts on its financial operations:

- Additional revenue – Grants received from State Government for Working for Victoria, Outdoor Dining, and Local Roads and Community Infrastructure Programme (LRCI).
- Revenue reductions – User Fees & Charges generated from leisure and performing arts centres reduced due to closures during lockdown.
- Revenue foregone – Non-charging of interest on rates, waived street furniture permits, and reduction of leases on community facilities.
- Additional costs – Additional cleaning expenses and increased provisions for doubtful debts and bad debts expenditure.

#### (c) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

#### (d) Abbreviation

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

**Note 1 Performance against budget**

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 22 July 2020. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

**1.1 Income and expenditure**

	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Variance 2021 %	Ref
<b>Income</b>					
Rates and charges	31,902	31,914	12	0	
Statutory fees and charges	598	740	142	24	1
User fees and charges	5,818	6,120	302	5	2
Grants - Operating	14,720	13,732	(988)	(7)	3
Grants - Capital	1,800	2,789	989	55	4
Contributions - monetary	19	254	235	1,237	5
Contributions - non-monetary	-	617	617	100	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	232	183	(49)	(21)	7
Share of net profits/(losses) of associates and joint ventures	30	(44)	(74)	(247)	
Other income	515	4,839	4,324	840	8
<b>Total income</b>	<b>55,634</b>	<b>61,144</b>	<b>5,510</b>		
<b>Expenses</b>					
Employee costs	20,520	22,410	(1,890)	(9)	9
Materials and services	22,480	19,936	2,544	11	10
Bad and doubtful debts	2	34	(32)	(1,600)	11
Depreciation and amortisation	10,800	9,868	932	9	12
Fair value adjustments for right of use assets	-	580	(580)	100	13
Amortisation - right of use assets	115	119	(4)	(3)	
Borrowing costs	53	53	-	-	
Finance costs - leases	49	35	14	29	14
Other expenses	2,063	1,706	357	17	15
<b>Total expenses</b>	<b>56,082</b>	<b>54,741</b>	<b>1,341</b>		
<b>Surplus/(deficit) for the year</b>	<b>(448)</b>	<b>6,403</b>	<b>6,851</b>	<b>(1,529)</b>	

Note 1 Performance against budget

1.1 Income and expenditure (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and charges	A higher than expected amount of fees were recovered from the Planning service of council. These fees relate to planning applications.
2	User fees and charges	An increase in the number of Home Care Packages available to clients in 2020/21 contributed increased Home Care Package user fees above budget by \$0.80m, which is partly offset by increase cost of services. This increase is offset by reduced user fees for closed facilities in response to the COVID-19 pandemic lockdowns relating to Bluewater Leisure Centre, Great Ocean Road Visitor Centre and COPACC.
3	Grants - Operating	\$1.0m reduced operating grants including: (\$2.62m) City Deal project funding not received for Apollo Bay harbour redevelopment as a result of rescoping of the project and late timing of milestones for grant payments; \$0.98, additional Working For Victoria funding partly used for redeployment of staff to respond to the COVID-19 pandemic
4	Grants - Capital	There were a number of Capital Grant opportunities that council were successful in applying for these include: Local Roads and Community Infrastructure (LRCI) Program Rounds 1 and 2 which were released after the budget was completed.
5	Contributions - monetary	There are a number of Contributions relating to project work which were received from groups. These projects relate to works commenced in the 2019-20 and were unbudgeted in the 2020-21 year.
6	Contributions - non-monetary	These are developer contributions relating to Gifted Subdivision Infrastructure not budgeted for.
7	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The favourable variance relates to the market being better than expected in relation to the disposal of Plant and Equipment. The main factor for this is the lack of new plant available due to shipping restrictions as a result of COVID-19.
8	Other income	This relates to the movement in the provision relating to the Landfill. The reduction in the provision is shown as income in the Comprehensive Income Statement. The value of this movement is \$3.382m.



Note 1 Performance against budget

1.1 Income and expenditure (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
9	Employee benefits	The unfavourable variance relates to a number of items. There were a number of funded initiatives which council received funding for. These programmes include Working for Victoria and additional Home Care Packages. There was also a reduction in the amounts of leave taken throughout the year. This is shown in the movement within the employee provisions.
10	Materials and services	The favourable variance relates to the reduction in the use of contractors along with a number of operating projects that were delayed due the uncertainty of COVID-19. There are a number of projects that will be carried over into the 2021-22 year. There has also been the conscious effort to reduce the number of contractors and replace them with permanent staff.
11	Bad and doubtful debts	These are related to the impacts of COVID-19 across the shire plus a set of building fees removed.
12	Depreciation and Amortisation	As a result of councils review of useful lives and depreciation there has been a conscious decision to adjust these to reflect the actual consumption of councils infrastructure assets.
13	Fair value adjustments for right of use assets	This is the Impairment of councils right of use assets which directly relates to the lease of the 2 way radios.
14	Finance costs - leases	In the original budget there was a provision for a new lease. This new lease was not undertaken by council.
15	Other expenses	This favourable variance relates to a number of projects which have not been undertaken in the 2020-21 year. The implementation of these will continue into the 2021-22 financial year.

**Note 1 Performance against budget**

**1.2 Capital works**

	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Variance 2021 %	Ref
<b>Property</b>					
Land	-	-	-	-	
Buildings	356	224	(132)	(37)	1
<b>Total property</b>	<b>356</b>	<b>224</b>	<b>(132)</b>	<b>(37)</b>	
<b>Plant and equipment</b>					
Plant, machinery and equipment	2,425	1,171	(1,254)	(52)	2
Fixtures, fittings and furniture	-	96	96	100	3
Computers and telecommunications	21	123	102	486	4
<b>Total plant and equipment</b>	<b>2,446</b>	<b>1,390</b>	<b>(1,056)</b>	<b>(43)</b>	
<b>Infrastructure</b>					
Roads	5,082	4,094	(988)	(19)	5
Bridges	620	1,587	967	156	6
Footpaths and cycleways	413	648	235	57	7
Drainage	340	1,743	1,403	413	8
Other infrastructure	914	243	(671)	(73)	9
<b>Total infrastructure</b>	<b>7,369</b>	<b>8,316</b>	<b>947</b>		
<b>Total capital works expenditure</b>	<b>10,171</b>	<b>9,929</b>	<b>(242)</b>		
<b>Represented by:</b>					
New asset expenditure	507	297	(210)		
Asset renewal expenditure	9,504	9,335	(169)		
Asset upgrade expenditure	160	297	137		
<b>Total capital works expenditure</b>	<b>10,171</b>	<b>9,929</b>	<b>(242)</b>		

**(i) Explanation of material variations**

Variance Ref	Item	Explanation
1	Buildings	Due to the effects of COVID-19 there have been a number of projects that have been delayed. These projects are expected to commence during the 2021-22 year.
2	Plant, machinery and equipment	Due to shipping constraints associated with COVID-19 there are a number of items which are on order and due for delivery in the 2021-22 year.
3	Fixtures, fittings and furniture	This relates to carry over works from the 2019-20 year. Which includes works from councils playground programme.
4	Computers and telecommunications	The additional works are associated with carry over projects from the 2019-20 year. These relate to works on councils network infrastructure.
5	Roads	Due to the effects of COVID-19 there have been a number of projects that have been delayed. The remainder of these projects are expected to be completed in the 2021-22 year subject to State Government Restrictions.
6	Bridges	This relates to the completion of the Forest Street Bridge reconstruction. This project was carried forward from the 2019-20 year,
7	Footpaths and cycleways	The original footpath programme was completed as scheduled. There was additional funding received with the Federal Governments LRCI programme. These additional works relate to this programme.
8	Drainage	The original drainage programme was completed as scheduled. Overall there is an overspend which is related to works that were not completed in the 2019-20 year and carried forward along with items budgeted within other asset classes.
9	Other Infrastructure	There are a number of projects that were not completed within the 2020-21 year which have been carried forward. There are also items which have been budgeted for within the other infrastructure area but are costed against other asset classes.

**Note 2 Analysis of Council**

**2.1 Analysis of Council results by program**

Council delivers its functions and activities through the following programs.

**(a) Chief Executive**

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

**Corporate Services**

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

**Development and Community Services**

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

**Environment and Infrastructure Services**

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

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2021</b>					
Chief Executive	11	1,768	(1,757)	-	1,492
Corporate Services Management	45,781	20,203	25,579	8,454	5,623
Development and Community Services Management	8,843	14,357	(5,515)	3,093	13,906
Environment and Infrastructure Services Management	6,510	18,413	(11,904)	4,974	378,715
	61,144	54,741	6,403	16,521	399,736
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2020</b>					
Chief Executive	6	1,569	(1,563)	-	1,485
Corporate Services Management	41,313	19,841	21,472	11,248	27,159
Development and Community Services Management	6,786	13,025	(6,239)	2,537	13,735
Infrastructure and Leisure Services Management	8,646	21,150	(12,503)	3,291	334,917
	56,751	55,585	1,167	17,076	377,295

**Note 3 Funding for the delivery of our services**

	2021	2020
3.1 Rates and charges	\$'000	\$'000

Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its value of the land plus buildings and other improvements.

The valuation base used to calculate general rates for 2020/21 was \$7,096 million (2019/20 \$6,619 million).

General rates residential	16,779	16,223
General rates farm / rural	5,754	5,666
General rates commercial / industrial	3,204	3,215
Municipal charge	2,843	2,787
Garbage charge	3,089	3,196
Interest on rates and charges	-	81
Special rates and charges	22	22
Revenue in lieu of rates	223	176
<b>Total rates and charges</b>	<b>31,914</b>	<b>31,366</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2021, and the valuation will be first applied in the rating year commencing 1 July 2021.

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

**3.2 Statutory fees and fines**

Town planning fees	417	329
Health regulations	72	225
Building permits	118	90
Infringements and costs	88	84
Engineering fees	8	45
Land information certificates	36	33
Freedom of information	1	1
<b>Total statutory fees and fines</b>	<b>740</b>	<b>807</b>

Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

**3.3 User fees**

Aged services fees	3,957	2,183
Leisure centre fees	598	1,096
Colac livestock selling centre fees	432	462
Parking, animal control and local laws fees	217	238
Visitor information centre fees	105	230
Colac Otway performing arts & cultural centre fees	77	212
Waste disposal fees	238	215
Council properties fees and rental	175	213
Other fees and charges	147	187
Apollo bay harbour fees	112	111
Child care childrens programs	59	82
Town planning and building services fees	3	40
<b>Total user fees</b>	<b>6,120</b>	<b>5,269</b>

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

Note 3 Funding for the delivery of our services	2021	2020
3.4 Funding from other levels of government	\$'000	\$'000
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Commonwealth funded grants	11,258	9,799
State funded grants	5,263	7,277
<b>Total grants received</b>	<b>16,521</b>	<b>17,076</b>
<b>(a) Operating Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Financial Assistance Grant - untied base grant	4,648	3,926
Financial Assistance Grant - local roads	2,689	2,726
Family and community services	288	538
Diesel rebate scheme	-	97
Aged and disability services	93	78
Public Health	2	2
<b>Recurrent - State Government</b>		
Aged and disability services	1,089	1,254
Port management	878	861
Maternal and child health	398	397
Recreation and culture	114	216
Family and community services	147	91
School crossing supervisors	41	68
Fire Service Property Levy	-	47
Public Health	40	18
Environment and protection services	32	12
<b>Total recurrent operating grants</b>	<b>10,459</b>	<b>10,333</b>
<b>Non-recurrent - Commonwealth Government</b>		
Environment and protection services	-	200
City Deal	1,041	90
Family and community services	93	
Recreation and culture	300	54
<b>Non-recurrent - State Government</b>		
Port Management	-	1,943
Recreation and culture	35	109
Family and community services	199	107
Corporate Services*	983	-
Environment	269	106
Roads	24	100
Project Delivery	34	
Strategic Planning	94	51
Civic Precinct	-	40
Disaster Recovery - Bushfire	-	26
Economic Development	201	15
<b>Total non-recurrent operating grants</b>	<b>3,273</b>	<b>2,841</b>
<b>Total operating grants</b>	<b>13,732</b>	<b>13,174</b>
*Relates to the Working for Victoria program funding for resources to respond to the COVID-19 pandemic.		
<b>(b) Capital Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Roads to recovery	1,624	1,703
Recreation and culture	-	50
<b>Total recurrent capital grants</b>	<b>1,624</b>	<b>1,753</b>
<b>Non-recurrent - Commonwealth Government</b>		
Roads	97	334
Recreation and culture	383	-
<b>Non-recurrent - State Government</b>		
Roads	312	1,001
Recreation and culture	249	750
Port management	124	-
Family and community services	-	64
<b>Total non-recurrent capital grants</b>	<b>1,165</b>	<b>2,149</b>
<b>Total capital grants</b>	<b>2,789</b>	<b>3,902</b>

<b>Note 3 Funding for the delivery of our services</b>	<b>2021</b>	<b>2020</b>
<b>3.4 Funding from other levels of government (cont'd)</b>	<b>\$'000</b>	<b>\$'000</b>
<b>(c) Unspent grants received on condition that they be spent in a specific manner</b>		
Balance at start of year	1,690	2,682
Received during the financial year and remained unspent at balance date	5,470	1,690
Received in prior years and spent during the financial year	(1,690)	(2,682)
Balance at year end	<u>5,470</u>	<u>1,690</u>

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

### 3.5 Contributions

Monetary	254	195
Non-monetary	617	728
<b>Total contributions</b>	<u>871</u>	<u>923</u>

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

Drainage	41	381
Roads	495	290
Footpath	81	57
<b>Total non-monetary contributions</b>	<u>617</u>	<u>728</u>

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

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

Proceeds of sale	347	233
Written down value of assets disposed	(164)	(277)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<u>183</u>	<u>(44)</u>

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

### 3.7 Other income

Other income	545	968
Reimbursements	881	181
Interest	27	150
Rates Legal Costs Recovered	2	3
Scheme Interest Received	2	2
Landfill rehabilitation provision movement (Note 5.5)	3,382	-
<b>Total other income</b>	<u>4,839</u>	<u>1,303</u>

Interest is recognised as it is earned.

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



Note 4 The cost of delivering services	2021	2020
4.1 (a) Employee costs	\$'000	\$'000
Wages and salaries	16,401	15,027
Employee leave	2,297	2,115
Superannuation	1,900	1,739
Casual staff	674	832
Sick leave	602	524
WorkCover	330	247
Fringe benefits tax	97	148
Other employee benefits	109	93
<b>Total employee costs</b>	<b>22,410</b>	<b>20,727</b>

Refer to note 1.1 for further information relating to employee costs.

**(b) Superannuation**

Council made contributions to the following funds:

**Defined benefit fund**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

86	94
<u>86</u>	<u>94</u>

Employer contributions payable at reporting date.

-	-
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**Accumulation funds**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

1,063	1,017
751	628
<u>1,814</u>	<u>1,646</u>

Employer contributions payable at reporting date.

237	145
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Refer to note 9.3 for further information relating to Council's superannuation obligations.

**4.2 Materials and services**

Contract Payments	8,288	11,375
Materials	4,280	4,296
Subscriptions and memberships	1,894	2,007
Expensed Capital Works		
Consultants	1,577	1,048
Utilities	941	977
Agency staff	1,643	918
Plant and equipment maintenance	286	533
Insurances	610	508
Legal costs	153	496
Training costs	252	261
Other	10	38
Hire costs	1	2
Permits	1	-
<b>Total materials and services</b>	<b>19,936</b>	<b>22,458</b>

Note 4 The cost of delivering services	2021	2020
4.3 Depreciation and amortisation	\$'000	\$'000
Infrastructure	6,768	7,932
Plant and equipment	1,525	1,310
Property	1,574	1,702
<b>Total depreciation and amortisation</b>	<b>9,868</b>	<b>10,944</b>

Refer to note 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

#### 4.4 Amortisation - Right of use assets

Plant and Equipment	119	95
<b>Total Amortisation - Right of use assets</b>	<b>119</b>	<b>95</b>

Refer to note 5.8 for further information relating to amortisation - right of use assets.

#### 4.5 Bad and doubtful debts

Other debtors	34	15
<b>Total bad and doubtful debts</b>	<b>34</b>	<b>15</b>

#### Movement in provisions for doubtful debts

Balance at the beginning of the year	57	44
New provisions recognised during the year	76	37
Amounts already provided for and written off as uncollectible	(50)	(2)
Amounts provided for but recovered during the year	-	(22)
Balance at end of year	<b>83</b>	<b>57</b>

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

#### 4.6 Borrowing costs

Interest - Borrowings	53	102
<b>Total borrowing costs</b>	<b>53</b>	<b>102</b>

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

#### 4.7 Finance Costs - Leases

Interest - Lease Liabilities	35	35
<b>Total finance costs</b>	<b>35</b>	<b>35</b>

Refer to note 5.8 for further information relating to finance costs - leases.

#### 4.8 Other expenses

Community grants and donations	696	474
Councillors' allowances	258	262
Other	593	267
Rates and charges written off	32	65
Fire services levy	59	61
Auditors remuneration	46	45
Animal registration levy	20	22
Royalties and commissions	2	13
<b>Total other expenses</b>	<b>1,706</b>	<b>1,209</b>

#### 4.9 Impairment - Right to use assets

Impairment - right of use assets	580	-
<b>Total finance costs</b>	<b>580</b>	<b>-</b>

Refer to note 5.8 for further information relating to impairment - right of use assets.

Note 5 Our financial position	2021	2020
5.1 Financial assets	\$'000	\$'000
<b>(a) Cash and cash equivalents</b>		
Cash on hand	5	5
Cash at bank	6,995	1,146
Term deposits	14,958	15,047
<b>Total cash and cash equivalents</b>	<b>21,958</b>	<b>16,198</b>
<b>Total financial assets</b>	<b>21,958</b>	<b>16,198</b>

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

- Trust funds and deposits	741	985
- Statutory reserves	1,086	936
- Conditional grants unspent (Excludes Port of Apollo Bay)	5,360	1,580
- Port of Apollo Bay reserve cash held	555	565
- Disaster recovery reserve	6	6
<b>Total restricted funds</b>	<b>7,748</b>	<b>4,072</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>14,210</b>	<b>12,126</b>

#### Intended allocations

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

- Other reserve funds allocated for specific future purposes .	14,536	12,793
- Carried forward works committed	6,717	2,466
<b>Total funds subject to intended allocations</b>	<b>21,253</b>	<b>15,259</b>

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

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

Note 5 Our financial position	2021	2020
5.1 Financial assets (cont'd)	\$'000	\$'000
<b>(b) Trade and other receivables</b>		
<b>Current</b>		
Statutory receivables		
Rates Debtor	2,233	2,336
Government operating grants	463	143
Net GST receivable	119	182
Special rate assessment	42	42
Parking infringement debtor	69	60
Other infringements	129	124
Provision for doubtful debts - infringements	(14)	(14)
Other debtors	1,037	530
Provision for doubtful debts - other debtors	(69)	(43)
Total current trade and other receivables	<u>4,009</u>	<u>3,360</u>
<b>Total trade and other receivables</b>	<b><u>4,009</u></b>	<b><u>3,360</u></b>

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

**(c) Ageing of Receivables**

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

Current (not yet due)	521	379
Past due by up to 30 days	2	12
Past due between 31 and 180 days	10	43
Past due between 181 and 365 days	7	28
Past due by more than 1 year	163	24
Total trade and other receivables	<u>703</u>	<u>487</u>

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

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

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	69	43
Total trade & other receivables	<u>69</u>	<u>43</u>

**Note 5 Our financial position**

<b>5.2 Non-financial assets</b>	<b>2021</b>	<b>2020</b>
<b>(a) Inventories</b>	<b>\$'000</b>	<b>\$'000</b>
Inventories held for distribution	22	53
Inventories held for sale	132	162
<b>Total inventories</b>	<b>155</b>	<b>215</b>

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

**(b) Other assets**

Prepayments	496	134
Accrued income	-	352
<b>Total other assets</b>	<b>496</b>	<b>486</b>

**5.3 Payables**

**(a) Trade and other payables**

Trade payables	2,418	2,327
Accrued expenses	542	822
Unearned Income	5,477	2,473
<b>Total trade and other payables</b>	<b>8,438</b>	<b>5,622</b>

**Unearned income**

Grants received in advance - operating	1,516	1,401
Grants received in advance - capital	3,954	289
Other	8	783
<b>Total unearned income</b>	<b>5,477</b>	<b>2,473</b>

**(b) Trust funds and deposits**

Refundable deposits	453	409
Fire services levy	113	349
Retention amounts	175	228
<b>Total trust funds and deposits</b>	<b>741</b>	<b>985</b>

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

*Purpose and nature of items*

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

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

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

**Note 5 Our financial position**

<b>5.4 Interest-bearing liabilities</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Borrowings - secured	142	286
	<u>142</u>	<u>286</u>
<b>Non-current</b>		
Borrowings - secured	596	738
	<u>596</u>	<u>738</u>
<b>Total</b>	<b><u>738</u></b>	<b><u>1,024</u></b>

Borrowings are secured by council rates and charges

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

Not later than one year	142	286
Later than one year and not later than five years	596	738
Later than five years	-	-
	<u>738</u>	<u>1,024</u>

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

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

**5.5 Provisions**

	<b>Employee</b>	<b>Landfill restoration</b>	<b>Total</b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
<b>2021</b>			
Balance at beginning of the financial year	4,459	8,903	13,362
Change in provisions	1,703	(3,270)	(1,567)
Amounts used	(1,276)	(112)	(1,388)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	243	117	360
Balance at the end of the financial year	<u>5,129</u>	<u>5,638</u>	<u>10,767</u>
<b>2020</b>			
Balance at beginning of the financial year	4,240	9,265	13,505
Change in provisions	1,391	-	1,391
Amounts used	(1,415)	(201)	(1,616)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	243	(161)	82
Balance at the end of the financial year	<u>4,459</u>	<u>8,903</u>	<u>13,362</u>

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	1,242	1,167
Long service leave	280	202
Time in lieu	110	99
	<u>1,632</u>	<u>1,468</u>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	536	243
Long service leave	2,556	2,399
	<u>3,092</u>	<u>2,642</u>
Total current employee provisions	<u>4,724</u>	<u>4,110</u>
<b>Non-current</b>		
Long service leave	405	349
Total non-current employee provisions	<u>405</u>	<u>349</u>
Aggregate carrying amount of employee provisions:		
Current	4,724	4,110
Non-current	405	349
Total aggregate carrying amount of employee provisions	<u>5,129</u>	<u>4,459</u>

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

**Note 5 Our financial position**

**5.5 Provisions (cont'd)**

**(a) Employee provisions**

*Wages and salaries and annual leave*

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

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

*Long service leave*

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

Key assumptions:

- discount rate	0.2%	0.2%
- index rate	1.75%	1.75%

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(b) Landfill restoration</b>		
Current	251	247
Non-current	5,387	8,656
	<b>5,638</b>	<b>8,903</b>

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

EHS Support Pty Ltd, an independent expert, completed risk assessments of a number of closed Council landfills in 2020 and 2021. Four of the closed sites were found not to pose a risk to health or the environment to warrant immediate rehabilitation. Council subsequently engaged EHS Support Pty Ltd to provide Council with updated expected cost of works during the financial year for provisioning of adequate funds to address the specific management actions required for rehabilitation and aftercare of all ten sites taking into consideration current EPA regulations and any updated risk assessments. Significant reductions in the expected cost of works resulted for two closed landfill sites, including removal of \$2.48 million rehabilitation works no longer required at Barwon Downs (\$1.66 million) and Birregurra (\$0.82 million) and removal of expected costs for aftercare of closed sites of \$1.82 million. A further significant increase in expected cost of works resulted for Alvie, including an increase in rehabilitation works by \$0.81 million to \$2.30 million due mainly to meet EPA regulations applicable to an operating Green Waste and Transfer Station/Resource Recovery facility at this site.

Key assumptions:

- discount rate	0.18%	0.58%
- index rate	2.00%	1.50%

**5.6 Financing arrangements**

The Council has the following funding arrangements in place as at 30 June 2021.

Business Card Facility (balance cleared monthly)	50	50
Total facilities	50	50
Used facilities	-	-
Unused facilities	50	50



Note 5 Our financial position

5.7 Commitments

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

2021	Not later than 1	Later than 1	Later than 2	Later than 5	Total
	year	year and not	years and not		
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Garbage collection	3,000	3,150	6,330	-	12,480
Consultancies	195	216	-	-	411
Information Technology	84	77	108	-	269
<b>Total</b>	<b>3,279</b>	<b>3,443</b>	<b>6,438</b>	<b>-</b>	<b>13,160</b>
<b>Capital</b>					
Civil Works	2,788	2,248	-	-	5,036
<b>Total</b>	<b>2,788</b>	<b>2,248</b>	<b>-</b>	<b>-</b>	<b>5,036</b>

2020	Not later than 1	Later than 1	Later than 2	Later than 5	Total
	year	year and not	years and not		
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Garbage collection	565	-	-	-	565
Consultancies	252	-	-	-	252
Street Lighting	933	-	-	-	933
Information Technology	41	41	24	-	105
<b>Total</b>	<b>1,791</b>	<b>41</b>	<b>24</b>	<b>-</b>	<b>1,856</b>
<b>Capital</b>					
Civil Works	1,617	1,350	-	-	2,967
Plant and Equipment	250	250	-	-	500
<b>Total</b>	<b>1,867</b>	<b>1,600</b>	<b>-</b>	<b>-</b>	<b>3,467</b>

5.8 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

**Note 5 Our financial position**

**5.8 Leases (cont'd)**

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

<b>Right-of-Use Assets</b>	Plant and Equipment	Total
	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July 2019	869	869
Additions	89	89
Amortisation charge	(95)	(95)
Balance at 30 June 2020	<b>863</b>	<b>863</b>
Balance at 1 July 2020	863	863
Fair value adjustments	(580)	(580)
Amortisation charge	(118)	(118)
Balance at 30 June 2021	<b>165</b>	<b>165</b>

Council applied AASB 136 Impairment of Assets to remeasure the fair value of right of use assets at the reporting date. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

The fair value adjustment resulted in the carrying value of leased two way radio equipment being reduced by \$579,642 from \$679,642 to the expected recoverable amount of \$100,000.

<b>Lease Liabilities</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Maturity analysis - contractual undiscounted cash		
Less than one year	140	140
One to five years	490	521
More than five years	264	373
Total undiscounted lease liabilities as at 30 June:	<b>894</b>	<b>1,034</b>

Lease liabilities included in the Balance Sheet at 30 June:

Current	110	105
Non-current	663	773
Total lease liabilities	<b>773</b>	<b>879</b>

**Short-term and low value leases**

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

<b>Expenses relating to:</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term leases	35	81
Total	<b>35</b>	<b>81</b>

**Note 6 Assets we manage**

**6.1 Non-Current assets classified as held for sale**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Cost of land acquisition	439	-
Library Book Stock from wind up of Corangamite Regional Library Corporation	276	-
Total Non-current assets classified as held for sale	<b>715</b>	<b>-</b>

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Note 6 Assets we manage

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2020	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	At Fair Value 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	68,849	161	-	2,718	(1,574)	(17)	-	(439)	69,698
Plant and equipment	7,423	1,294	-	-	(1,525)	(168)	-	184	7,207
Infrastructure	271,076	7,638	617	13,735	(6,768)	-	-	6,362	292,659
Work in progress	8,383	837	-	-	-	-	-	(6,546)	2,674
	355,731	9,929	617	16,453	(9,868)	(185)	-	(439)	372,238

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	16	62	-	-	78
Plant and equipment	210	232	-	(184)	258
Infrastructure	8,157	543	-	(6,362)	2,338
Total	8,383	837	-	(6,546)	2,674

(a) Property

	Land - specialised	Land - non specialised	Land under roads	Total Land & Land Improvements	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	3,383	21,784	224	25,391	73,273	16,532	89,805	16	115,212
Accumulated depreciation at 1 July 2020	-	-	-	-	(39,307)	(7,040)	(46,347)	-	(46,347)
	3,383	21,784	224	25,391	33,966	9,492	43,458	16	68,865
<b>Movements in fair value</b>									
Additions	-	-	-	-	139	22	161	62	223
Revaluation	372	2,346	-	2,718	-	-	-	-	2,718
Disposal	-	(17)	-	(17)	-	-	-	-	(17)
Transfers	-	(439)	-	(439)	-	-	-	-	(439)
	372	1,890	-	2,262	139	22	161	62	2,485
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation	-	-	-	-	(1,338)	(236)	(1,574)	-	(1,574)
	-	-	-	-	(1,338)	(236)	(1,574)	-	(1,574)
At fair value 30 June 2021	3,756	23,674	224	27,653	73,412	16,554	89,966	78	117,697
Accumulated depreciation at 30 June 2021	-	-	-	-	(40,645)	(7,276)	(47,921)	-	(47,921)
	3,756	23,674	224	27,653	32,767	9,278	42,045	78	69,777

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Work in Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	11,175	10,570	1,350	210	23,305
Accumulated depreciation at 1 July 2020	(6,156)	(8,226)	(1,290)	-	(15,672)
	5,019	2,343	61	210	7,633
<b>Movements in fair value</b>					
Additions	1,171	-	123	232	1,525
Disposal	(653)	-	-	-	(653)
Transfers	-	-	184	(184)	-
	518	-	307	48	872
<b>Movements in accumulated depreciation</b>					
Depreciation and amortisation	(1,154)	(325)	(46)	-	(1,525)
Accumulated depreciation of disposals	485	-	-	-	485
	(669)	(325)	(46)	-	(1,040)
At fair value 30 June 2021	11,692	10,570	1,657	258	24,177
Accumulated depreciation at 30 June 2021	(6,825)	(8,551)	(1,336)	-	(16,713)
	4,867	2,018	321	258	7,465

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	268,669	17,884	28,501	35,604	9,821	8,157	368,634
Accumulated depreciation at 1 July 2020	(64,375)	(4,148)	(9,074)	(9,054)	(2,752)	-	(89,403)
	204,294	13,735	19,427	26,549	7,070	8,157	279,231
<b>Movements in fair value</b>							
Additions	3,799	1,503	406	1,687	243	543	8,181
Contributions	495	-	81	41	-	-	617
Revaluation	-	36,044	-	-	-	-	36,044
Transfers	-	74	-	6,085	203	(6,362)	-
	4,294	37,621	487	7,813	446	(5,819)	44,842
<b>Movements in accumulated depreciation</b>							
Depreciation and amortisation	(4,598)	(404)	(472)	(384)	(911)	-	(6,768)
Revaluation	-	(22,309)	-	-	-	-	(22,309)
	(4,598)	(22,713)	(472)	(384)	(911)	-	(29,078)
At fair value 30 June 2021	272,963	55,505	28,987	43,417	10,267	2,338	413,477
Accumulated depreciation at 30 June 2021	(68,972)	(26,862)	(9,545)	(9,438)	(3,663)	-	(118,480)
	203,991	28,643	19,442	33,979	6,604	2,338	294,997

**Note 6 Assets we manage**

**6.2 Property, infrastructure, plant and equipment (cont'd)**

*Acquisition*

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

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

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

**Note 6 Assets we manage**

**6.2 Property, infrastructure, plant and equipment (cont'd)**

**Land under roads**

Council recognises land under roads it controls at fair value.

**Depreciation and amortisation**

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

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

**Repairs and maintenance**

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

**Valuation of land and buildings**

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

As a part of councils assessment of the fair value of its assets there has been an indexation applied to the valuation of the Land category. The indexation is based on the Victorian Valuer Generals offices indices which for the past 3 years have increased by 11%. This index has been applied to Land - Specialised and Land - Non Specialised. The value of land under roads and land held for resale have been excluded.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level 2	Level 3	Revaluation Date
Land	-	23,674	-	30/06/2021
Specialised land	-	-	3,607	30/06/2021
Buildings	-	9,278	32,767	30/06/2018
Total	-	32,952	36,375	

**Note 6 Assets we manage**

**6.2 Property, infrastructure, plant and equipment (cont'd)**

**Valuation of infrastructure**

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

An index and condition based revaluation was conducted in the current year.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level 2	Level 3	Revaluation Date
Roads	-	-	203,991	30/06/2020
Bridges	-	-	28,643	30/06/2021
Footpaths and cycleways	-	-	19,442	30/06/2020
Drainage	-	-	33,979	30/06/2020
Other infrastructure	-	-	6,604	N/A
<b>Total</b>	-	-	<b>292,659</b>	

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

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

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

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

	2021	2020
<b>Reconciliation of specialised land</b>	<b>\$'000</b>	<b>\$'000</b>
Land under roads	224	224
Parks and reserves	3,756	3,405
<b>Total specialised land</b>	<b>3,980</b>	<b>3,629</b>

<b>Note 6 Assets we manage</b>	<b>2021</b>	<b>2020</b>
<b>6.3. Investments in associates, joint arrangements and subsidiaries</b>	<b>\$'000</b>	<b>\$'000</b>

**(a) Investments in associates**

Investments in associates accounted for by the equity method are:

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

**Corangamite Regional Library Corporation**

*Background*

The Corangamite Regional Library Corporation is a corporation owned by four (4) councils: Colac Otway Shire, Corangamite Shire, Moynce Shire and Warrambol City. Colac Otway Shire has a 29.54% equity interest. (2019/2020 24.04%.)

At the 30th June 2021 the Corangamite Regional Library Corporation has been wound up and disbanded on agreement of the four member councils, the result of this is shown below.

<b>Fair value of Council's investment in Corangamite Regional Library Corporation</b>	-	-
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus/(deficit) at start of year	426	375
Reported surplus/(deficit) for year	(44)	51
Transfers (to) from reserves	-	
Loss transferred on wind up of corporation	(382)	0
Council's share of accumulated surplus/(deficit) at end of year	<u>0</u>	<u>426</u>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	15	15
Transfers (to) from reserves	(15)	-
Council's share of reserves at end of year (based on population)	<u>0</u>	<u>15</u>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	441	390
Share of surplus/(deficit) for year	(44)	51
Share of asset revaluation	(15)	
Share of loss on wind up of corporation	(382)	
Carrying value of investment at end of year	<u>(0)</u>	<u>441</u>

**Significant restrictions**

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

**(b) Investments in joint ventures**

**Colac Community Library and Learning Centre**

*Background*

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

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

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

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

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

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

**Council's share of reserves**

Council is not entitled to a share of any reserves

**Movement in carrying value of specific investment**

Carrying value of investment at start of year	2,800	2,840
Depreciation	(40)	(40)
Carrying value of investment at end of year	<u>2,760</u>	<u>2,800</u>

**Council's share of expenditure commitments**

Council is not exposed to any further expenditure commitments.

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

There are no known contingencies outstanding as at 30 June 2021.

**Significant restrictions**

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



<b>Note 7 People and relationships</b>	<b>2021</b>	<b>2020</b>
<b>7.1 Council and key management remuneration</b>	<b>No.</b>	<b>No.</b>

**(a) Related Parties**

*Parent entity*

Colac Otway Shire Council is the parent entity.

*Subsidiaries and Associates*

Interests in subsidiaries and associates are detailed in Note 6.3.

**(b) Key Management Personnel**

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

<b>Councillors</b>	Councillor Kate Hanson (01/07/20 to 24/10/20 & Mayor 24/10/20 to 30/06/21)
	Councillor Chris Potter (01/07/20 to 30/06/21)
	Councillor Stephen Hart (01/07/20 to 30/06/21)
	Councillor Joe McCracken (01/07/20 to 30/06/21)
	Councillor Graham Costin (24/10/20 to 30/06/21)
	Councillor Margaret White (24/10/20 to 30/06/21)
	Councillor Jamie Bell (24/10/20 to 30/06/21)
	Councillor Jason Schram (Mayor 01/07/20 to 24/10/20)
	Councillor Brian Crook (01/07/20 to 24/10/20)
	Councillor Chris Smith (01/07/20 to 24/10/20)

**Chief Executive Officer and other Key Management Personnel**

Chief Executive
General Manager Corporate Services
General Manager Environment and Infrastructure Services
General Manager Development & Community Services

<b>Total Number of Councillors</b>	10	7
<b>Total of Chief Executive Officer and other Key Management Personnel</b>	4	4
<b>Total Number of Key Management Personnel</b>	<u>14</u>	<u>11</u>

**(c) Remuneration of Key Management Personnel**

<b>2021</b>	<b>2020</b>
<b>\$'000</b>	<b>\$'000</b>

Total remuneration of key management personnel was as follows:

Short-term benefits	1,047	1,027
Long-term benefits	19	19
Post employment benefits	111	72
<b>Total</b>	<u>1,177</u>	<u>1,118</u>

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

\$10,000 - \$19,999	4	-
\$20,000 - \$29,999	3	4
\$30,000 - \$39,999	2	2
\$60,000 - \$69,999	1	-
\$80,000 - \$89,999	-	1
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	-	2
\$210,000 - \$219,999	1	-
\$220,000 - \$229,999	2	-
\$230,000 - \$239,999	-	1
\$250,000 - \$259,999	1	-
	<u>14</u>	<u>11</u>

**(d) Senior Officer Remuneration**

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$151,000

The number of Senior Officers are shown below in their relevant income bands:

	<b>2021</b>	<b>2020</b>
Income Range:	<b>No.</b>	<b>No.</b>
\$70,000 - \$79,999	1	-
\$80,000 - \$89,999	1	-
\$150,000 - \$159,999	4	3
\$160,000 - \$169,999	2	-
\$170,000 - \$179,999	1	1
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	1	-
	<u>11</u>	<u>5</u>

Total Remuneration for the reporting year for Senior Officers included above, amounted to:	<b>1,702</b>	<b>831</b>
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<b>Note 7 People and relationships</b>	<b>2021</b>	<b>2020</b>
<b>7.2 Related party disclosure</b>	<b>\$'000</b>	<b>\$'000</b>

**(a) Transactions with related parties**

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

Employee benefit	52	46
Materials & Services	-	35
Other Expenses	-	6

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

Payments made to Corangamite Regional Library Corporation	846	727
Payments received from Corangamite Regional Library	11	1

All transactions Council enter into with related parties are undertaken on commercial terms, within Council Policy.

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

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

Accounts Receivable	-	-
Accounts Payable	-	2

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

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

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

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

**Note 8 Managing uncertainties**

**8.1 Contingent assets and liabilities**

**(a) Contingent liabilities**

**Superannuation**

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

**Financial Assurances**

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

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

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

**8.2 Change in accounting standards**

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

## Note 8 Managing uncertainties

### 8.3 Financial instruments

#### (a) Objectives and policies

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

#### (b) Market risk

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

#### Interest rate risk

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

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

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

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

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

#### (c) Credit risk

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

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

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

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

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

## Note 8 Managing uncertainties

### 8.3 Financial instruments (cont'd)

#### (d) Liquidity risk

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

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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

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

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

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

#### (e) Sensitivity disclosure analysis

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

- A parallel shift of + 0.25% and -0.25% in market interest rates (AUD) from year-end rates of 0.81%.

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

### 8.4 Fair value measurement

#### *Fair value hierarchy*

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

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

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

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

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

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

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

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

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

#### *Impairment of assets*

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

**Note 8 Managing uncertainties**

**8.4 Fair value measurement (cont'd)**

*Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

**8.5 Events occurring after balance date**

No other matters have occurred after balance date that require disclosure in the financial report.

**Note 9 Other matters**

**9.1 Reserves**

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>(a) Asset revaluation reserves</b>			
<b>2021</b>			
<b>Property</b>			
Land	16,529	2,718	19,247
Buildings	8,570	-	8,570
	25,099	2,718	27,817
<b>Plant and Equipment</b>			
Fixed plant, furniture and equipment	293	-	293
	293	-	293
<b>Infrastructure</b>			
Roads	140,676	-	140,676
Bridges	7,914	13,735	21,649
Footpaths and cycleways	7,697	-	7,697
Kerb and channelling	11,619	-	11,619
Drainage	14,833	-	14,833
	182,739	13,735	196,475
<b>Total asset revaluation reserves</b>	<b>208,131</b>	<b>16,453</b>	<b>224,585</b>
<b>2020</b>			
<b>Property</b>			
Land	16,529	-	16,529
Buildings	8,570	-	8,570
	25,099	-	25,099
<b>Plant and Equipment</b>			
Fixed plant, furniture and equipment	293	-	293
	293	-	293
<b>Infrastructure</b>			
Roads	109,441	31,235	140,676
Bridges	7,914	-	7,914
Footpaths and cycleways	7,311	386	7,697
Kerb and channelling	11,619	-	11,619
Drainage	14,341	492	14,833
	150,626	32,113	182,739
<b>Total asset revaluation reserves</b>	<b>176,019</b>	<b>32,113</b>	<b>208,131</b>

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

Note 9 Other matters

9.1 Reserves (cont'd)

(b) Other reserves

2021

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Carried Forward Projects	2,465	4,252	-	6,717
Port of Apollo Bay	565	1,339	(1,349)	555
Waste Management	2,307	3,089	(2,864)	2,532
Long Service Leave	2,652	3,175	(2,886)	2,941
Landfill rehabilitation (Alvie)	980	57	-	1,037
Recreational lands	892	150	-	1,042
Colac livestock selling centre	-	432	(554)	(122)
Rehabilitation	932	143	(35)	1,040
Plant replacement	1,856	1,766	(1,187)	2,435
Tirrengower Drainage Scheme	24	22	(23)	23
Unallocated Surplus	-	163	-	163
Water Saving Urban Design	44	-	-	44
Strategic Projects	602	80	-	682
Financial Assistance Grants received in advance	3,438	3,805	(3,438)	3,805
Disaster Recovery	6	-	-	6
<b>Total Other reserves</b>	<b>16,763</b>	<b>18,473</b>	<b>(12,336)</b>	<b>22,900</b>

2020

Carried Forward Projects	3,372	2,466	(3,373)	2,465
Port of Apollo Bay	2,022	1,499	(2,956)	565
Waste Management	2,004	3,199	(2,896)	2,307
Long Service Leave	2,572	332	(252)	2,652
Landfill rehabilitation (Alvie)	923	57	-	980
Recreational lands	768	124	-	892
Colac livestock selling centre	26	462	(488)	-
Rehabilitation	789	143	-	932
Plant replacement	2,441	1,591	(2,176)	1,856
Tirrengower Drainage Scheme	11	22	(9)	24
Local Government Financial Vehicle				
Sinking Funds	1,000	-	(1,000)	-
Water Saving Urban Design	-	44	-	44
Contingent Liability	500	-	(500)	-
Strategic Projects	382	220	-	602
Financial Assistance Grants received in advance	3,662	3,438	(3,662)	3,438
Disaster Recovery	2,155	-	(2,149)	6
<b>Total Other reserves</b>	<b>22,627</b>	<b>13,597</b>	<b>(19,461)</b>	<b>16,763</b>



**Note 9 Other matters**

**9.1 Reserves (cont'd)**

**Purposes for Reserves**

**Carried forward projects reserve**

This reserve is to recognise the funds allocated and received in prior financial periods that are committed to unfinished projects. This includes grants received in advance for specific projects and funds allocated from prior financial years for projects that are still incomplete at the end of the current financial year.

**Port of Apollo Bay reserve**

These funds are bound by an agreement with the Department of Transport concerning the operations of the Port of Apollo Bay and are the value of cash assets owed.

**Waste Management reserve**

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

**Long service leave reserve**

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

**Landfill rehabilitation (Alvie) reserve**

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

**Recreational lands reserve**

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

**Colac livestock selling centre reserve**

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

**Rehabilitation reserve**

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

**Plant replacement reserve**

This reserve is to fund the replacement of council's plant at the end of their useful lives. Inflows to the reserve accrue out of any plant operating surplus with the funds then being used for the changeover of plant.

**Tirrengower Drainage Scheme reserve**

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

**Local Government Financing Vehicle Sinking Fund**

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

**Unallocated Surplus reserve**

The purpose of this reserve is to set aside funds to match any unforeseen grant opportunities that arise post the setting of the budget.

**Water Saving Urban Design reserve**

Statutory reserve to be used for the construction of Future Water Quality Infrastructure.

**Strategic Projects Reserve**

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

**Financial Assistance Grants received in advance**

The purpose of this reserve is to set aside any Commonwealth Financial Assistance Grant funding received in advance of its intended allocation.

**Disaster Recovery reserve**

The purpose of this reserve is to set aside funds received in advance for use in the recovery of Disaster events. The reserve may only be used in accordance with the terms of the disaster relief funding agreements.

Note 9 Other matters	2021	2020
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	\$'000	\$'000
Surplus/(deficit) for the year	6,403	1,261
Revenue adjustment - impact of AASB 15 Revenue from Contracts with Customers	-	(1,153)
Landfill rehabilitation present value movement	(3,382)	-
Fair value adjustments for right of use assets	580	-
Depreciation/amortisation	9,987	10,944
Finance costs	88	137
Share of result of associate	44	(51)
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(183)	44
Wind up of Corangamite Regional Library Corporation	119	-
Contributions - non monetary assets	(617)	(728)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(649)	(55)
(Increase)/decrease in prepayments	(362)	104
(Increase)/decrease in accrued income	352	(160)
(Decrease)/increase in trade and other payables	2,933	1,722
(Increase)/decrease in inventories	60	(67)
(Increase)/decrease in trust funds & deposits	(244)	183
(Decrease)/increase in provisions	670	(145)
Net cash provided by/(used in) operating activities	<b>15,799</b>	<b>12,036</b>

### 9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Income Statement when they are made or due.

#### Accumulation

The Fund's accumulation categories receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2021, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

#### Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Colac Otway Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

#### Funding Arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

The vested benefit index (VBI) of the Defined Benefit category of which Colac Otway Shire Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

Net investment returns	5.6% pa
Salary inflation	2.5% pa for two years and 2.75% pa thereafter
Price inflation (CPI)	2.0% pa.

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefits category.

Vision Super has advised that the VBI at 30 June 2021 was 109.7%. The financial assumptions used to calculate this VBI

Net investment returns	4.8% pa
Salary inflation	2.75% pa
Price inflation (CPI)	2.25% pa.

The VBI issued as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Note 9 Other matters

9.3 Superannuation (cont'd)

**Employer Contributions**

**Regular Contributions**

On the basis of the results of the 2020 full actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

**Funding Calls**

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

**The 2020 interim actuarial investigation surplus amounts**

An actuarial investigation is conducted annually for the Defined Benefit category of which Colac Otway Shire is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigations identified the following for the Defined Benefit category of which Colac Otway Shire Council is a contributing employer:

	2020 (Triennial) \$'000	2019 (Interim) \$'000
A VBI surplus	100,000	151,300
A total service liability surplus	200,000	233,400
A discounted accrued benefits surplus	217,800	256,700

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2020.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

Council was notified of the 30 June 2021 VBI during August 2021.

**The 2020 interim actuarial investigation**

A interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021. Council was notified of the 30 June 2021 VBI during August 2021.

**Note 10 Change in accounting policy**

Council has adopted AASB 1059 Service Concession Arrangements: Grantors, AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material, and AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework, from 1 July 2020. These standards have not resulted in adjustments to the amounts recognised in the financial statements.

**a) AASB 1059 Service Concession Arrangements: Grantors**

*AASB 1059 Service Concession Arrangements: Grantors* applies to a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective in a public-to-private service concession arrangement.

Council did not operate any service concession arrangements on adoption of AASB 1059 Service Concession Arrangements: Grantors.

*AASB 1059 Service Concession Arrangements: Grantors* has not resulted in adjustments to the amounts recognised in the financial statements.

**b) AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material**

*AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material* refines the definition of 'material' in *AASB 101 Presentation of Financial Statements*. The amendments clarify the definition of 'material' and its application by improving the wording and aligning the definition across AASB Standards and other publications.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material has not resulted in adjustments to the amounts recognised or disclosed in the financial statements.

**c) AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework**

*AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework* makes amendments to the Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting by the AASB.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework has not resulted in adjustments to the amounts recognised or disclosed in the financial statements.

It is not expected that these standards will have any significant impact on Council.

## Performance Statement

For the year ended 30 June 2021

### Description of Municipality

Colac Otway Shire is situated about 160 kilometres south-west of the Melbourne CBD and approximately an hour's drive to the large regional cities of Geelong to the east, Ballarat to the north and Warrnambool to the west. Colac Otway Shire has a unique and precious natural environment containing some of the most picturesque scenery in the State. A large proportion is Forest Park and National Park but it also includes beaches, rugged coastline, rainforests, waterfalls, volcanic lakes and craters.

Our resident population is estimated at 21,662 as at 30 June 2020. The forecast through to 2041 is for growth of 23.39%, this significant increase is expected in part due to the completion of the dual highway to Geelong. The duplication opens up the region, making commuting an attractive option for both the local population and for those seeking a lifestyle change. With the attraction of affordable housing and great lifestyle, we are ideally located for those looking for a rural idyll within a comfortable commuting distance to major centres.

The five major industry sectors are (number of people)

- Manufacturing – 1,440
- Healthcare & Social Assistance – 1,341
- Agriculture, Forestry & Fishing – 1,284
- Retail Trade – 936
- Tourism – 876

In combination, these five industries employed 56.5% of the employed resident population. Colac Otway Shire Council provides 49 high quality services and facilities across a wide range of areas from, community services, environmental management, customer services, health and wellbeing, family and children's services, open spaces, waste management, tourism, parks and gardens; to business development, planning for appropriate development and ensuring accountability for Council's budget.

## Sustainability Capacity Indicators - For the year ended 30 June 2021

<i>Indicator / measure</i> [formula]	Results 2018	Results 2019	Results 2020	Results 2021	Comments
<b>Population Expenses per head of municipal population</b> [Total expenses / Municipal population]	\$2,341.46	\$2,539.11	\$2,577.70	\$2,527.05	
<b>Infrastructure per head of municipal population</b> [Value of infrastructure / Municipal population]	\$12,203.77	\$13,558.14	\$15,319.07	\$15,917.69	
<b>Population density per length of road</b> [Municipal population / Kilometres of local roads]	13.22	13.20	13.28	13.34	
<b>Own-source revenue Own-source revenue per head of municipal population</b> [Own-source revenue / Municipal population]	\$1,677.98	\$1,777.87	\$1,797.15	\$2,019.76	
<b>Recurrent grants Recurrent grants per head of municipal population</b> [Recurrent grants / Municipal population]	\$617.03	\$596.29	\$560.47	\$557.80	
<b>Disadvantage Relative Socio-Economic Disadvantage</b> [Index of Relative Socio-Economic Disadvantage by decile]	3.00	3.00	3.00	3.00	
<b>Workforce turnover Percentage of staff turnover</b> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	17.9%	17.3%	11.2%	12.0%	

### Definitions

“adjusted underlying revenue” means total income other than –

- (a) Non-recurrent grants used to fund capital expenditure; and
- (b) Non- monetary asset contributions; and
- (c) Contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

“infrastructure” means non-current property, plant and equipment excluding land

“local road” means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

“population” means the resident population estimated by council

“own-source revenue” means adjusted underlying revenue other than revenue that is not under control of council (including government grants)

**“relative socio-economic disadvantage”** in relation to a municipality, means the relative social-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

**“SEIFA”** means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its website

**“unrestricted cash”** means all cash and cash equivalents other than restricted cash



## Service Performance Indicators - For the year ended 30 June 2021

Service Performance Indicators <i>Service/indicator/measure</i>	Results 2018	Results 2019	Results 2020	Results 2021	Comments
<b>Aquatic Facilities</b> <b>Utilisation</b> <b>AF6 Utilisation of aquatic facilities</b> [Number of visits to aquatic facilities / Municipal population]	5.01	4.60	5.17	1.68	Bluewater Leisure Centre was closed for a total of 121 days due to COVID-19 restrictions in Victoria in the 2020/21 financial year. Additionally, when the centre reopened on multiple occasions, visitation to the centre was often limited due to COVID-19 restrictions. Further, Bluewater changed point of sale & membership software providers in October of 2020, data was not captured on casual or multipass visits to the centre from 1 July 2020 to 27 October 2020 (noting the centre was only open 20 days in July during this period due to COVID-19 closures).
<b>Animal Management</b> <b>Health and safety</b> <b>AM7 Animal management prosecutions</b> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	100%	100%	
<b>Food Safety</b> <b>Health and safety</b> <b>FS4 Critical and major non-compliance outcome notifications</b> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	94.74%	97.50%	90.00%	Result remains high despite a lower result than previous year.
<b>Governance</b> <b>Satisfaction</b> <b>G5 Satisfaction with council decisions</b> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	49	52	50	58	The increase in this measure compared to the 2019/20 result may be attributed to Council's response to the COVID-19 pandemic and public optimism towards the newly elected Council.

Service Performance Indicators Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Comments
<b>Libraries</b> <b>Participation</b> <b>LB4 Active library borrowers in municipality</b> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	16.04%	14.99%	15.45%	No Data	Unable to remove non-active borrowers from figures, advice from KYC is to remove figures and change to No Data.
<b>Maternal and Child Health (MCH)</b> <b>Participation</b> <b>MC4 Participation in the MCH service</b> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	70.85%	74.44%	55.23%	75.83%	Data cleansing has assisted in cleaning up old histories and bringing data back to previous years participation rates. We have also worked on our overdue KAS reporting which allowed us to contact and re-engage with some families.
<b>Participation</b> <b>MC5 Participation in the MCH service by Aboriginal children</b> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	66.67%	58.33%	55.26%	72.00%	Small numbers but the Maternal Child Health service has been participating in a new program to increase participation rates for Aboriginal children in early years services and emphasis on more active engagement.
<b>Roads</b> <b>Satisfaction</b> <b>R5 Satisfaction with sealed local roads</b> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	39	42	44	53	Rolling resealing program implemented 2019/20 and 100% Road Management Plan inspections completed, 85% rectified within timeframes.
<b>Statutory Planning</b> <b>Decision making</b> <b>SP4 Council planning decisions upheld at VCAT</b> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00%	0.00%	50.00%	0.00%	No Council decisions were set aside by VCAT.

Service Performance Indicators Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Comments
<b>Waste Collection</b> <b>Waste diversion</b> <b>WCS Kerbside collection waste diverted from landfill</b> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	47.79%	52.06%	60.38%	57.53%	

## Definitions

**"Aboriginal child"** means a child who is an Aboriginal person

**"Aboriginal person"** has the same meaning as in the *Aboriginal Heritage Act 2006*

**"active library member"** means a member of a library who has borrowed a book from the library

**"annual report"** means an annual report prepared by a council under sections 131, 132 and 133 of the *Local Government Act 1989*

**"class 1 food premises"** means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

**"class 2 food premises"** means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

**"critical non-compliance outcome notification"** means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

**"food premises"** has the same meaning as in the *Food Act 1984*

**"local road"** means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

**"major non-compliance outcome notification"** means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

**"MCH"** means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

**"population"** means the resident population estimated by council

**"target population"** has the same meaning as in the Agreement entered into for the purposes of the *Home Community Care Act 1985* of the Commonwealth

**"WorkSafe reportable aquatic facility safety incident"** means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*

## Financial Performance Indicators

For the year ended 30 June 2021

Dimension/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations and Comments
					2022	2023	2024	2025	
<b>Efficiency</b> <b>Expenditure level</b> <b>E2 Expenses per property assessment</b> [Total expenses / Number of property assessments]	\$3,279.64	\$3,546.50	\$3,609.44	\$3,500.51	\$3,395.64	\$3,363.63	\$3,414.90	\$3,483.71	
<b>Revenue level</b> <b>E4 Average rate per property assessment</b> [Total rate revenue (general rates and municipal charges) / Number of property assessments]	New in 2020	New in 2020	\$1,811.10	\$1,827.60	\$1,865.52	\$1,868.42	\$1,879.88	\$1,891.32	
<b>Liquidity</b> <b>Working capital</b> <b>L1 Current assets compared to current liabilities</b> [Current assets / Current liabilities] x100	254.66%	204.46%	178.40%	189.73%	145.12%	118.30%	77.93%	31.29%	Working capital is forecast to continually decrease over the coming years as increases in revenue are not sufficient to cover the increases in operating costs associated with delivering the current level of services. Council is reviewing its Revenue and Rating Plan and Long Term Financial Plan to address this concern.

Dimension/ <i>indicator/measure</i>	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations and Comments
					2022	2023	2024	2025	
<b>Unrestricted cash</b> <b>L2 Unrestricted cash compared to current liabilities</b> [Unrestricted cash / Current liabilities] x100	9.42%	119.98%	104.93%	93.11%	97.96%	80.76%	40.65%	4.55%	This indicator has continued to reduce and is forecast to reduce further, primarily due to increases in revenue not being sufficient to cover the increases in operating costs associated with delivering the current level of services. The 2020/21 result has been impacted by increased expenditure/reduced revenue resulting from the COVID-19 pandemic and average rate increases below the rate cap (2019/20: 0.5% compared to 2.5% rate cap; 2020/21: 0.5% compared to 2.5% rate cap), which is insufficient to meet increasing costs.  Council is reviewing its Revenue and Rating Plan and Long Term Financial Plan to address this concern.
<b>Obligations</b> <b>Loans and borrowings</b> <b>O2 Loans and borrowings compared to rates</b> [Interest bearing loans and borrowings / Rate revenue] x100	11.36%	8.92%	3.27%	2.31%	1.82%	0.00%	0.00%	0.00%	This indicator improved significantly in 2019/20 due to a \$1m bond repayment, which was taken under the Local Government Funding Vehicle in 2014. No new debt is forecast.
<b>O3 Loans and borrowings repayments compared to rates</b> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.79%	2.71%	5.74%	1.06%	0.55%	1.90%	0.00%	0.00%	This indicator improved significantly in 2019/20 due to a \$1m bond repayment, which was taken under the Local Government Funding Vehicle in 2014. No new debt is forecast.

Dimension/ <i>indicator/measure</i>	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations and Comments
					2022	2023	2024	2025	
<b>Indebtedness</b> <b>O4</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	30.33%	23.52%	27.14%	16.12%	23.56%	22.47%	21.26%	20.06%	Non-current liabilities reduced by \$3.5m in 2020/21 due to an independent expert assessment of Council's obligations for future restoration of ten closed landfill sites reducing the expected cost of works required by \$3.3m, which was recognised as revenue in 2020/21.
<b>Asset renewal and upgrade</b> <b>O5</b> <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	108.81%	97.61%	150.99%	147.79%	149.87%	151.98%	This indicator significantly reduced in 2020/21 due to a reduced capital works program and a one-off reduction in renewal projects. This reduction in renewal expenditure has been reallocated to support the community in the recovery from the COVID-19 pandemic.

Dimension/ <i>indicator/measure</i>	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations and Comments
					2022	2023	2024	2025	
<b>Operating position</b> <b>Adjusted underlying result</b> OP1 Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	0.97%	4.15%	-3.55%	7.60%	-2.10%	0.91%	0.35%	-0.62%	This indicator has improved in 2020/21 but is forecast to be in deficit by 2021-22, primarily due to increases in revenue not being sufficient to cover the increases in operating costs associated with delivering the current level of services. The 2020/21 result has improved by a reduction in the landfill restoration provision movement by \$3.3m and recognised as revenue, which is due to an independent expert assessment of Council's obligations for future restoration of ten closed landfill sites reducing the expected cost of works required. The result has also reduced by \$580,000 due to impairment of right of use assets relating to leased two-way radio equipment not able to be recovered from the supplier following voluntary liquidation. The 2020/21 result would have been 3.24% if this provision movement and impairment had not been recognised. Council is reviewing its Revenue and Rating Plan and Long Term Financial Plan to address this concern.

Dimension/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations and Comments
					2022	2023	2024	2025	
<b>Stability</b> <b>Rates concentration</b> <b>S1 Rates compared to adjusted underlying revenue</b> [Rate revenue / Adjusted underlying revenue] x100	58.51%	53.55%	58.39%	53.83%	62.97%	61.88%	61.72%	61.53%	This indicator has decreased due to a significant increase in adjusted underlying revenue in 2020/21. The 2020/21 figure includes a landfill restoration provision movement of \$3.2m and recognised in adjusted underlying revenue.
<b>Rates effort</b> <b>S2 Rates compared to property values</b> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.51%	0.46%	0.47%	0.44%	0.41%	0.42%	0.42%	0.43%	This indicator is forecast to continue to decrease as property values are expected to increase at a greater rate than rate revenue, which has been increasing below the rate cap (2019/20: 0.5% compared to 2.5% rate cap; 2020/21: 0.5% compared to 2.5% rate cap).



Retired indicators Service / indicator / measure	Results 2018	Results 2019	Results 2020	Results 2020	Comments
<b>Animal Management Health and safety AM4 Animal management prosecutions</b> [Number of successful animal management prosecutions]	6	4	Retired in 2020	Retired in 2020	This measure was replaced by AM7 from 1 July 2019.
<b>Efficiency Revenue level E1 Average residential rate per residential property assessment</b> [Residential rate revenue / Number of residential property assessments]	\$1,664.15	\$1,788.98	Retired in 2020	Retired in 2020	This measure was replaced by E4 from 1 July 2019.
<b>Obligations Asset renewal O1 Asset renewal compared to depreciation</b> [Asset renewal expense / Asset depreciation] x100	115.56%	125.63%	Retired in 2020	Retired in 2020	This measure was replaced by O5 in 1 July 2019.

#### Definitions

"adjusted underlying revenue" means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

- "**non-current assets**" means all assets other than current assets
- "**non-current liabilities**" means all liabilities other than current liabilities
- "**non-recurrent grant**" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan
- "**own-source revenue**" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants
- "**population**" means the resident population estimated by council
- "**rate revenue**" means revenue from general rates, municipal charges, service rates and service charges
- "**recurrent grant**" means a grant other than a non-recurrent grant
- "**residential rates**" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties
- "**restricted cash**" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
- "**unrestricted cash**" means all cash and cash equivalents other than restricted cash

## Other Information

For the year ended 30 June 2021

### 1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the *Local Government Act 2020*).

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the Council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 22 July 2020 and which forms part of the Council Plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.

## Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the *Local Government Act 2020*).



Amanda Barber CPA

Principal Accounting Officer

Dated: 27 October 2021

Colac

In our opinion, the accompanying performance statement of the Colac Otway Shire Council for the year ended 30 June 2021 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the *Local Government Act 2020*).

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify this performance statement in its final form.

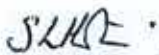


Cr Graham Costin

Councillor

Dated: 27 October 2021

Colac



Cr Stephen Hart

Councillor

Dated: 27 October 2021



Anne Howard

Chief Executive Officer

Dated: 27 October 2021

# Independent Auditor's Report

## To the Councillors of Colac Otway Shire Council

<p><b>Opinion</b></p>	<p>I have audited the accompanying performance statement of Colac Otway Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of the municipality for the year ended 30 June 2021</li> <li>• sustainable capacity indicators for the year ended 30 June 2021</li> <li>• service performance indicators for the year ended 30 June 2021</li> <li>• financial performance indicators for the year ended 30 June 2021</li> <li>• other information and</li> <li>• certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<p><b>Basis for Opinion</b></p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p><b>Councillors' responsibilities for the performance statement</b></p>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<p><b>Auditor's responsibilities for the audit of the performance statement</b></p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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MELBOURNE  
4 November 2021



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

# Acronyms and Definitions

<b>AMP</b>	Asset Management Plan
<b>CBD</b>	Central Business District
<b>CCTV</b>	Video surveillance in real time
<b>CEO</b>	Chief Executive Officer
<b>CFA</b>	Country Fire Authority
<b>COPACC</b>	Colac Otway Performing Arts and Cultural Centre
<b>CR</b>	Councilor
<b>COVID-19</b>	Coronavirus Pandemic
<b>DELWP</b>	Department Environment, Land, Water and Planning
<b>EDRMS</b>	Electronic Document and Record Management System
<b>EEO</b>	Equal Employment Opportunity
<b>EFT</b>	Equivalent Full Time
<b>EM</b>	Emergency Management
<b>EMT</b>	Executive Management Team
<b>EPA</b>	Environment Protection Agency
<b>FOI</b>	Freedom of Information
<b>G21</b>	Geelong Regional Alliance
<b>GIS</b>	Graphic Information System
<b>GORVIC</b>	Great Ocean Road Visitor Information Centre
<b>HEAL</b>	Healthy Eating and Active Living
<b>IBAC</b>	Independent Broad-based Anti-Corruption Commission
<b>ICT</b>	Information Communication Technology
<b>LG</b>	Local Government
<b>LGA</b>	Local Government Area
<b>LGPRO</b>	Local Government Professionals
<b>LMS</b>	Learning Management System
<b>MCH</b>	Maternal Child Health
<b>OHS</b>	Occupational health and Safety
<b>SLT</b>	Senior Leadership Team
<b>VAGO</b>	Victorian Auditor-Generals Office
<b>VCAT</b>	Victorian Civil and Administrative Authority
<b>VIC</b>	Visitor Information Centre
<b>VICPOL</b>	Victorian Police
<b>WAN</b>	Wide Area Network







# Contact us

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**Colac Customer Service Centre**

2-6 Rae Street, Colac

**Open:** Monday - Friday 8:30am - 5pm

**Apollo Bay Customer Service Centre**

100 Great Ocean Road, Apollo Bay

**Open:** 7-days a week, 9am - 5pm



**Colac Otway**  
SHIRE

For callers who have a hearing, speech or communication impairment, and for text telephone or modem callers, use our National Relay Service on 133677